FACT SHEET for SPEC Employees
Minimum Returns Required for Tax Preparation Software

This fact sheet provides updates for employees to SPEC's policy on the minimum returns required for tax return preparation software.

Key Messages:

- IRS purchases tax return preparation software for VITA and TCE partners.

- Effective October 1, 2014, the minimum returns requirement policy for software will increase from 35 to 50.

- SPEC's policy change was driven by three key factors.

- Territory Offices will continue to have the ability to request exceptions for sites not meeting the minimum requirement.

- Territory Offices are required to submit a justification and plan of action to Area Office when requesting an exception.

Background: IRS purchase electronic return preparation and transmission software for SPEC VITA and TCE partners/volunteers to use in preparing and transmitting tax returns for low-to-moderate income, elderly, disabled, and limited English proficient taxpayers.

VITA and TCE sites that prepare a minimum number of accepted e-file returns during the prior fiscal year are eligible to receive electronic return preparation software. The current minimum requirement is 35 and has not changed for many years. Per IRM 22.30.1.4.2.11.1.4, *Tax Software Territory Responsibilities*, SPEC territory offices are responsible for ensuring qualified sites receive tax preparation software.

SPEC territory managers have the authority to provide software to sites where the minimum requirement was not met. When this happens, the territory manager is responsible for providing a written business justification to the area director and securing approval from the area office prior to placing the software order.

A change in current Minimum Returns Requirement Policy:
Effective October 1, 2014, the minimum returns requirement for software will increase from 35 to 50. This new policy applies to software orders placed for Filing Season 2016. Territories will use Filing Season 2015 production to determine if sites meet this minimum requirement.

Rationale for Change:
SPEC continues to improve the way it does business in order to achieve our mission and meet the needs of our customers. Three key factors influence this change:

- The current 35 minimum returns requirements for software does not reflect the increased cost of doing business;
- The importance of increased efficiency in VITA/TCE program due to budgetary and other resource constraints; and
- The emphasis on growth of the VITA/TCE program through IRS grants and Strategic Growth Initiative.

Territory Managers are required to submit a justification and plan of action to the area office when requesting an exception to the minimum software usage requirement.