CHAPTER 8

LEGAL ASSISTANCE POLICY DIVISION: TAX PROGRAM

MANAGEMENT INFORMATION AND REPORTING REQUIREMENTS

Legal Assistance Policy Division, Office of The Judge Advocate General (OTJAG) is responsible for overall management of the Army tax programs. As such, it coordinates electronic filing with the Internal Revenue Service, disseminates guidance on managing and operating tax centers, and gathers statistics from tax centers for reporting to higher headquarters. The Deputy, Legal Assistance Policy Division, is traditionally an attorney with an LL.M. in Taxation, and can be a great source of information if you encounter tough tax issues in the field.

TAX RETURN REPORTING

The Client Information System (CIS) is the program by which Legal Assistance Offices report all of their legal assistance statistics to Legal Assistance Policy Division. Tax statistics must be gathered and input into CIS throughout the tax-filing season. At the end of the tax season, a Tax After Action Report can be generated using the CIS. The following is a summary of tax return reporting requirements published by Legal Assistance Policy Division and available on JAGC Net. It is important that Tax Officers check JAGC Net often to obtain the most current information on statistics and reporting requirements, as well as price lists and other information that must be programmed into the electronic tax filing software.

Tax Return Reporting

Army Regulation 27-3, para 5-4, mandates that Tax Centers and Legal Assistance Offices maintain statistics and provide to OTJAG Legal Assistance Policy Division a report on how many tax returns were prepared and electronically filed during the tax season. Reports are due on 1 June 2001 for installations located in the continental United States and on 1 July 2001 for installations located outside of the United States.

This bulletin is designed to assist Tax Centers and Legal Assistance Offices properly setup and obtain the data necessary to complete the Tax After Action Report and what to do with this data.

Tax Reporting data is necessary to:

1. Report to the Installation Commander and OTJAG Legal Assistance Policy Division the number of eligible clients receiving tax services.
2. Report to the Installation Commander and to OTJAG Legal Assistance Policy Division the dollar value of tax services provided to eligible clients by the installation's Tax Center/Legal Assistance Office.
3. Report to the Internal Revenue Service (IRS) so that they (IRS) can determine if their electronic filing goals are being met and to justify IRS purchasing and distributing commercial tax software worldwide.

FACT: Combined, United States Military Tax Centers are the third largest tax-preparing agency in the country, with the Army consistently leading the way in the amount of returns prepared and electronically filed**.**

The management of tax data requires using two independent systems, TaxWise and the Client Information System.

TaxWise:
Tax Centers should download the price list and instructions that are posted ***JAGCNET:***
http://jagcnet.army.mil/JAGCNETIntranet/Databases/Legal%20Assistance/lalaw1.nsf/bd20b7a502addee7852568f500506f8c/3b5ed1146d76b167852569c10056635c!OpenDocument

This list is comprehensive and provides step-by-step instructions on how to incorporate the dollar values into TaxWise. Instructions can also be found on page 35 of the TaxWise 2000 Reference Manual, distributed on the TaxWise installation CD. The reference manual is also available on the TaxWise installation CD Rom as well as on JAGCNET @
http://jagcnet.army.mil/JAGCNETIntranet/Databases/Legal%20Assistance/lalaw1.nsf/bd20b7a502addee7852568f500506f8c/ac13c210da5b1b66852569d5004adf4e!OpenDocument

After entering the dollar saving/values for each tax form into TaxWise, the software will provide:

1. An **Invoice** for each return printed. This invoice will show each form prepared for the tax client and the total commercial value of the services received by the client.
2. TaxWise will also print out a **Taxpayer Information Sheet**. It contains personal data pertaining to the client such as dependents, etc. It is a great management tool that **can** contain all the information needed for the Tax After Action Report.

To generate a complete **Taxpayer Information Sheet,** first complete the **Main Info** form in TaxWise. The Main Info form collects information needed to prepare a tax return. Information on dependents, state residence, paper, or electronic filing selection, direct deposit information and more. At the very end of the form, is a management tool entitled **Preparer's Use** that consists of seven blocks.

By using the Preparer's Use blocks Tax Centers can manage data for the Tax After Action Report by using the first three blocks of this field.

In the first block, annotate the client's military branch by using a three or four letter code, (i.e., USA for Army, USAF for Air Force, etc.).

In the second block, make a notation of the client's status (e.g., Enlisted, Warrant, Commissioned, etc).

Use other Preparer's Use blocks for your office's management needs.

All data entered into these fields will relay to the **Taxpayer Information Sheet** mentioned above and to the **Military Preparer's Summary**, which is found in the **Database** toolbar of the TaxWise Program.

CLIENT INFORMATION SYSTEM **(CIS) 2.30:**
CIS version 2.30 is available from JAGCNet. Go to the JAGCNET download page: http://www.jagcnet.army.mil/downloads.

You may also get to the download page by selecting "DVLPRS/LAAWS XXI", then "LAAWS/DVLPRS Download Page" from the JAGCNet Intranet (http://www.jagcnet.army.mil/).

Record Management.
Tax Centers are highly encouraged, but not required, to use DA Form 2465, Client Legal Assistance Record (whether a hard copy or via CIS) to collect and maintain contact information for each client seeking tax assistance.

Data Entry:
Tax Centers should use CIS's **Mass Assistance – Tax Center** function to enter all tax data. This procedure is simple and can be found on page 28 of the CIS User's Manual, which is available on JAGCNET @ http://jagcnet.army.mil/JAGCNETIntranet/Databases/Legal%20Assistance/lalaw1.nsf/bd20b7a502addee7852568f500506f8c/4e07a4b86b25e19a85256967006a4612!OpenDocument

The Tax After Action Report:
The input form on CIS is in the format of the Tax After Action Report. No other information is required, although any unusual incidents or difficulties should be reported in a separate e-mail to mailto:otjagla@hqda.army.mil.

CIS users must enter a dollar value in the field named "***Tax Preparation and Electronic Filing Fees Saved.***" TaxWise will report this information if the recommended dollar values are entered as discussed above.

Remember, when reporting your installation's tax data via CIS, you report preparing the tax return in addition to reporting it for e-filing purposes. Remember that the number of returns prepared **will always be at least equal to or higher** than the number of tax returns e-filed.

Transmitting the Tax After Action Report to DAJA-LA:
Getting the Tax After Report to DAJA-LA is a simple CIS function. On the date that the report is due, transmit your report to DAJA-LA as shown in Chapter 5 (page 39) of the CIS User's Manual.

Please contact mailto:Danny.Fentress@hqda.army.mil if you have additional questions.

PRICE LISTS

Every year, the Legal Assistance Policy Division will publish a price list for input into Tax Filing software so that tax centers can capture the value of their services had taxpayers paid to have their returns prepared and filed by a commercial firm.

The following is the price list for the 2001 filing season and a list of suggested tax forms. Also included are the instructions on how to incorporate the dollar values into TaxWise 2000. Local offices are permitted and encouraged to alter the dollar value of tax services to reflect the amounts being charged by local tax preparers.

To enter the prices in TaxWise 2000, follow the below written instructions:

1. Open the TaxWise tax program.

2. CLICK on File.

3. Find Change Initial Forms and CLICK
You will see a screen title CONFIRM informing that " Any changes made will only affect subsequent new returns, Continue?" CLICK YES.

4. You will then see the screen that has all the forms located on TaxWise. Scroll across until you find PRICE. CLICK on PRICE, and then CLICK OK.

5. A screen will appear entitled 'CONFIGURE INITIAL REPORTS TO PRINT WITH RETURN(S), close this form by clicking on the X at the top right hand corner.

6. Your TaxWise screen will change, in the top left hand corner will appear CHANGE INITIAL FORMS with a red arrow pointing at it and the following forms appearing beneath it:

MAIN INFO
1040 PG1
1040 PG2
6251 PG1
6252 PG2
PRICE
RES/NR WKT
SUMMARY
Double click on PRICE.

7. A TaxWise form entitled "List of Charges for Tax Return Processing" will appear. Maximize the form and input the prices from the attached tax list in both Prepared by You and Not You" fields. Use whole dollar amounts. Input all required forms and close upon completion.

TAX SEASON 2001 PRICE LIST

FORM	**PRICE**	**FORMS**	**PRICE**
1040	40.00	8332	8.00
1040A	30.00	8379	10.00
1040ES	18.00	8396	16.00
1040EZ	30.00	8453	10.00
1040NR	33.00	8582, AMT	22.00
1040V	0.00	8582CR	6.00
1040X	30.00	8586	8.00
1045	35.00	8606	13.00
SCH-A*	26.00	8609, 8609A	11.00
SCH-B/SCH-1*	10.00	8611	13.00
SCH-C	36.00	8615	16.00
SCH-CEZ	20.00	8801	18.00
SCH-D	20.00	8812	15.00
SCH-E by prop+pg2	18.00	8814	11.00
SCH-EIC	23.00	8815	11.00
SCH-F	39.00	8820	0.00
SCH-H	20.00	8822	6.00
SCH-J	20.00	8824	25.00
SCH-R or SCH-3	12.00	8826	0.00
SCH-SE	11.00	8828	23.00
W-2	0.00	8829	20.00
W-2G	0.00	8830	0.00
1099G	0.00	8835	0.00
1099M	0.00	8839	22.00
1099R	0.00	8845	0.00
1116	28.00	8846	11.00
1310	6.00	8847	0.00
2106	22.00	8853	14.00
2210	14.00	8857	10.00
2210F	23.00	8859	20.00
2441 or SCH-2	14.00	8861	0.00
2555	44.00	8862	14.00
2688	1500	8863	14.00
2848	11.00	8867	8.00
3468	11.00	9465	13.00
3800	16.00	MISC WKSHTS	8.00

3903	15.00	SCH-A WKSHT	8.00
4136	11.00	FED/ST PMTS	8.00
4137	15.00	DEPR WKSHT	6.00
4255	13.00	SALES WKSHT	0.00
4562	24.00	IRA WKSHT	8.00
4684	19.00	K-1 WKSHT	8.00
4797	35.00	SCRATCH PAD	0.00
4835	24.00	STATEMENTS	0.00
4852	10.00	RAL APPLIC	0.00
4868	27.00	ERC APPLIC	0.00
4952	11.00	STATE APPORT	0.00
4970	22.00	RES STATE	25.00
4972	22.00	RES STATE	25.00
5329	16.00	NR STATE	25.00
5884	11.00	NR STATE	25.00
6198	16.00	PY STATE	25.00
6251	30.00	PY STATE	25.00
6252	22.00	IRA ROLLOVER	10.00
6478	0.00	STUDENT INT	8.00
6765	11.00		
6781	12.00		
8271	6.00		
8283	12.00		

*Box should be checked to charge only when used.