

CHAPTER 3

CONSOLIDATED TAX CENTERS AND PROVIDING TAX ASSISTANCE SERVICES WITHOUT UTAS

Many installations, posts, and camps have ceased using UTAs in providing TAS, or changed the role of their UTAs, using them to publicize the services of the TAS. These TAS have expanded the operation of the Tax Center. These programs primarily offer computerized preparation of federal and state income. The staffing varies, but the Tax Officer generally serves as the Officer-in-Charge (OIC) of the Tax Center. Like any customer service operation, the success of the Tax Center is contingent upon a strong management structure. The supplementation of a Tax Officer by a civilian paralegal from the SJA Office or Legal Assistance Office is beneficial. Although the Tax Officer will generally change from year to year, the civilian paralegal can provide the continuity required for a successful program. NCO's are the backbone of the Army and a corps of strong NCO's is necessary to provide the structure and management of personnel assets at a Tax Center. The workhorses of a Tax Center are the special duty (SD) soldiers that are detailed to work in the Tax Center. Depending on the size of the military population, Tax Centers require the detailing of a handful of SD's to as many as fifty. Without command support in detailing SD soldiers, a consolidated Tax Center and TAS not utilizing UTAs is hollow. On a large installation, a significant corps of SD soldiers is imperative.

The assignment of SD personnel to a Tax Center should be from 01 January until 01 May each tax season as a minimum. It is preferable to have the assignment begin on 01 December so that these personnel can assist in preparing the Tax Center, assist in publicity campaigns, and work out "bugs" in the computer systems. The preparation of a justification outlining the specific need for the SD soldiers, and the ramification on the operation of a Tax Center if detailing does not occur is appropriate.

The training of SD personnel for the operation of a Tax Center is different from the standard VITA training for UTAs. The training of Tax Center personnel through the VITA program alone will be insufficient to get them ready to prepare taxes by computer in a Tax Center. Besides the normal VITA training, the Tax Officer must ensure that training with the computer software is a component of the tax training. In addition, before the tax season begins, Tax Center personnel should prepare various types of returns on the computer.

Any TAS struggles with efficient and effective ways to ensure quality. In a TAS that uses UTAs, the quality control problem is that there are possibly hundreds of UTAs preparing taxes that may not be properly reviewed for accuracy. In a consolidated Tax Center, the problem is similar. It is not uncommon for a large Tax Center to prepare and electronically file several hundred tax returns in one day. The Tax Officer and/or the Post Tax Coordinator must establish a quality control system to check electronically prepared tax returns for errors. (Errors can occur in not taking all possible deductions, credits, incorrect computation of expenses relating to rental property, improper calculation of gain on investments, etc.). The quality control system should involve an analysis of each return by comparing the client intake information sheet, prepared return, and electronic filing

documents. In addition, the Post Tax Coordinator or the individual that is transmitting the electronic returns must insure there are no errors with the “electronic” return (i.e., that all required data fields are completed properly as required by the IRS for the acceptance of an electronic return). An electronic filing program that fails to institute a good quality assurance program runs the risk of not only completing erroneous returns but also losing its electronic filing authorization from the IRS.

Customer service excellence should be the hallmark of the modern Tax Center. Many Tax Centers operate from 0900 to 2100 each weekday and a variety of hours on the weekend. The SD soldiers should be assigned shifts during the operating week. Obviously, the establishment of more computer terminals results in the performance of more tax preparation. However, each computer operator can only successfully maintain the pace during the tax season for a limited amount of time each day. Two shifts of SD soldiers each day may be required. It is not uncommon for the SD soldiers to work twelve-hour shifts during the first two weeks after opening, and during the last two weeks of the tax season. A NCO should be in charge of each shift.

A strong and knowledgeable NCOIC is imperative for a large Tax Center. The number of personnel assigned to a large Tax Center is equal in size to a small military company or unit. Many Tax Officers are relatively new Judge Advocates with little military experience. The soldierly skills of a well-seasoned NCOIC allow the Tax Officer to draw on those skills in dealing with the military personnel assigned to a Tax Center. Numerous soldier issues need to be addressed in coordination with the NCOIC such as physical training for Tax Center personnel, maintenance of soldier skills, and the feeding of soldiers in dining facilities or issuance of separate rations if there are conflicts with dining facility hours. Special Duty assignment orders need to specify what authority a unit has to recall a soldier for training or alerts. The NCOIC should act as a liaison with the SD soldiers' units to make sure they are not being tasked with additional duties besides the Tax Center. Typically, the SD orders specify that the unit can only recall the SD soldier for actual deployment, APFT, weapons qualification, and unit urinalysis.

The selection of personnel for assignment as SD soldiers to a Tax Center can provide outstanding personnel assets or provide a dumping ground for commanders to send their “problem children.” The SD tasking order should specify that the SD soldiers must be interviewed and accepted by the Tax Officer. Several installations have had success in gaining excellent personnel by packaging the detailing in a slightly different fashion. Quite often, units have soldiers that are within six to twelve months of retirement, ETS, or exit from the Army. Many of these soldiers are looking to expand their experience beyond traditional military specialties. Likewise, potential Tax Center personnel may exist in units awaiting a medical board or medical retirement. While these methods are quite often effective, the Tax Officer must make sure that the soldier will not retire or leave the Army until after the completion of the tax season.

Another option for staffing the Tax Center is with temporary employees if money can be obtained from the installation or command. This requires extensive planning and groundwork to get the requirement funded as part of the budget cycle, but many commands are willing to provide funds for temporary employees when they see the value of the services the Tax Center provides to the members of the community.

Volunteers are the heart of any Tax Assistance program and a Tax Center is no exception. A vigorous and early publicity campaign must be waged from October to December each year to solicit volunteers. Tax Centers have been pleasantly surprised by the quantity and quality of volunteers. It is not uncommon for a military spouse to volunteer that has tax preparation experience, but does not want to work full time in the civilian sector. Close coordination with Army Community Service and an installation Volunteer Office can assist the Tax Center in providing incentives for volunteers to work regularly in a Tax Center. Many installations offer free childcare at the Child Development Center for volunteers while they perform volunteer services. In addition, the volunteer can use the experience from a successful tax season as a stepping-stone to a job in the civilian sector.

An effective Tax Center should strive to have its doors open for operation on 02 January, and be prepared to file returns electronically on the first day allowed by the IRS. Many Tax Centers have arranged for the training of personnel in December so that an early January opening is possible. It is not uncommon for a military tax office to be the busiest in January, not April. Many young soldiers and young families receive refunds, and they are eager to get their money. An effective Tax Center is missing an excellent opportunity to provide services to these soldiers if it does not open for business until February.

The key to any tax assistance program is a successful advertising campaign. In operating a Tax Center, advertising and publicity is crucial to the success of the program. First, the Tax Center should be located in an area of post that has high visibility. Remember, commercial tax preparers are usually available convenient to, if not on, the installation. They aggressively advertise their services. Having the Tax Center located in an area of high visibility to the military community provides a simple method of advertisement. Similar to general advertising for the TAS, banners, flyers, newspaper articles, bulletin notices, signs, and installation television channels provide the military community of notice of not only the services provided, but also the location of the Tax Center. On some large installations, the Tax Officer has been successful in having the advertising specialist in the Morale, Welfare, and Recreation Divisions design professional advertisement packages. The advertisement should provide information on electronic tax filing and the wide variety of services available to the military community. The Public Affairs Office (PAO) generally provides outstanding support in publicizing the Tax Center, especially when they realize it is a command directed program. An aggressive Outreach Program by the Tax Officer can spread the word of the Tax Center to family support groups, units at Sergeant's Time, retiree groups, family child care provider meetings, etc. One advantage of a tax center is that the consolidation of all tax preparers at one location allows some personnel to specialize in certain types of returns. For instance, a tax return for a family childcare provider is different from most other returns. A preparer at the Tax Center that is familiar with the requirements can provide an outstanding service that is not found anywhere in the civilian sector.

By utilizing a consolidated tax center, UTAs do not have to sit through the 4-day VITA training or staff the Tax Center, but your installation may still find it useful to have UTAs appointed to publicize the Tax Center and provide basic tax information to members of their units. One

command has taken this approach and provides a one-day training class for its UTAs. The class presentation in PowerPoint format with notes is available at in the Legal Assistance Database of the JAGCNet (www.jagcnet.army.mil).

While the “old” TAS program is dependent on UTAs, the consolidated Tax Center relies on a strong corps of SD soldiers, temporary employees, volunteers, and automation. Computers and printers perform the vast majority of work at a Tax Center. On a large installation, ten to twenty computer stations are a minimum. The Tax Officer must ensure that the computers will be able to handle the software requirements of the electronic tax software. Laser printers are necessary to print the returns, but the Tax Officer can minimize the number of printers required by networking computers and connecting several of them to a few printers. A Tax Center will require its own copy machine. The Tax Officer should make sure that enough paper and toner are set aside before the tax season. Many SJA Offices are not prepared to support the vast quantities of supplies that a Tax Center will require. It is important to note that for each tax return prepared electronically approximately five to ten pieces of paper will be used. For example, a customer will have completed an intake information sheet and may also require the copying of LES's, POAs, and other documents. Each customer should also receive a complete copy of the prepared return and electronic filing documents. Finally, there are some electronic filing documents that must be sent to the IRS. All of this adds up to a lot of paper, copier, and printer toner, and other supplies being used.

It is impossible for each tax preparer in the Tax Center to be 100% competent on all aspects of tax preparation. During operating hours, the Tax Officer or other key Tax Center personnel should “float” throughout the Tax Center to assist preparers if they need assistance. The Tax Officer should maintain a list of common tax preparation errors, computer errors, and perform training sessions each morning before opening the Tax Center to improve the ability of each preparer. In addition, it is extremely helpful if there is one computer that has the prior year electronic tax software still loaded to prepare prior year returns and amended returns. Recent software changes and networking allow this information to be available on all networked computers. This reduces the need to maintain stockpiles of prior year forms and cuts down on “stubby pencil” preparation.

Almost every SJA Office has wrestled with the dilemma of where to locate a Tax Center. On a large installation, it is not practical to use the Legal Assistance Office or SJA Office as the Tax Center. On a large installation, it is not uncommon for hundreds of customers to enter a Tax Center each day. The Tax Officer must work with the command group to find a building with a good location and that possesses the attributes that will enable the Tax Center to function efficiently. The Tax Center must be large enough to have an area that can seat customers awaiting tax preparation. There must be a customer service desk where tax forms can be distributed and questions answered. As previously mentioned, a large installation needs ten to twenty computer workstations as a minimum to provide effective tax preparation. A proposed Tax Center needs to be large enough to position the workstations, and provide adequate electrical power to handle the workload. The Tax Center should contain some type of office where the Tax Officer and personnel that transmit tax returns can work in solitude and without distraction. The Tax Center should be arranged to accommodate its customers. Some Tax Centers have developed a children's playroom at the Tax Center. Other Tax Centers have developed a working program with ACS and the Child

Development Services to provide free childcare during tax preparation for families of enlisted soldiers having their taxes prepared at the Tax Center. The same accommodations that are made for a Legal Assistance Office waiting room should be made for the Tax Center. A television for the waiting room is appropriate. The Tax Officer must coordinate to make sure there are adequate desks, chairs, workstation dividers, racks for tax forms and pamphlets, etc.

There is no boilerplate SOP for a Tax Center to function on a daily basis. There are, however, some basic considerations the Tax Officer must keep in mind in establishing a workable SOP at the Tax Center. Like any customer service operation, it is imperative that each customer be immediately greeted upon entering a Tax Center. Customer Service personnel should be available to answer tax questions and triage the needs of the customer. Accurate statistics must be maintained on forms distributed, questions answered, and returns prepared. It is helpful to have the customer complete a short intake information worksheet to assist the tax preparer once the customer reaches the workstations. A sample worksheet is included in Chapter 5. These worksheets should help the customer service personnel ascertain what type of tax return the customer will file, and make sure that the customer possesses all necessary documentation (W-2's, direct deposit information, social security numbers, birth dates, itemized deduction information, POAs, etc.) before they reach the computer workstations. Once the customer completes an information sheet, customer service personnel should briefly interview them. The Customer Service personnel should make a rough determination of what type of return each taxpayer may be filing (1040EZ, 1040A, 1040, state return). The ability to quickly categorize the type of return before beginning return preparation allows the Tax Officer to designate certain tax preparers at stations for different types of returns. The Tax Officer can also make sure that the more difficult returns are being prepared by the more competent personnel. In addition, if one or more computer workstations are designated as "Express Lines" for the preparation of 1040EZ or 1040, the Tax Center can quickly process these returns and decrease waiting times. Some Tax Centers have implemented a system where taxpayers can drop off information (and appropriate documentation) for the preparation and electronic filing of a 1040EZ and return the next day to sign the pertinent forms. This eliminates the wait for 1040EZ filers at the Tax Center and decreases the congestion. Once returns are prepared on the computer, it is important to make sure that the customer receives a complete copy of all the prepared tax forms. Successful tax centers also provide the customer with a letter summarizing the service they have received and information about receipt of their refund. The Tax Officer must establish procedures to make sure that the Tax Center is obtaining and maintaining the required forms and documentation for electronic filing. In addition, the Tax Officer needs to make sure that required documentation is being forwarded to the IRS within the time suspense prescribed. There is also a requirement by the IRS to maintain electronic filing information for a period of time. The Tax Officer must ensure that the record maintenance requirements are being followed.

Many customers will come to the Tax Center to have their return prepared while their spouse watches their children or is at work. A system must be established where a return can be prepared, signed by the spouse at the Tax Center, and then the other spouse return to the Tax Center later (with proper identification) to sign the return for electronic filing. Finally, the Tax Officer must establish and maintain an effective method of maintaining statistics at each workstation to track all forms prepared.

A well-planned and managed Tax Center can accomplish an extraordinary amount of tax assistance, preparation, and electronic filing. The consolidation of a TAS in a Tax Center is continually evolving each tax season based upon the ingenuity of the Tax Officer and his staff. Tax Center personnel must be flexible to recognize the needs of its military community and be ready to adapt the TAS to provide customer service.