

CHAPTER 5

ELECTRONIC FILING OF FEDERAL INCOME TAX RETURNS

Providing electronic filing for federal income tax returns is one of the major components of tax assistance services at many installations. Electronic filing allows taxpayers to submit their returns electronically instead of filing a paper return with the Internal Revenue Service (IRS). According to the IRS, electronic filing promotes faster and more accurate return processing and quicker refunds.

To electronically file tax returns, legal assistance offices must have two components in place:

- a. A method of converting tax returns to electronic impulses--the tax preparation software; and
- b. A method of transmitting those impulses to the IRS--transmission capability.

Legal assistance offices desiring to participate in electronic filing must coordinate with Legal Assistance Policy Division. Each year, requirements are published for obtaining the software and participating in the electronic filing program. Every legal assistance office must have submitted IRS Form 8633, Application to Participate in the Electronic Filing Program. Legal assistance offices that previously participated in electronic tax filing do not have to submit a new Form 8633; **however**, if any information contained in the original application has changed, the new information and filing a revised Form 8633 should be coordinated with Legal Assistance Policy Division. If an electronic filing office desires to electronically file federal tax returns that include Form 2555, Foreign Earned Income, they will be required to electronically file the return with the IRS Andover Service Center. In addition, there may be specific requirements to participate in state electronic filing programs. Your tax program may choose to limit state electronic filing services to those states that are accepted by your IRS Regional Service Center.

The IRS annually publishes a handbook for use in electronic filing, Publication 1345, Handbook for Electronic Filers of Individual Income Tax Returns. It contains an overview of the electronic filing program; explanations of the application and acceptance processes; a description of electronic returns and how they are filed; and general information for use by electronic tax filers. It also contains Revenue Procedure 91-69, Obligations of Participants in the Electronic Filing Program for Form 1040, U.S. Individual Income Tax Return. This procedure tells electronic tax filers their obligations to the IRS and others once they begin participation in the program. Each electronic filing location is required by the IRS to have an Electronic Filer Identification Number (EFIN) with a primary and alternate point of contact with year round contact addresses. The primary or alternate point of contact is required to sign a Form 8453 (Authorization for Electronic Filing) for each return electronically filed. Original Form 8453 and attachments are forwarded to the IRS after a return is electronically filed and accepted by the IRS. Each electronic filing site is

required to maintain copies of Form 8453 with attachments for each return electronically filed until the end of the calendar year.

Electronic filing of tax returns is a valuable service for legal assistance clients; however, legal assistance offices must be careful to verify the taxpayers' documentation to ensure the return is accurate. The IRS monitors electronically filed returns for suspicious factors that may indicate a fraudulent return. According to information disseminated by the IRS, fraud attempts by individual taxpayers usually involve inflating legitimate expenses and deductions or filing several returns claiming refunds.

With electronic filing, taxpayers can elect to have their refunds deposited directly to a designated bank account. Before the refund check is deposited, however, the IRS checks to see if the taxpayer owes money to the government, such as for a defaulted student loan, child support arrearages, state tax debts, or prior year tax payments. If the taxpayer owes money, then the IRS uses the tax intercept program to take the refund and apply it toward the indebtedness.

Although seizure by the IRS of a refund does not directly impact upon tax assistance services, it does affect commercial tax preparers that offer refund anticipation loans to their customers. If the commercial tax preparer lends money to the customer and the refund is never deposited into the servicing bank's account, the lending institution will turn to the customer for repayment of the loan.

The IRS made some changes in the past several years that affect electronic tax filing. The IRS will check IRS records before a return is accepted for processing to verify that the Form W-2 contains a valid employer identification number. The IRS will validate the social security numbers of children listed on returns claiming the earned income credit before accepting a return for processing.

Electronic filing of federal income tax returns benefits many military taxpayers and is an important part of aggressive tax assistance services. Legal assistance offices are urged to emphasize its importance to the command and make it as widely available to the military community as possible.

CHAPTER 5 APPENDIX 1

ELECTRONIC FILING MANAGEMENT SUGGESTIONS

The information in this appendix was consolidated from several tax programs throughout the Army. The information is presented to assist tax programs in the establishment of an electronic filing program without “reinventing the wheel.” Some of the information in the appendix may not apply to every installation, post or station tax program. However, it can be used as a reference tool to see how other installations establish procedures for electronic filing programs.

INFORMATION HANDOUT TO CLIENTS REGARDING ELECTRONIC FILING

The following handout is written in a question and answer format, which meets IRS requirements in Pub 1345 for providing certain information to taxpayers concerning electronic filing. The purpose of the handout is two-fold: First it is used as a checklist when taxpayers are screened to determine if they have everything they need for tax preparation. Second, the handout is stapled with their file copy of the return as a reference in case the client needs the telephone numbers to check on status of return, address to mail payment, amendments, or for change of address information.

PLEASE REVIEW THE INFORMATION IN THIS HANDOUT CAREFULLY AND FILE IT IN YOUR RECORDS WITH YOUR TAX RETURN. IT CONTAINS INFORMATION YOU MAY NEED AFTER YOU FILE YOUR TAX RETURN.

ELECTRONIC FILING INFORMATION

1. What is electronic filing?

Electronic filing is a method which processes income tax returns electronically using computer software, and transmits the return via telephone lines directly to an Internal Revenue Service (IRS) computer.

2. What are the advantages of electronic filing?

Electronic filing can reduce the waiting period for a tax refund by as much as three weeks. The error rates for returns filed electronically are much less than for returns prepared manually. Filing your return electronically does not increase or decrease your chance of being audited.

3. Am I eligible to file my return electronically at the Income Tax Assistance Center (ITAC)?

If you answer YES to the following questions, you are eligible to file your return electronically. If you answer NO to any of the questions, you may not qualify to file your return electronically or may need to obtain additional information before you can file electronically. Check with the ITAC clerk if you have questions concerning your eligibility.

	Y E S	N O
Do you have all W-2s, 1099s, & supporting documents?		
If reporting sale of stocks or mutual funds, do you know the date of sale, date of purchase, sale price, and your cost basis?		
Do you have identification with you (military ID or driver's license)?		
Do you have all social security numbers, correct names, and dates of birth for spouse and dependents, exactly as they are shown on social security cards?		
If claiming childcare expenses, do you have childcare provider's SSN or employer ID number?		
If electing direct deposit of your refund, do you have written proof of account from your financial institution which shows routing transit and account numbers?		

4. What address should I use on my tax return and what happens if I move?

The address you use on your tax return becomes your "last known address" to the IRS. All future communications will be sent to you at this address. If you move, file IRS Form 8822,

Change of Address, with the service center where you filed your return. You should also submit a change of address with the post office to help forward your refund check.

5. Can I have my refund directly deposited into my savings or checking account?

Yes, but you must present proof of account issued by the financial institution. Acceptable proof is a check, form, report or statement generated by the financial institution which contains the account name, account number, name of financial institution or branch name, and routing transit number of the financial institution (nine numeric characters). The account must be a checking, share draft, savings or other consumer asset account held by a financial institution and established primarily for personal, family or household purposes. It cannot be a credit card account. A check "payable through" another financial institution is not acceptable proof of account (many credit union checks fall into this category). Some financial institutions do not permit deposit of a joint refund into an individual account. The IRS or the ITAC is not responsible if direct deposits are refused for this reason. Most financial institutions do not provide notification when a direct deposit is made into an account. You should check with your financial institution to verify that the deposit has been received. Once a return has been sent electronically, account information cannot be changed or recalled.

6. How will I know if my return was accepted by the IRS?

Most tax returns will be transmitted to the IRS Service Center located at XXXX, XX. Returns containing Form 2555 or 255E5Z will be transmitted to the Andover Service Center. Acceptance reports are normally received within 48 hours after transmission of your return. If your return is rejected, you will be notified by mail at the address you listed on your return and informed if you need to take additional action. We recommend that you contact the ITAC at XXX-XXXX to verify that your return was accepted.

7. When can I expect to receive my tax refund?

Usually within two to four weeks; however, the IRS does not guarantee a specific date that a refund will be received or deposited into your account or the anticipated amount of the refund. Direct deposits are generally received by financial institutions on Fridays.

8. Who should I contact if I do not receive my refund within four weeks?

You should contact the IRS Tele-Tax toll-free number by calling 1-800-829-4477 if your return was sent to the Austin Service Center. Call (978) 474-9486 if your return was sent to the Andover Service Center. You will need your Document Control Number and the date the return was accepted by the service center, which you may obtain by contacting the ITAC.

9. Can the IRS deny my direct deposit?

Direct deposits may not be honored if there are outstanding liabilities such as federal taxes, state taxes, student loans, child support or payments to state or other federal agencies on your tax account. If you have a balance remaining after the liability has been applied to your refund

amount, a check will be mailed to you at the address shown on your return. You must contact the IRS directly to find out the reason that your refund or direct deposit was not received.

10. Are there other reasons which may cause a delay in receiving my refund?

Yes, if you are filing a tax return using different names than last year (e.g., marriage, divorce, adoption) and have not filed a name change notice with the Social Security Administration, your return may be rejected or your refund delayed. Name change notices may be submitted at the Social Security Office at XXXXX B Avenue in XXXXXX, STATE and may take up to two weeks for processing. Your refund may also be delayed up to 12 weeks if you provide an incorrect account number or routing transit number for your direct deposit election. Refunds may be delayed if you file a tax return with a refund greater than \$300 and during the last six years at least one of your returns is listed as not filed. A refund may also be delayed, reduced, or received in two increments if you claim the earned income credit (EIC) and your return is selected for EIC verification. The IRS reserves the right to change a direct deposit to a mailed refund check.

11. Where can I obtain a loan against my tax refund?

The Department of the Army does not provide, nor endorse the loan services provided by any particular financial institution.

12. My return was filed electronically. I owe the IRS money. How do I pay the amount I owe?

Once your return has been accepted by the IRS for processing, you are responsible for making payment of the balance due by April 15. Several payment options exist:

a. You may mail your payment, along with Form 1040V, which was provided to you at the time you filed electronically, to: IRS, P.O. Box XXXXX, CITY, STATE XXXXX. Checks should be made out to "U.S. Treasury."

b. You may elect to have your payment debited from a checking or savings account, by providing your account information to your electronic filer. You may designate the date of payment.

c. If you want to make payment by using your American Express, Mastercard, or Novus credit card, call 1-888-2PAYTAX. A convenience fee for this service will be charged, based upon the amount of payment.

13. What if I cannot pay the amount I owe in full by April 15?

You may want to submit an installment agreement request by filing Form 9465 with your tax return. There is an IRS processing fee to set up an installment agreement. Ask the clerk assisting you for more information about installment agreements.

14. How can I amend my return after it has been filed electronically?

You must complete IRS Form 1040X and mail it to IRS, XXXX, STATE, XXXXX. Amended returns cannot be electronically filed.

15. How long should I keep a copy of my tax return?

You should keep copies of your tax returns and all tax-related documents, receipts, or evidence of deductions for at least three years from the date the return was filed.

16. How can I file my state income tax return?

Some tax returns may be filed electronically at the same time your federal return is filed. Ask the clerk assisting you if your state tax return is eligible for electronic filing.

17. Who should I contact if I need help with my taxes after April 15?

Tax assistance is available year-round at the Legal Assistance Office. Call XXX-XXX-XXXX to schedule an appointment.

CLIENT ELECTRONIC FILING QUESTIONNAIRE/INTAKE FORM

The following is a sample handout, which screens tax clients so that they can be directed to a tax preparer capable of handling whatever tax issues their return may present. It also helps alert the taxpayer to what forms and information he or she needs to bring to the tax center, as well as possible adjustments to income, deductions, or credits of which they are not aware. Finally, it brings up other issues that military taxpayers often have, such as combat zone extensions or exclusions and intercept of tax refunds by the IRS.

FORT BLANK TAX CENTER ELECTRONIC FILING QUESTIONNAIRE

**PLEASE READ THE FOLLOWING BEFORE SIGNING THE PRIVACY ACT STATEMENT
AND ANSWERING THE QUESTIONNAIRE.**

1. Army policy permits legal assistance to members of the Armed Forces on active duty and to other eligible individuals such as family members, retirees and their family members, and survivors of deceased active duty personnel and retirees. Legal assistance is provided at **NO COST** to you.
2. Legal assistance, however, is a privilege, not a right. You may be denied legal assistance for misconduct or other inappropriate behavior. Because of our office's high volume of tax returns, you may experience a delay in our preparing your individual return. We appreciate your patience.
3. Please print clearly. Any mistake can lead to a delay in receiving your refund. To provide the most efficient service possible, it is vital to have complete and correct information. **Social Security Numbers (SSNs) and names must match exactly Social Security cards or processing of your return and any refund will be affected.** Actual Social Security cards are preferred to avoid IRS rejection.
4. Make sure you have all of your W-2s, IRS Forms 1099s stating interest, dividends, capital gains, distributions from pensions & IRAs, unemployment compensation, or miscellaneous income. Amended returns cannot be electronically filed. To claim adjustments, credits, or itemized deductions, have receipts & totaled amounts. For child care credit, make sure you have the employee identification number (EIN) or SSN for the care provider. To claim a dependency exemption, a non-custodial parent should have IRS Form 8332 (Release of Claim to Exemption for Child of Divorced or Separated Parents), Separation Agreement or Divorce Decree.
5. Your tax return is ultimately **your responsibility**. Be sure to review your tax return before signing it. Ensure correct names, SSNs, and financial institution's routing and account numbers.
6. If you intend to electronically file and your spouse is not available to sign the return, make sure you have Power of Attorney specifically authorizing the preparation, signing, and filing of income tax returns. If you use the IRS Form 2848 (Power of Attorney and Declaration of Representative), it **does not** need to be notarized.

Data Required by the Privacy Act of 1974

AUTHORITY: 10 USC 3012, AR 340-18-4.

PRINCIPLE PURPOSE: To assist in preparation of federal income tax returns for electronic filing.

ROUTINE USES: The routine use of tax preparation worksheets is to provide the basic information necessary to prepare the client's federal income tax return for electronic filing.

DISCLOSURE: Voluntary Disclosure. Nondisclosure precludes electronic preparation and filing of the federal income tax return.

Date: _____ **Printed Name:** _____ **Signature:** _____

	FIRST NAME & MI	LAST NAME on Social Security Card	Social Security Number
1	TAXPAYER _____	_____	_____-_____-_____ - - -
	SPOUSE _____	_____	_____-_____-_____ - - -

Reminder: Social Security Numbers and full names must match exactly Social Security cards or your return will be affected

CURRENT MAILING ADDRESS: _____ CITY: _____
 STATE: _____ ZIP: _____ STATE OF RECORD: _____
 IS YOUR SPOUSE A _____ RESIDENT? YES NO

TELEPHONE NUMBERS: (If the IRS rejects your electronically filed return, our office will need to be able to contact you)

WORK: _____ HOME: _____ CELLULAR or PAGER: _____

E-Mail Address: _____

If you are scheduled to move or have a Permanent Change of Station within the next six months, provide your expected move/flight date _____ & mailing address/phone, if different from above. _____

Presidential Election Campaign Fund (Contribution to this fund does not affect return):

Do you want \$3 to go to this fund? Yes No If a joint return, does your spouse want \$3 to go to this fund? Yes No

AGE (as of December 31, 200X) or **Date of Birth** (Month, Day, Year): _____ Occupation: _____

Spouse's AGE (as of December 31, 200X) or **DOB** (Month, Day, Year): _____ Occupation: _____

Advise inprocessing desk if either taxpayer or spouse is legally blind

FILING STATUS: (Note: if you have a question as to filing status, please consult with the in-processing desk staff or tax preparer)

- _____ 1. SINGLE (unmarried on December 31, 200X)
- _____ 2. MARRIED FILING JOINT (married on December 31, 200X)
- _____ 3. MARRIED FILING SEPARATE (married on December 31, 200X)

CAUTION: If you file separately, you cannot take credits for earned income, child & dependent care expenses, and education.

(Spouse's name: _____ & Social Security Number: _____)

- _____ 4. HEAD OF HOUSEHOLD (on December 31, 200X, unmarried, or married living apart during **the last six months of the year**, with a child who qualifies as a dependent & not filing a joint return AND paid more than half the cost of keeping up a home that, for more than half the year, was the main home of a child or other qualified dependent OR an unmarried child who was not a dependent.)
- _____ 5. QUALIFYING WIDOW (taxpayer has dependent child, paid more than half cost of keeping up a home, widow(er) has not remarried, no more than two years have passed since year of spouse's death) (Date of spouse's death _____)

PERSONAL EXEMPTION: CAN YOUR PARENTS (or someone else) CLAIM YOU ON THEIR RETURN AS A DEPENDENT (they may be able to claim you if at the end of the year you were under 19 or under age 24 and a full time student)? YES NO

DIRECT DEPOSIT INFORMATION: If you want direct deposit of your refund, make sure you have a check with you so that we may confirm your bank's routing transit number. (Deposit slips, ATM cards & LESs may not have the necessary information)

DD Direct Deposit Information: Financial Institution: _____

Routing #: _____ Account #: _____ (circle) **CHK** or **SAV**

If the amount you owe or the amount you overpaid is large, you may want to file a new IRS Form W-4 with your employer (PAC for military) to change the amount of federal or state income tax withheld from your 200X+1 pay.

INCOME: (Circle answers applicable to you & spouse, and provide/attach appropriate documentation)

W2 DID YOU HAVE **WAGES, SALARIES, TIPS?** YES NO If yes, provide **Copy B of all W2s**

W2 DID YOU HAVE **STUDENT LOAN REPAYMENT BY MILITARY?** YES NO If yes, provide **Copy B of W2**

Int DID YOU HAVE BANK OR CREDIT UNION **INTEREST INCOME?** YES NO If yes, attach form(s) **1099-INT**

Div DID YOU HAVE **DIVIDEND** INCOME? YES NO If yes, attach form(s) **1099-DIV**

1099 DID YOU RECEIVE DISTRIBUTIONS FROM **PENSIONS, RETIREMENT, IRAs**? YES NO If yes, provide form(s) **1099-R**

99G/H19 DID you receive **REFUND OF STATE/LOCAL TAXES** & itemized prior year return? YES NO If yes, attach form(s) **1099-G**

3 DID YOU **RECEIVE ALIMONY**? YES NO If yes, provide total amount received for year: \$ _____

C WERE YOU/SPOUSE **SELF-EMPLOYED** IN 200X? YES NO If yes, attach form(s) **1099-MISC** & totaled income/expenses.

D DID YOU **SELL ANY STOCKS OR MUTUAL FUNDS**? YES NO If yes, attach form(s) **1099-B** & purchase date / basis

Roth DID YOU/SPOUSE **CONVERT A REGULAR IRA TO ROTH IRA**? YES NO If Yes, provide form(s) 1099-R and, if you had prior nondeductible contributions, attach prior year's form **8606s**

Taxpayer: \$ _____ converted, Pre-conversion basis \$ _____ Total nondeductible contributions before conversion \$ _____
Spouse: \$ _____ converted, Pre-conversion basis \$ _____ Total nondeductible contributions before conversion \$ _____

3 DID YOU/SPOUSE **CONVERT A REGULAR IRA TO ROTH IRA IN 1998 AND CHOSE TO SPREAD TAXABLE AMOUNT OVER FOUR YEARS**? YES NO If Yes, provide form(s) taxable amount from 1998 form 8606

D, if taxable DID YOU **SELL YOUR HOME** in 200X? YES NO If yes, indicate date of sale: _____. You may be able to exclude gain from sale of residence if you owned & lived in home at least 2 out of the last 5 years.

E & 4562 ARE YOU A **LANDLORD** WITH RENTAL INCOME/EXPENSES? YES NO If yes, attach totaled rent received, expenses, including form **1098** (Mortgage Interest Statement), & depreciation information

99G DID YOU RECEIVE **UNEMPLOYMENT COMPENSATION**? YES NO If yes, attach **1099-G** or amount \$ _____)

Misc **COMBAT ZONE:** DID YOU SERVE IN THE PERSIAN GULF OR IN THE QUALIFIED HAZARDOUS DUTY AREA OF BOSNIA, CROATIA, HERZAGOVINA, MACEDONIA, SERBIA/MONTENEGRO, ALBANIA OR THE ADRIATIC SEA, AND IONIAN SEA (north of the 39th parallel) IN 200X? YES No # Months Deployed _____ Redeployment Date: _____

ST DID YOU/SPOUSE WORK OUTSIDE THE MILITARY in 200X? YES NO

ADJUSTMENTS: (Circle answers applicable to you & spouse, and provide/attach appropriate documentation)

8606 DID YOU/SPOUSE CONTRIBUTE TO A **REGULAR** (not a Roth or Educational) 200X IRA OR INTEND TO CONTRIBUTE BY APRIL 16, 200X+1? YES NO (If yes, provide contribution amount for taxpayer (\$ _____) & spouse (\$ _____)). Note: Beginning in 1998, eligibility amount for IRA deduction increased. Also, although service members are covered by a retirement plan, their spouses not covered by a retirement plan can take full contribution.

4 DID YOU PAY **STUDENT LOAN INTEREST**? YES NO If yes, attach form 1098-E (Student Loan Interest).

4 DID YOU **PAY ALIMONY**? YES NO If yes, provide annual amount: \$ _____ & recipient's ssn: _____
Note: Child support payments are not alimony & are neither deductible by the payer, nor taxable to the payee.

3903 DID YOU/SPOUSE HAVE **UNREIMBURSED MOVING EXPENSES** (amounts in excess of DLA) in 200X? YES NO

ST **PUT ANY STATE SPECIFIC ISSUES HERE, SUCH AS IF THE STATE ALLOWS AN EXCLUSION FOR MILITARY (ACTIVE, RESERVE, OR NATIONAL GUARD) INCOME. YES NO**

CHILDREN & OTHER DEPENDENTS: *Reminder: SSNs and full names must match Social Security cards exactly*

2 # OF CHILDREN WHO LIVED WITH YOU: _____ # OF CHILDREN WHO DID NOT LIVE WITH YOU DUE TO SEPARATION OR DIVORCE THAT YOU CAN CLAIM AS EXEMPTION: _____ (Noncustodial parent should have IRS Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents; a Separation Agreement; or, Divorce Decree to claim exemption.) # OF OTHER DEPENDENTS: _____

Dependent's First & Last Name (Do not list spouse as dependent)	SOCIAL SECURITY NUMBER	RELATIONSHIP (ex., son, daughter)	# MONTHS IN HOME IN 200X	DATE OF BIRTH (Month, Day, Year)	S/D
_____	____-____-____	_____	_____	____/____/____	____
_____	____-____-____	_____	_____	____/____/____	____
_____	____-____-____	_____	_____	____/____/____	____
_____	____-____-____	_____	_____	____/____/____	____

Enter "S" for student or "D" for disabled in far right column above if dependent over 18 and either a student or disabled

OF CHILDREN WHO LIVED WITH YOU FOR WHOM YOU CAN NOT CLAIM DEPENDENCY EXEMPTION DUE TO SEPARATION OR DIVORCE: _____ (concerns Qualifying Child Status for Earned Income Credit)

CREDITS: The child tax credit is as much as \$500 for each qualifying child who was under age 17 at the end of 200X.

2441 **CHILD AND DEPENDENT CARE EXPENSES:**

PROVIDER'S NAME	ADDRESS	SSN/EIN
AMOUNT PAID		
_____	_____	_____
_____	_____	_____

NUMBER OF QUALIFYING CHILDREN WHO WERE CARED FOR IN 200X: _____

IF MARRIED FILING JOINT RETURN AND YOU HAD CHILD AND DEPENDENT CARE EXPENSES, WAS YOUR SPOUSE A FULL-TIME STUDENT (5 MONTHS OR MORE) OR NOT ABLE TO CARE FOR HIM/HERSELF? YES NO

8863 **EDUCATION CREDITS:** If you (or dependent) paid expenses in 200X for yourself, your spouse, or dependent to enroll in or attend the first 2 years of post-secondary education, you may be able to take the Hope Credit. Other students may qualify for Lifetime Learning Credit. To claim credit, attach form(s) 1098-T, list expenses paid \$_____ & circle: Hope Lifetime

ST PUT ANY OTHER STATE-SPECIFIC CREDITS HERE, SUCH AS THE HAWAII CREDIT FOR PURCHASING A CHILD PASSENGER RESTRAINT SYSTEM.

A **CHARITABLE CONTRIBUTIONS:** Provide preparer with totaled cash/check & non-cash/check gifts to charity.

8379 **OFFSET:** If married filing joint return, is one spouse obligated to pay federal debt or past due child/spousal support which the IRS may seek to offset against the refund? YES NO

5 **ESTIMATED PAYMENTS** DID YOU MAKE ANY ESTIMATED PAYMENTS? YES NO If yes, total: _____

**Thank you for using the Fort Blank Electronic Tax Filing Center.
Customer Satisfaction Surveys are available for any comments, complaints, or compliments.**

Lower portion to be completed by tax center staff.

System number: _____ Preparer's last name: _____

ELECTRONIC FILING STANDARD OPERATING PROCEDURES

The document that follows is a sample electronic filing SOP for an income tax assistance center. The intent of the SOP is to walk personnel through the process of signing in clients to completing the tax preparation and customer assistance.

INCOME TAX ASSISTANCE CENTER ELECTRONIC FILING PROCEDURES

1. The customer is greeted by front desk clerk, instructed to sign in at the log book and given a folder containing an information sheet and client survey. Ask the customer to present identification, which entitles him/her to receive assistance at the ITAC (military ID or retiree ID).
2. Front desk clerk will then scan the customer's return and ask appropriate questions from the electronic filing handout to determine if customer is eligible to file return electronically.
3. After customer has signed in and you have reviewed the return, place the return in folder, WITH INFORMATION SHEET, return folder to customer, and ask him/her to be seated in waiting area and review and complete the information sheet.
4. Electronic filing clerks will call taxpayers to computers for electronic filing using the sign-in book to call client **by rank and name**. DO NOT YELL. The electronic filing clerk will line through each name as the name is called. Persons who are not present when their name is called will be required to sign in again.
5. Refer to Taxwise handouts for guidance on data input for return.
6. After return has been completed and diagnostics conducted, have customer review it on the screen for accuracy, correctness of spelling of names and addresses, account information, etc.
7. Run the diagnostics. After correcting any errors, print the return.

Print the following copies:

- * One copy of the return and all accompanying schedules or forms
 - * client letter (two copies)
 - * Form 8453 – two copies
8. Have the customer review the 8453 and sign both copies. It is especially important that if the customer has direct deposit that he/she verify his/her account number and routing transit number. Customer must also write in his/her telephone number.
 9. You then sign the return. DO NOT fill in your social security number.
 10. Mark the 8453 at the top left corner with your computer number.

11. Assembling copies:

<u>CUSTOMER COPY</u>	<u>ITAC FILE COPY</u>	<u>IRS COPY</u>
Client letter	Form 8453 (photocopy) Copy of client letter	
Form 8453 (photocopy)	Proof of account	Form 8453 (original)
Complete return	Power of attorney, if used	Power of attorney, if used
W-2	W-2 (photocopies)	Other signature documents (8332, div decree, etc.)
ITAC handout	Copy of any signature documents (POA, 8332, Sch R, etc.)	

* On IRS Copy, all other documents are attached BEHIND the Form 8453 and stapled at top left corner.

12. Distribution of Copies:

IRS copy: placed in file box on your desk, FACE DOWN.
Do not keep anything else in this box.

ITAC copy: Hold until you clear returns for the day. Then take to statistics clerk office for filing. The status clerk will check all 8453 for required attachments.

Customer copy: Given to customer.

13. ***When Will I Get My Refund?*** If customer inquires about how long it will take to get the refund, do not make any promises. YOU CANNOT GUARANTEE TIME FOR REFUND. Simply say that it should take ABOUT three to four weeks if check is being mailed and ABOUT two to three weeks if refund is direct deposit. You may tell the client that direct deposits are generally made on Fridays only.

14. ***What if Customer Changes His/Her Mind and Leaves?*** If, for any reason, after you have entered taxpayer information in the computer, the taxpayer changes his/her mind and does not want to electronically file, does not have enough information, you do not have to delete the file from the computer. You must ensure, though, that you do not download that return for electronic filing. If you are running the ITAC on a network, any preparer can pull up the return and assist the customer when he or she returns. If there is not a network, the customer will have to return to the same preparer and computer to finish the return.

15. Tell the taxpayer to call the ITAC to verify if his/her return was accepted by the IRS about 48 hours after filing. Tell taxpayer if the return is rejected for any reason he/she will be notified by mail at the address listed on the return. Ensure that you have entered a daytime and home phone on the 8453 (written in) in case we need to contact the taxpayer to resolve a rejected return.

16. ***Customer Surveys:*** Ask the customer to complete the survey if desired and place in box at front desk.

17. Before you take another customer, ensure that original 8453 with supporting documents is placed in box next to your computer, face down; and that the ITAC file copy is maintained in a separate stack.

19. ***Clearing your computer prior to departing for lunch:*** Before you depart for lunch, turn in 8453s to XXX and have your computer cleared.

20. ***Rejected Returns:*** When a return is rejected for an error caused by data entry, the OIC will have the responsible electronic filing clerk aware of the error, so that it will not recur. Statistics are kept on number of rejects for purposes of providing percentages to IRS, NCOERs and award recommendations.

21. ***Mailing 8453s.*** The day after returns are accepted by IRS, all must be mailed to IRS. Stats clerk will assist the OIC in preparing 8453s for mailing.

22. AFTER YOU BECOME FAMILIAR WITH THESE PROCEDURES AND ESTABLISH YOUR ROUTINE FOR CREATING A RETURN, GET IN THE HABIT OF FOLLOWING THE SAME PROCEDURES EACH TIME. IN THIS WAY YOU WILL ENSURE THAT YOU DO NOT LEAVE OUT ANY NECESSARY STEPS.

23. Closing responsibilities

* Late shift responsible for replenishing paper in copier and printers; turning lights out, coffee pots off, door/windows secured, cleaning break area, and general building security.

* Front desk personnel and stats clerk are responsible for restocking forms carousels, publications, straightening waiting room area, and volunteer areas.

* Front desk personnel will give the OIC a daily count of number of personnel signed in, number of persons requesting forms only, and number of phone calls received each day.

* Everyone is responsible for cleaning up after themselves in break area and individual areas. Please be attentive to maintaining our facility. No cups or glasses without lids in offices with computers.

SAMPLE TAXWISE CLIENT LETTER

The following letter is one that can be entered into the TaxWise client letter form and is generated with every return filed at the tax center. Note that you can extensively customize this letter, filling in fields that include refund amount, approximate amount of fees saved by using the free tax center services, telephone and address for future contact, routing and account number for direct deposit of refund, and IRS toll-free number to check on status of the refund with the IRS.

INCOME TAX ASSISTANCE CENTER

DATE

DEAR [NAME OF TAXPAYER(S)]:

Thank you for choosing the [Fort Blank] income tax assistance center for electronic filing. The results of your federal income tax return are as follows: \$ [refund/payment amount].

By using our services, you have saved approximately \$[invoice amount] in fees you could have paid a commercial preparer for the same service. Please help us spread the word about our free services. Tell your friends and co-workers if you were pleased with the service you received here. If you were not pleased with the service, please let me know. we are continually looking for ways to improve the service we provide our customers.

We recommend that you call the tax center at [phone number] within two days to verify that your return was accepted by the internal revenue service. If your return is rejected, you will be contact by mail at [address from income tax return].

If you chose direct deposit of your tax refund to a checking or savings account, check with your financial institution to verify the date your refund is deposited. Refund delays can occur for several reasons. If any of your refund is based upon the earned income tax credit (EITC), that portion of the refund could be delayed and received at a later date by direct deposit or a paper check. Your tax return indicates that \$[amount of EITC] of your refund is based upon the EITC. You provided us with the following information concerning where to deposit your tax refund:

routing transit number of financial institution: [routing number]
account number: [account number]

Please note that the IRS does not guarantee the date that a refund or direct deposit will be received. If you do not receive your refund within four weeks, call 1-800-829-4477 to inquire about its status.

Again, thank you for choosing the [fort blank] income tax assistance center for your income tax return filing needs.

[name of tax officer]
chief, income tax assistance center

IRS REJECTION OF ELECTRONICALLY FILED TAX RETURNS

A sample form letter to clients whose tax return is rejected follows this page. It explains that additional information is required before the tax office can resubmit the return. The tax office also contacts taxpayers by telephone, but always sends the letter to the client. The tax office annotates in the Taxwise database the date a letter was sent, the date a message was left on the taxpayers answering machine, so that the tax office will have a trail of attempted contacts. If the taxpayer does not get in touch with the tax office for several weeks, and wants to know why he/she did not receive the refund, the tax office has backup.



DEPARTMENT OF THE ARMY

REPLY TO
ATTENTION OF:

Income Tax Assistance Center

Dear Taxpayer:

Thank you for choosing the Fort XXX Income Tax Assistance Center (ITAC) to electronically file your Federal income tax return.

The following action was taken concerning your return:

_____ **ACCEPTED on** _____ \$ _____ EIC: \$ _____.

_____ **RETURN REJECTED - 1ST/2ND NOTICE.**

- ___ Dependent SSN, name, or DOB does not match IRS records.
- ___ Spouse SSN or name does not match IRS records.
- ___ Taxpayer SSN or name does not match IRS records.
- ___ Dependent previously claimed by another taxpayer.
- ___ Employer ID number on W-2 does not match IRS records.
- ___ Return ineligible for electronic filing.
- ___ Other.

Additional information/correction is needed before your return can be submitted to the IRS. Please contact the ITAC to resolve this matter as soon as possible. *A rejected return is not considered filed with the IRS until it is retransmitted and accepted.*

_____ **WE HAVE NOT RECEIVED A RESPONSE TO OUR PREVIOUS NOTICES FOR ADDITIONAL INFORMATION. We are therefore unable to transmit your return to the IRS.** Your W-2 forms are attached. Please make other arrangements to file your tax return.

Please contact me at XXX-XXXX if you have questions concerning your return.

Sincerely,

XX

CUSTOMER SATISFACTION SURVEY

The following is a suggested format for a tax center Customer Satisfaction Survey. If you are trying to assess the effectiveness of a particular service or change in your tax center, you should add that to your survey.

**INCOME TAX ASSISTANCE CENTER
CUSTOMER SATISFACTION SURVEY**

Please take a moment to complete the following survey. Your honest and constructive responses will help us improve services to our customers.

How would you rate the service you received?

- Excellent
- Very Good
- Good
- Fair
- Poor

How would you compare this service with other tax services you used in prior years?

- Much better
- Better
- About the same
- Worse
- Much worse
- N/A

Please indicate how important you consider the location and amenities (comfort of waiting room, privacy during tax preparation, accessibility, etc.) to be at [Fort Blank's] tax assistance center.

- Very important
- Important
- Not important
- N/A

Please identify any clerk who was particularly helpful so he/she may be recognized: _____

Remarks: _____

Name: _____ (optional)

Date/Time: _____

Telephone: _____

ELECTRONIC FILING REQUIREMENTS 200X TAXWISE SYSTEM REQUIREMENTS

TaxWise 200X System Requirements

Preferred System:

- Pentium II 300 or faster
- Windows 98 (Windows 200X strongly recommended)
- 32 MB of memory (RAM) or more
- 60 MB of free hard disk space (more for large number of returns)
- Hi-speed CD-ROM drive
- 36600 BPS modem (Hayes compatible)
- Laser Printer
- Internet Access

Minimum System:

- Pentium, 75 MHZ
- Windows 95B
- 16 MB of memory (RAM)
- 60 MB of free hard disk space
- CD-ROM drive
- 14400 BPS Modem (Hayes compatible)
- Laser or Inkjet printer (Windows compatible)

Minimum requirements:

- Windows 95B or higher – *even to run TaxWise for DOS*
- A modem—*this is how federal updates, state software, and state updates will be delivered.*
- A CD-ROM drive for every computer where TaxWise will be installed
- A Windows-compatible laser or inkjet printer
- Internet access is strongly recommended—*the fastest way to obtain updates and state software will be through the UTS web site on the Internet.*

IRS E-FILE 200X REFUND CYCLE CHART

One of the questions taxpayers will most often ask is when they will receive their refunds after they have electronically filed their federal tax returns, whether they have requested their refunds as direct deposits to their bank accounts or via mailed paper checks. Each year, the IRS publishes an IRS *e-file* Refund Cycle Chart, Publication 2043. Based on the transmission date, the chart provides the date direct deposits will be made or paper checks will be mailed. The chart can be ordered from the IRS, and it is also available on the Internet in Adobe Acrobat (.pdf) format at http://www.irs.gov/forms_pubs/pubs.html.

ELECTRONIC FILING IN A DEPLOYED ENVIRONMENT

Although being in a combat zone or a qualified hazardous duty area may entitle military and civilian taxpayers to filing extensions, many, if not most, of them are entitled to refunds. Many service members want to file their tax returns as soon as possible so that they can receive their refunds quickly. There is nothing that prevents electronic filing from a deployed environment, as long as there are adequate computer and Internet capabilities to support the effort. With the advent of electronic filing via the Internet, a direct telephone line is no longer required, although it may still be used. For soldiers who are married and wish to have their spouses at home file their income tax returns, the tax center or legal assistance office can assist in preparing powers of attorneys. Other procedures for running a tax center are the same as those in garrison. The main difference may be the need to coordinate with Legal Assistance Policy Division to file the Form 8633 to obtain an Electronic Filing Identification Number (EFIN) and order a copy of the electronic filing software if taxes have not previously been electronically filed from that location.

Other unique challenges are coordinating VITA training and obtaining volunteer or special duty soldier support to run the tax center. These challenges are not insurmountable, though, and many tax centers have successfully operated in deployed environments all over the world. If you anticipate operating a deployed tax assistance center, after action reports from tax centers that have been set up during deployments are available from Legal Assistance Policy Division.

MISCELLANEOUS ELECTRONIC FILING MANAGEMENT SUGGESTIONS

The information that follows is a compilation of miscellaneous suggestions, in bullet comments, from several tax programs throughout the Army.

- Check a number of things on Form 8453 - signatures, POA attached, look at refund amounts vs. income amount to identify possible fraudulent returns or claims for EIC/head of household.
- Tax training for Special Duty (SD) personnel who staff some tax centers consists of the IRS VITA training and an additional week of hands-on training on Taxwise, electronic filing, and customer service. Some Tax Center OIC's create sample returns, many with errors programmed into the return, so that the clerks can practice problem solving. It is important to emphasize that the computer operators must be able to determine if the refund/balance due that Taxwise comes up with is correct or if what the taxpayer brings in is correct. If there is any discrepancy, the computer operator must go line by line, find the error, and be able to explain what is correct. For example, during training some SD's are given a completed return, W-2s, and on the completed return, numbers have been transposed. When the SD's enter the W-2 information in Taxwise, it does not match the return. The SD's must figure out where the error is. Each return created during training has a certain teaching point in the return. Also, as part of the training, the SD's conduct role-playing exercises, so they can get the "feel" of preparing a tax return with someone sitting there at their desk, watching every keystroke they make. Many SD's comment that the week of training is more valuable to them than the VITA training and gives them the confidence to deal with actual client situations they will encounter throughout the tax season. In addition, some tax programs conduct a block of instruction on customer service, which includes team-building exercises, a movie on customer service, and discussions on how to handle varying situations.
- Use blue ink for signatures on Form 8453. By doing this, it is much easier to determine original signatures on the 8453s to be mailed to the IRS. Often, it is difficult to determine whether 8453s are original signatures or photocopies when signatures are in black ink.

TRAINING SLIDES AVAILABLE ON JAGCNET

Throughout this chapter, there have been several references to training programs. There are several presentations available on JAGCNet, Legal Assistance Database, Tax Materials. They include an Air Force class entitled, “Conducting and Managing a Tax Assistance Program,” the PowerPoint presentation and outline for the annual TJAGSA Tax CLE called, “Tax Assistance Program Management,” and a class on electronic filing from Fort Sill, Oklahoma, entitled, “Introduction to Electronic Filing.”

CHAPTER 5, APPENDIX 2

ELF MANUAL: ELECTRONIC INCOME TAX FILING PROGRAM

The Navy publishes its own Electronic Income Tax Filing Program manual, the “ELF” Manual. The Navy has graciously consented to posting these materials on JAGCNet for use throughout the military community. The 26-page ELF Manual provides a comprehensive guide for operating a tax center, including quite a bit of practical advice, tables, contact phone numbers and addresses, and example. It was last updated in 200X+1. You can access it at <http://www.jagcnet.army.mil/LegalAssistance>, Tax Materials.

