

Publication 4491

VITA/TCE Training Guide

Volunteer Income Tax Assistance (VITA) / Tax Counseling
for the Elderly (TCE)

Volume 15 of 16

2023 RETURNS



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Completing the Return



Introduction

In this lesson, you will receive insights and information for concluding your interview with the taxpayer and completing the return.

Using the tools discussed in the Volunteer Resource Guide, Tab K, Finishing the Return, share the following with the taxpayers:

- What to file when a taxpayer moves
- When tax returns are due
- Getting an extension of time to file
- Which records/documents they should keep and why
- What documentation is maintained at the site – why, how long, etc.

- What they need to know and do if they overpaid their taxes (such as submitting a new Form W-4 to their employer to reduce the amount of withholding). See the Refund and Amount of Tax Owed lesson for additional information.
- What they need to know and do if they owe additional taxes (e.g., payment due date, estimated tax payments, and submitting a new Form W-4 to increase withholding). See the Refund and Amount of Tax Owed lesson for additional information.

These are important tasks to accomplish after the tax return is completed, quality reviewed, and ready to be filed. The way that you conclude the interview can impact taxpayers' attitudes toward the taxpaying experience and their satisfaction with the volunteer tax return assistance program. It can also make next year's tax preparation easier for

taxpayers and the volunteer who assists them.

Objectives

At the end of this lesson, using your resource materials, you will be able to:

- Determine where to file a return when a taxpayer moves
- Determine when a return should be filed
- Assist with getting an extension of time to file a return
- Assemble the taxpayer's copy of the tax return
- Identify the records the site maintains
- Explain to taxpayers which records they should maintain
- End the interview

What do I need?

- Publication 4012

- Publication 17
- Publication 730
- Form 1040-V

Optional:

- Form 8332
- Form 8879
- Form 9465
- Form 8822

What action should be taken when a taxpayer moves?

Taxpayers who changed their mailing address during the year should notify the IRS of the change on Form 8822, Change of Address, or use their new address when they file a tax return, give an oral notification or signed written statement to the IRS, or update their address with the U.S. Postal Service (USPS).

Taxpayers who move after filing a tax return should fill out and mail Form 8822 to the IRS service center based on the state where their returns were previously filed. The service centers' addresses are listed on page 2 of the form.



EXERCISES

ANSWERS are after the lesson summary.

Question 1: Tony, who is due a refund, filed his tax return from his home address in Florida on March 12. On March 30 he was transferred to Puerto Rico. Where should Tony submit his Form 8822, Change of Address?

- a. To the IRS service center for Florida
- b. To the IRS service center for Puerto Rico
- c. Either of the above

When should taxpayers file their returns?

Most individual tax returns cover a calendar year, January through December. Calendar-year taxpayers who live in the United States or Puerto Rico should file their individual tax returns by the April due date of the following year.



Taxpayers who have a balance due can pay by check, money order, electronic funds withdrawal, or credit card.



If the postal service does not deliver to the taxpayer's street address and the taxpayer has a post office box, enter the post office box number on the line for the present home address.

What are the extension requirements for taxpayers within the U. S.?

Taxpayers can receive extensions of time to file their returns. Different rules apply to taxpayers who live in the U.S. and those who live outside the U.S.

The IRS will charge interest on taxes not paid by the due date, even if an extension of time to file is granted. The only exception is when the combat zone extension applies. See *Military Finishing and Filing the Return*, later.

How does a taxpayer get an automatic extension?

Taxpayers living in the United States can receive an automatic six-month extension of time to file their federal tax returns.

To get the automatic extension, taxpayers must file Form 4868, *Application for Automatic Extension of Time To File U.S. Individual Income Tax Return*, by the due

date for their tax return (usually April 15). Calendar- year taxpayers who take the extension will have until October 15 to file their tax return.



There are three ways to request an automatic extension of time to file a U.S. individual income tax return.

See Form 4868 for details.

- *e-File Form 4868.*
- *Pay all or part of the estimated income tax due using Direct Pay, Electronic Federal Tax Payment System (EFTPS), or a credit or debit card. See "How to Make a Payment" on page 3 of Form 4868.*
- *File a paper Form 4868 with payment (optional).*

What are the extension requirements for taxpayers outside the U.S. and Puerto Rico?

Extension requirements for taxpayers living outside the United States and Puerto Rico differ from those who live inside the U.S. Refer to the Military Finishing and Filing the Return lesson for taxpayers who live outside the United States and Puerto Rico.

Will the taxpayer owe interest and/or penalties?

Although taxpayers are not required to pay the amount they estimate as due, Form 4868 does not extend the time to pay their taxes. If taxpayers do not pay the amount due by the regular due date, they will owe interest.

In addition, taxpayers may be charged a late-payment penalty if the amount of tax paid before the due date (from withheld taxes or estimated tax payments) is less than 90% of the actual tax owed.

If Form 4868 is filed late, the IRS will inform the taxpayer that the request was denied. For more details on penalties, refer to filing information in Publication 17.

Question 2: True or False? Interest is charged on the balance remaining after the due date of the return.

- a. True
- b. False

Question 3: Which of the following calendar-year taxpayers can receive an automatic six-month extension?

- a. Avery, who filed Form 4868 in February and chose to have the IRS figure his taxes
- b. Benton, who filed Form 4868 on April 15 and did not pay any portion of a balance due

- c. Calvin, who filed Form 4868 on April 20 and included a tax payment that was over 90% of what he owed
- d. None of the above

How does the taxpayer file the return after obtaining a filing extension?

When the tax return is actually filed, any payment that was submitted with Form 4868 should be entered on the applicable line for amounts paid with extension on Form 1040, Schedule 3.



For instructions on filing an extension using the tax software, go to the Volunteer Resource Guide, Tab M, Other Returns.

What is the Third Party Designee?

For taxpayers who want to allow a friend, family member, or another person to discuss their tax return with the IRS, the “Yes” box of the Third Party Designee area of the return

can be checked. You may see this situation in the case of an individual going overseas or elderly parents who wish to have their adult child handle their affairs. You will also need to enter the name, phone number, and any five numbers the designee chooses as their Personal Identification Number (PIN).

Volunteer preparers must never be designated as a third party designee. See Publication 17 for information on what the taxpayer is authorizing when designating a third party designee.

What are the rules for filing a return for decedents?

The personal representative must file the final income tax return for the year of death and any returns not filed for preceding years. If anyone other than the surviving spouse is filing the return, Form 1310, Statement of Person Claiming Refund Due a Deceased

Taxpayer, must be filed. A surviving spouse may have to file the returns for the decedent.

To make a claim, the decedent's representative must file:

- A tax return for each year a tax return has not yet been filed
- Form 1040X for each year an income tax return has already been filed.

If an individual died after the tax year, but before the return for that year was filed, the return for the tax year is not the final return; it is a regular return. The return for the year the taxpayer died will be the final tax return.



Bob died in February 2024. His 2023 tax return – due in April 2024 – is not the final tax return. The final tax return would be the 2024 Form 1040, filed in 2025.

The final tax return is due at the same time the decedent's return would have been due had the death not occurred.



For software entries related to filing a decedent's return, go to the Volunteer Resource Guide, Tab K, Finishing the Return.

For information on signing a joint return if one spouse has died or cannot sign the return, see Publication 17 Index, keyword: Signatures.



A person claiming a refund for a deceased taxpayer who is not the spouse must file Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer.

What is the Global Carryforward Consent form?

The last page of the Intake/Interview and Quality Review Sheet is Form 15080, Consent

to Disclose Tax Return Information to VITA/TCE Tax Preparation Sites, also called the global carryforward consent. When the taxpayer consents (both taxpayer and spouse must consent if MFJ), the software will pre-populate the next year's return with information that facilitates completing the next year's return, such as employer information from Forms W-2, payer data from Forms 1099, and capital loss carryforwards. The carryforward information will be available to any VITA/TCE site in the next year only. Signing the consent does not enable any site to access the prior year's return. Only the site that processed the original return has access to the prior year's return.

How do I prepare the taxpayer's copy of the tax return?

Volunteer tax assistance sites use tax software to create and e-file tax returns. Even so, taxpayers must retain paper copies of their returns. Follow the steps in the

Volunteer Resource Guide, Tab K, Finishing the Return, to prepare the taxpayer's copy. In general:

1. Use tax software to print the entire return, including all forms, schedules, and attachments, including any consent forms the taxpayer may have signed
2. Make sure the taxpayer names and Social Security numbers are correct
3. Assemble the taxpayer's copy:
 - Start with Form 1040 on top
 - Place each form, schedule, and attachment in the proper sequence, based on the sequence number shown in the upper right corner of the form
4. Show the taxpayers the printed copy of the tax return, verifying once more the name, SSN, ITIN, address, filing

status, dependents, income, expenses, deductions, credits, payments, and tax refund or balance due

Who keeps the records?

What forms should taxpayers keep?

Taxpayers must keep records to prove their income and expenses. If they own a home or investments, their records should contain information needed to calculate the basis of the property.

Advise taxpayers to keep a copy of the following documents for at least three years:

- Form 1040 with all forms, schedules, and attachments.
- All other tax-related documents, including Forms W-2 and 1099.

- If applicable:
 - Form 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent
 - Power of Attorney
- For e-file returns, taxpayers must also keep a copy of the signed Form 8879, IRS e-file Signature Authorization.

If Publication 730, Important Tax Records Envelope, or an alternative is available, place the return and supporting documents into that envelope.



Advise taxpayers to bring the tax records envelope to the site next year.

What tax return data will the site keep?

The site will keep the following data confidential and in a secure location until December 31 of the current year:

- A master backup disk containing all electronically transmitted returns unless the site is using an internet- based software.
- A master backup disk containing all electronically transmitted IRC 7216, Consent to Disclose and Consent to Use Notices, and Global Carry Forward Consent unless the site is using an internet based software.



The site is no longer required by IRS to retain signed copies of Form 8879.

How do I close the contact?

Before seeing taxpayers off:

- Ask taxpayers, "Do you have any questions before you leave?"
- If the taxpayer is expecting a refund, provide instructions about how to check on the refund status at [irs.gov](https://www.irs.gov) "Where's my Refund?"
- If the taxpayer has a balance due on the current or prior year return, provide information about various payment options and due dates.
- Advise taxpayers how to get answers to questions that may come up later.
- Encourage taxpayers to consider volunteering if they seem interested in learning more about tax preparation. Provide them with contact information or take their contact information, depending on your site's procedures.

- Ensure that you have the contact information needed to reach taxpayers in case there are any problems with e-filing the return.
- Thank taxpayers for using the service.
- Remind the taxpayer to take all of their tax records with them.

Does the taxpayer have to do anything else?

Give taxpayers a brief explanation of how the e-file process works:

- The Site Coordinator or designee transmits all the e-file returns.
- Taxpayers who change their mailing address during the year should notify the IRS of the change on Form 8822, Change of Address, use their new address when filing their tax return, send a signed written statement or call, or through

updating their address with the U.S. Postal Service (USPS).

- The Site Coordinator or designee receives an acknowledgment for each successful e-file, or a reject notice if there was a problem with the electronic file. The most common problem is a name or Social Security number that does not match IRS records.
- If the e-file is rejected, the Site Coordinator or designee will contact the taxpayer to resolve the problem, if necessary.
- If the return is not being e-filed, taxpayers must mail the signed copy of the tax return, along with a copy of all Forms W-2 and any Forms 1099 with withholding. Taxpayers who are filing a state return may need another copy of the return and Forms W-2. Make sure taxpayers know the correct address for mailing the return(s). Advise taxpayers

that the return must be postmarked by the April filing due date.

Summary

Properly completing a return, including a good quality review by a second certified volunteer, is essential before a return is filed.

Concluding the interview properly ensures that taxpayers have a complete record of the return, understand what will happen next, and know how to get answers to questions that come up later. If you handle the interview well, it can help taxpayers develop a more positive attitude toward the tax experience, which can foster greater accuracy in returns and timeliness in filing.

You should know how to complete and assemble the tax return and how to end the interview. The taxpayers should leave with instructions on:

- Which records the site is maintaining

- Which tax records they should maintain
- The additional action the taxpayer needs to take and the timeline for such action, such as when the return is put on extension



To gain a better understanding of the tax law, complete the practice return(s) for your course of study using the Practice Lab on L<.



EXERCISES Answers

Answer 1: a. Because he already filed his return from his previous address, Tony should submit Form 8822 to the service center for his previous address.

Answer 2: a, True. If the tax is paid after the regular due date, interest is charged from the regular due date to the date the tax is paid.

Answer 3: b. To get the extension, taxpayers must file Form 4868 by the return's due date. They do not have to pay their tax when submitting Form 4868, but they will owe interest on any tax not paid by the due date.

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Military Finishing and Filing the Return



Introduction

This lesson will help you address special filing concerns of members of the U.S. Armed Forces. To do this you need to determine where and when to file a federal tax return, who qualifies for a deadline extension, and who qualifies for special tax benefits.

Objectives

At the end of this lesson, using your resource materials, you will be able to:

- Identify the special tax filing concerns of members of the Armed Forces

- Describe the extensions to file that are available for members of the Armed Forces
- Determine the effect on taxes of being in a combat zone
- Identify the tax forgiveness provisions related to military or terrorist actions

What do I need?

- Form 13614-C
- Publication 4012
- Publication 3
- Publication 17
- Form 1040
- Form 2848
- Form 4868
- Form 8822

Optional:

- Form 1040 Instructions

Where and when should members of the Armed Forces file their returns?

Where should members of the military file their returns?

Members of the Armed Forces should send their federal returns to the service center based on where they currently live. Refer to the Form 1040 Instructions for the appropriate address.

The address may be different depending on whether the taxpayer encloses a payment or if the military member is stationed overseas with an APO or FPO address.



Many military facilities have a Volunteer Income Tax Assistance center that will e-file tax returns.



Sergeant Kane, who is stationed in Maine but whose permanent home address is in California, should send her federal return to the service center for Maine.

When should members of the military file their returns?

Special rules apply to members of the Armed Forces in combat zones as discussed below. All other members of the Armed Forces are subject to the normal rules of when to file a return as discussed in the Completing the Return lesson.

What action should be taken when a member of the Armed Forces moves?

Taxpayers who changed their mailing address during the year should notify the IRS of the change on Form 8822, Change of Address, or use their new address when they file a tax return, give an oral notification or signed

written statement to the IRS, or update their address with the U.S. Postal Service (USPS).

Taxpayers who move after filing a tax return should fill out and mail Form 8822 to the IRS service center based on the state where their returns were previously filed. The service centers' addresses are listed on page 2 of the form.

What do members of the Armed Forces need to know about getting a refund or having an amount of tax owed on their returns?

Members of the Armed Forces you assist may be entitled to a refund or owe tax. In either case they have several choices on how to get their refund or pay the amount they owe. It is important that volunteers are familiar with those choices to better help taxpayers understand their refund and payment options. This information was covered in the Refund

and Amount of Tax Owed lesson. Refer to that lesson to review these options.



See Publication 3, Armed Forces Tax Guide, which is a helpful resource for those assisting members of the Armed Forces.

What are the extension requirements for taxpayers outside the U.S. and Puerto Rico?

Extension requirements for taxpayers living outside the United States and Puerto Rico differ from those who live inside the U.S.

Who qualifies for an automatic two-month extension?

U.S. citizens and resident aliens are allowed an automatic two-month extension to file their return if they are:

- Living outside the U.S. and Puerto Rico on the due date of the return, and their main

place of business or assigned post of duty is outside the U.S. and Puerto Rico

- Members of the Armed Forces on duty outside of the U.S. and Puerto Rico on the due date of the tax return

Although calendar-year taxpayers in this situation don't have to file or pay until June 15, they will owe interest charged from the April due date to the date the tax is paid. Form 4868 is not required to obtain this automatic two-month extension to file.

Traveling outside the United States and Puerto Rico on the due date does not qualify the taxpayer for an automatic two-month extension.

What must taxpayers attach to their return?

Taxpayers using the automatic two-month extension must attach a statement to their return stating that they meet the

requirements previously discussed in the section “Who qualifies for an automatic two-month extension” above.

What is the extension rule for married taxpayers?

For married taxpayers who file jointly, only one spouse needs to meet the requirements to take advantage of the automatic extension to June 15.

For married taxpayers who file separately, only the spouse who meets the requirements qualifies for the automatic extension. If both spouses meet the requirements, each may take advantage of the extension.

How can a taxpayer request an additional extension?

Taxpayers who live outside the U.S. and Puerto Rico and whose main place of business or assigned tour of duty is outside the U.S. and Puerto Rico can also request an additional

extension by filing Form 4868 by the automatic extension date of June 15 and checking the “out of the country” and a U.S. citizen or resident box. The due date will then be extended to **October 15**.



EXERCISES

Question 1: Which of the following calendar-year taxpayers has until June 15 to file a tax return? (Select all that apply.)

- a. Weston, who files a joint return with his wife, Sheila. She was stationed in the Philippines from January through May, and they paid their taxes by credit card on April 2.
- b. Lilly, who lives in Mexico from January through April working for a company, returning to her main business in Texas on May 1.

- c. Dwayne, who was stationed in South Korea from July 1 through January 31.
- d. None of the above.

Question 2: Pvt. Franklin, a U.S. citizen, is a calendar-year taxpayer. What would the due date be for him to file a return if his assigned tour is in Puerto Rico?

- a. April 15
- b. June 15
- c. June 16

How should the IRS be notified about combat zone service?

The IRS works with the Department of Defense to identify taxpayers who are serving in a combat zone. This may allow the IRS to suspend compliance actions, such as audits or enforced collections, until 180 days after the taxpayer has left the zone.

Taxpayers qualifying for such combat zone relief may also notify the IRS directly of their status through a special e-mail address: **combatzone@irs.gov**. They should provide name, stateside address, date of birth, and date of deployment to the combat zone. They should not include any Social Security numbers in an

e-mail. This notification may be made by the taxpayer, spouse, or authorized agent or representative.

The IRS cannot provide tax account information by e-mail. The IRS will send responses to any questions about the taxpayer's account by regular mail to the address on record for the person, within two business days. The IRS may provide general answers to questions regarding the status of individual combat zone updates via e-mail.

What are the tax options for combat zone participants?

For members of the Armed Forces serving in a combat zone or qualified hazardous duty area, the deadline for filing tax returns, paying taxes, filing claims for refunds, and taking other actions with the IRS is automatically extended.

The deadline for taking action with the IRS is extended 180 days after the later of:

- The last day in a combat zone/qualified hazardous duty area
- The last day of any continuous hospitalization for injury from service in a combat zone or qualified hazardous duty area

In addition to the 180-day extension, the deadline is also extended by the number of days that were left to take the action with the IRS when the taxpayer entered a combat

zone (or began performing qualifying service outside the combat zone). For example, the taxpayer has 3 1/2 months (Jan. 1 - April 15) to file the tax return. Any days left in this period when the taxpayer entered the combat zone (or the entire 3 1/2 months if they entered it before the beginning of the year) are added to the 180 days.

Generally, spouses of individuals who served in a combat zone are entitled to the same deadline extension. There are two exceptions:

- Any tax year beginning more than two years after the date the area ceases to be a combat zone
- Any period the qualifying individual is hospitalized in the U.S. for injuries incurred in a combat zone In these instances, the extension does not apply to a spouse.



Captain Chloe Maple, a resident of Maryland, entered a combat zone on December 1, 2020. She remained there through March 31, 2022, when she departed for the United States. She wasn't injured and didn't return to the combat zone. The deadlines for filing Captain Maple's 2020, 2021, and 2022 returns are figured as follows:

- The 2020 tax return. The deadline is February 11, 2023. This deadline is 317 days (180 plus 137) after Captain Maple's last day in the combat zone (March 31, 2022). The 137 additional days are the number of days in the 3½-month filing period that were left when she entered the combat zone (January 1–May 17, 2021).*
- The 2021 tax return. The deadline is January 13, 2023. The deadline is 288 days (180 plus 108) after Captain Maple's last day in the combat zone (March 31,*

2022). The 108 additional days are the number of days in the 3½ month filing period that were left when she entered the combat zone (January 1–April 18, 2022).

- *The 2022 tax return. The deadline isn't extended because the 180-day extension period after March 31, 2022, plus the number of days left in the filing period when she entered the combat zone (108) ends on January 13, 2023, which is before the due date for her 2022 return (April 18, 2023).*

Publication 3 provides additional information for combat zone extension of deadlines.

Question 3: If a member of the Armed Forces served in a combat zone from December 30, 2022 through May 31, 2023 and was not injured, the deadline for filing a 2022 tax return would be extended by how many days?



Request or download Publication 3 if you prepare returns at a military site. There are many special provisions that apply to service personnel and this publication is a valuable reference.

What are other tax options for combat zone participants?

Other situations that count as time served in a combat zone or qualified hazardous duty area are:

- Missing status such as missing in action or prisoner of war time counts as time served
- Support personnel including Red Cross, accredited correspondents, and civilian personnel acting under the direction of the Armed Forces
- Hospitalization outside the U.S. and up to five years of hospitalization in the U.S. as a result of an injury while serving in a combat zone or a contingency operation

When can taxes be deferred?

Reservists called to active duty and enlistees in the Armed Forces might qualify for a deferral of taxes owed if they can show that their ability to pay taxes was affected by their military service. The Service Members Civil Relief Act provides this benefit. The act covers active duty members of the military services and commissioned officers of the uniformed services.

What are rules for deferment?

The deferral is not automatic; a taxpayer must apply for it. A taxpayer must have received a notice of tax due, or have an installment agreement with the IRS, before applying for the deferral. When applying, the taxpayer must:

- Be performing military service, and

- Show how the member's ability to pay the income tax has been materially affected by military service

The IRS will review each request and advise the taxpayer in writing of its decision. The service member will then be allowed up to 180 days after termination or release from military service to pay the tax. If the tax is paid in full by the end of the deferral period, no interest or penalty will be charged for that period.

Can other parties assist with a tax return?

If a taxpayer wants a third party designee to discuss a tax return with the IRS, the "Yes" box in the Third Party Designee area of the return must be checked. Also, the taxpayer must provide the designee's name, phone number, and any five numbers the designee chooses as a personal identification number.

Volunteers may not be named as a "Third Party Designee."

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**Third Party
Designee**

Do you want to allow another person to discuss this return with the IRS? See instructions ☐ **Yes.** Complete below. ☐ **No**

Designee's name		Phone no.		Personal identification number (PIN)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Form 2848, Power of Attorney and Declaration of Representative, may also be used to grant authority to an individual to represent the taxpayer before the IRS and to receive tax information. If the return is e-filed, a copy of Form 2848 must be attached to Form 8453, U.S. Individual Income Tax Transmittal Form for an IRS e-file Return, and mailed to the IRS. Form 2848 can also be faxed to the IRS; see the Where to File Chart in the Form 2848 instructions.

Use caution when allowing a representative to sign for someone. See Signatures in the Filing Information chapter in Publication 17 for more information.

If it is not possible to obtain a signature for a joint return from a spouse serving in a combat zone, a signed authorization to act on the taxpayer's behalf can be accepted. The IRS also accepts a written statement explaining that the spouse is serving in a combat zone. The statement must be signed

by the spouse who is not serving in a combat zone and attached to the return.

What are the tax forgiveness provisions for military decedents?

Special tax-forgiveness provisions apply to individuals who die:

- While serving in a combat zone, or from wounds, disease, or other injury incurred while serving in a combat zone
- As a result of wounds or injuries incurred in a terrorist or military action while working for the U.S. government



Only the decedent's part of the joint income tax liability is eligible for the refund or tax forgiveness.

The forgiveness applies to:

- The tax year death occurred and

- Any earlier tax year in the period beginning with the year before the year in which the wounds or injury occurred

Any forgiven tax liability that has already been paid, will be refunded.

In addition, any unpaid taxes for years ending before the member began service in a combat zone will be forgiven, and any of those taxes that are paid after the date of death will be refunded.

The tax forgiveness provision also applies to those taxpayers serving outside the combat zone if the service:

- Was in direct support of military operations in the zone and
- Qualified the member for special military pay for duty subject to hostile fire, imminent danger, and/or terrorist actions

Question 4: Army Private Shiloh Kane died in 2024 of wounds incurred in a terrorist attack in 2022. For what tax years are Private Kane's income tax liabilities forgiven?

- a. 2021 through 2022
- b. 2022 through 2024
- c. 2021 through 2024

What are the rules for filing a return for decedents?

The personal representative must file the final income tax return for the year of death and any returns not filed for preceding years. If anyone other than the surviving spouse is filing the return, Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, must be filed. Refer to the Completing the Return lesson regarding rules for returns for decedents.

Summary

This lesson identified special filing concerns for members of the U.S. Armed Forces.

- Members of the Armed Forces should send their federal returns to the service center for where they currently live.
- Most taxpayers who live in the U.S. or Puerto Rico should file their individual tax returns by April 15, unless that date falls on a weekend or holiday.
- Taxpayers who changed their mailing address should notify the IRS of the change on Form 8822, Change of Address, or use their new address when they file a tax return, give an oral notification or signed written statement to the IRS, or update their address with the U.S. Postal Service (USPS).

- The extension rules vary depending on whether the taxpayer lives in the U.S. or outside the U.S.
- The taxpayer, spouse, authorized agent, or representative can notify the IRS about combat zone service by sending an email to combatzone@irs.gov. Social Security numbers should not be included in the email.
- For members of the Armed Forces serving in a combat zone or Qualified Hazardous Duty Area, deadlines for taking action with the IRS are automatically extended until 180 days plus up to 3 1/2 months if the taxpayer entered the combat zone before the beginning of the year from the time the member leaves the combat zone/qualified hazardous duty area.
- The income tax liability of a member of the Armed Forces is forgiven if a member dies as a result of service in a combat

zone or from a terrorist or military action outside the U.S.

- The terrorist or military action forgiveness also applies to an individual who is a U.S. employee at death and dies from wounds or injuries incurred in a terrorist or military action regardless of where the action occurred.



To gain a better understanding of the tax law, complete the practice return(s) for your course of study using the Practice Lab on L<.



EXERCISE Answers

Answer 1: a. For Weston and Sheila, who file jointly, only one spouse needs to meet the requirements to take advantage of the automatic extension. In scenario B, Lilly does not qualify for the two-month automatic extension since her main place of business is

Texas. In scenario C, Dwayne does not qualify for the automatic two-month extension because he was back in the U.S. on the due date.

Answer 2: a. April 15. Taxpayers who live and/or assigned in the U.S. or Puerto Rico should file their individual tax returns by April 15, unless that date falls on a weekend or holiday.

Answer 3: The deadline for filing the 2022 tax return is 180 days plus the number of days remaining for the Armed Forces member to take action after entering the combat zone. The deadline for 2022 is extended 288 days (180 plus 108) after leaving the combat zone. The 108 additional days are the number of days in the 3-½ month filing period that were left when the taxpayer entered the combat zone on December 30 (January 1 - April 18, 2023).

Answer 4: c. His income tax liability is forgiven for all tax years from 2021 through 2024

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Amended and Prior Year Returns



Introduction

This lesson will help you determine how to amend a federal income tax return regardless of where the original return was prepared. In addition, this lesson provides guidance on preparing prior year returns for the previous three years, provided the taxpayer has the applicable required information. The site may prepare returns beyond the three previous years if taxpayers have the required information for those years.

If a taxpayer requests your help in filing an amended return, first confirm the original return is within the scope of the VITA/TCE programs or that it will be in scope after the

amendment. Ask the taxpayer what errors or omissions they wish to correct, and examine the return and any IRS correspondence carefully to determine if the original return is, in fact, incorrect.

To amend a return, tax preparation software for the year being amended must be used to complete Form 1040-X, Amended U.S. Individual Income Tax Return.

Objectives

At the end of this lesson, using your resource materials, you will be able to:

- Identify when it is appropriate to prepare an amended return, Form 1040-X
- Determine the time limits for filing Form 1040-X
- Identify how to assemble and submit Form 1040-X
- Provide guidance when preparing prior year returns

- Identify when it is appropriate to file a prior year return

What do I need?

- Form 13614-C
- Publication 4012 for the year being prepared
- Publication 17
- Form 1040-X
- Form 1040-X Instructions

Optional:

- Form 1040 Instructions
- Form 8379

When is an amended return required?

Taxpayers should file amended returns using Form 1040-X to correct any errors or omissions on a return they have already filed.



An exclusion of unemployment compensation of up to \$10,200 was allowed for individuals for tax year 2020. In most cases, the IRS automatically redetermined the correct taxable amount of unemployment compensation and the correct tax. However, if as a result of the excluded unemployment compensation, taxpayers now qualify for deductions or credits not claimed on their original return, they should file an amended return. For example, if the taxpayer did not claim the Earned Income Tax Credit (EITC) on their originally filed return because the AGI was too high, but the exclusion allowed for unemployment compensation now reduces the AGI, the taxpayer should file an amended return to claim the credit if now eligible.

An amended return is not always required when the original return has an error. For example, the IRS will usually correct a math error on a return, or they will write the

taxpayer and request a missing schedule or form. In these cases, do not amend the return. If taxpayers receive a notice from the IRS, refer them to the contact person and telephone number on the notice.



Before preparing an amended return, be sure you have any and all IRS changes to the originally filed return.

File an amended return if taxpayers:

- Received another Form W-2, a corrected Form W-2, or another income statement that was not reported on the original return
- Received an additional Form 1099 (such as unemployment compensation) or a corrected Form 1099 that was not reported on the original return
- Claimed dependents, deductions or credits they should not have claimed

- Did not claim dependents, deductions or credits they could have claimed, or
- Should have used a different filing status



If the federal return has to be amended, often the state return must also be amended.



Two weeks after Bernard's current-year tax return was filed, he received another Form W-2 in the mail. The volunteer tax preparer reviews Bernard's file to be sure the Form W-2 wasn't included on the original return. The volunteer then helps Bernard prepare Form 1040-X to include the additional Form W-2 on the current-year return.



After the due date of the original return, a taxpayer can change from Married Filing Separately to Married Filing Jointly, but cannot change from Married Filing Jointly to Married Filing Separately. However, an executor may be able to make

this change for a deceased spouse. Refer to Publication 17 for more information.

Is an amended return needed for injured spouse situations?

When a joint return is filed and only one spouse owes a past due amount such as child support, an education loan, or prior year's taxes, the spouse who is not obligated for the debt can be considered an "injured spouse." The couple should have filed Form 8379, Injured Spouse Allocation, with their original return. If they did not file Form 8379, and one of them qualifies as an injured spouse, file Form 8379 by itself. Do not attach the form to Form 1040-X.

However, if the couple is filing Form 1040-X for an additional refund not associated with the original injured spouse claim, and they do not want the injured spouse's portion of the overpayment to be applied to the offset against the spouse, then complete and attach

another Form 8379 to Form 1040-X. See Publication 17, Form 8379, and Form 1040-X Instructions for further information.

How do I start?

To file an amended return, you need a copy of the original return and the information that needs to be changed.

- Begin by researching and verifying the change requested by the taxpayer. Review the Intake/Interview and Quality Review Sheet with the taxpayer **and** use the Volunteer Resource Guide and Publication 17 for the year being amended or prepared to make sure that what the taxpayer wants to change is correct.
- Ask probing questions, using the interview techniques and tools discussed in the Volunteer Resource Guide, to get all the facts before preparing Form 1040-X. Ask taxpayers if they have received any correspondence from the IRS making

changes to the original return and all the reasons, they want to amend the return. When amending a return, it is important to correct all known errors, regardless of whether correcting the error increases or decreases a refund or balance due.

What is Form 1040-X?

Look at the format of Form 1040-X, page 1; there are three columns:

- Column A is used to show the **original** or **IRS adjusted figures** from the original return or previous amendment
- Column C is used to show the entries that would have been made on the original return if it had been done correctly
- The differences between the figures in columns A and C are shown in column B (Net change)



Amended returns can be prepared using tax software. However, only the current tax year and two preceding years amended returns can be filed electronically using Form 1040-X.

Part I, Exemptions and Dependents (on page 2), is used only if the taxpayer is increasing or decreasing the number of dependents claimed on the return being amended.

Part II, Presidential Election Campaign Fund, is used to make a \$3 donation to the fund for you (or your spouse) if you did not do so on your original return.

Part III, Explanation of Changes, must be used to explain specific changes being made on the return and the reasons for each change.

Explanations should be easily understood and clearly point out that the taxpayer qualifies for the change. For example, “taxpayer received another W-2 after they filed original

return,” or “taxpayer qualifies to claim child care expenses of \$600 for their 10-year-old dependent child, Form 2441 attached,” or “taxpayer meets the qualifications to file as Head of Household instead of Married Filing Separately.”



*Taxpayers can easily check the status of a Form 1040-X, Amended U.S. Individual Income Tax Return, using the **Where's My Amended Return?** tool. It's available in English and Spanish, and tracks the status of the amended return for the current year and up to three prior years.*



Taxpayers can obtain a free transcript of their original or amended return from the last three years using the IRS2Go phone app or completing Form 4506T or Form 4506T-EZ, Request for Transcript of Tax Return. To get a copy of the original return, complete and mail Form 4506, Request for a Copy of Tax Return, to the appropriate IRS office listed on the

form. There is a charge to receive a copy of the original return.



Be sure to verify that the e-filed amended or prior year return has been accepted. This can be checked by viewing the Client status.

What are the time limits to file amended returns for refunds?

There is a statute of limitations on refunds being claimed on amended returns. In general, if a refund is expected on an amended return, taxpayers must file the return within three years of the due date of the original return, or within two years after the date they paid the tax, whichever is later. An original return filed before the due date (without regard to extensions) is considered filed on the due date.