

## Return Review

### to be used with Form 6729-R QSS Return Review Sheet

#### Purpose

This job aid provides guidance and tips as you review each line of Form 1040 for accuracy and gives instructions for completing Form 6729-R, Quantity Statistical Sample Return Review Sheet.

Tax return reviews are conducted during Quantity Statistical Sample Reviews (QSS). When reviewing a return, you are evaluating accuracy of the return and providing feedback to improve the quality of the volunteer tax preparation processes. Generally, three return reviews are conducted during a QSS Review.

#### Selecting the Return for Review

Here are several examples of bullet styles for this document: Randomly select three separate returns to review that has completed the entire return preparation and quality review process and, preferably, has not been signed by the taxpayer (Form 1040 or Form 8879). The coordinator is not allowed to decide which returns will be reviewed. Once the returns are selected, you must obtain the taxpayer's permission to review their return. Give the taxpayer Publication 4675, Request to Quality Review Your Federal Tax Return, and explain the purpose of the review and that you will not be keeping any of their information. The taxpayer should stay at the site in case the return needs to be corrected or information needs to be clarified.

**Returns not meeting the "Must File" or "Should File" Criteria:** If a return is selected that does not meet either the who "Must File" or "Should File" criteria, review the return and include it in your case file. You then need to select an additional return that has a filing requirement or meets the "Should File" criteria for an additional review. Therefore, if returns are selected that do not meet the who "Must File" or "Should File" criteria more than 3 returns will be reviewed and included in the case file. (For details on who "Must File" or "Should File" see Publication 4012, Volunteer Resource Guide.)

**Site Not Conducting Quality Review:** If the site is not conducting quality reviews or the site uses self-review, you will still select and review three returns.

**Out-of-Scope Return Selected:** If you select a return for review and determine it is out-of-scope for the VITA/TCE programs, do not review the return. Notify the coordinator of the out-of-scope issue and advise them the return cannot be filed by the site. The taxpayer should be referred to a professional tax preparer. The out-of-scope return must be addressed in the site review results

**Volunteer Not Certified to level needed for Return Selected:** If you select a return and determine the IRS tax-law certified preparer and/or quality reviewer were not certified to the level needed for the return, you will review the return for accuracy. The break-down in the process for assigning returns to a properly certified volunteer must be discussed with the coordinator and addressed in the site review results.

**Selecting Returns at Virtual Sites:** When you visit a site that is operating as a Virtual VITA/TCE site, ask the coordinator if there are any completed tax returns that have been through the quality review process and are waiting for the taxpayer to return to review and sign. If there are returns available, randomly select three returns and begin by reviewing page 2, Part III of the Form 14446, Virtual VITA/TCE Taxpayer Consent. To conduct a review on the tax return, the taxpayer must have marked the “Yes” box agreeing to allow their return to be reviewed by the IRS. You cannot review any tax returns if the “No” box is marked; the boxes (Yes and No) are left blank; or the Form 14446 is not available. If the Form 14446 was absent, review the Virtual VITA/TCE requirements with the coordinator and document the incomplete process in the site review results.

**Selecting a Prior Year or Amended Return:** A prior year return or amended return can be included as a return review. The current Form 13614-C should be used. The past year Forms 13614-C should be available as a reference for prior year returns. See [Fact Sheet: Preparing Prior Year and Amended Returns at VITA/TCE Sites](#).

## Conducting the Return Review

A tax return is considered accurate when tax law is applied correctly, and the completed return is free from error based on the completed Form 13614-C and the taxpayer’s supporting documentation. Publication 5310, VITA/TCE Tax Return Quality Review Job Aid, outlines a quality review best practice.

After securing the taxpayer’s permission to conduct the review, begin by verifying the taxpayer’s (and spouse’s, if applicable) photo ID, social security cards (or ITIN letters) and bank information, if applicable. Preferably, these documents should be reviewed in the presence of the taxpayer and returned.

Tell the coordinator you will need all pages of the Form 13614-C, Intake/Interview & Quality Review Sheet, a paper copy of the tax return with all applicable schedules and worksheets, and all supporting documents. Using TaxSlayer Quality Review print set for your review is highly recommended as it includes all schedules and most worksheets. This is the best “print option” when conducting a return review and the basis of the quality review best practice outlined in Publication 5310.

**Note:** The Quality Review print set mentioned throughout this document refers to the TaxSlayer Quality Review print set option. If a site is not using the TaxSlayer, request the most comprehensive print set available within the tax preparation software.

## Complete Form 13614-C, Intake/Interview & Quality Review Sheet

Start your return review by ensuring all questions on the Form 13614-C have been answered, any questions marked “Unsure” have been clarified and corrected, and the shaded area with questions for volunteers to answer is complete, when applicable.

If Form 13614-C is incomplete, not used, or an unapproved form is used, follow these directions:

- Circle the incomplete areas of Form 13614-C and request the form be completed; or if a Form 13614-C was not used ask the coordinator to have the IRS tax law-certified preparer interview the taxpayer to complete Form 13614-C;
- Keep the original tax return to review;
- Conduct the return review once you receive the completed Form 13614-C.

The return review cannot be conducted until you have a completed Form 13614-C.

Compare the completed Form 13614-C, with the return, and all supporting documentation to determine if the return was prepared accurately.

Refer to Publications 4012 and 17, **Volunteer Tax Alerts**, or the **Interactive Tax Assistant** (ITA) for tax-law clarification if needed.

**Error Found during Return Review:** If an error is found on the tax return, contact the coordinator, tax preparer or quality reviewer and discuss the issue that must be corrected. Tell the taxpayer what error you found and advise them the return will be corrected. Review the corrected return to ensure the error(s) was addressed properly.

**Reviewing Returns Prepared at a Virtual VITA/TCE Site:** After selecting a return with consent granted on the Form 14446, review the accuracy of the tax return using the same process you use at a traditional site. If there is a need to clarify information you will call/contact the coordinator, preparer or quality reviewer. If the information cannot be clarified during the time you are at the site, explain the issue to the site representative so it can be resolved before the return is filed. Leave Publication 4675 with the tax return so the taxpayer has a copy.

**Return becomes Out-of-Scope after Error Corrected:** If you determine a return is prepared incorrectly and when the return is corrected it is out-of-scope, you can still use the return as your return review. Notify the coordinator of the out-of-scope issue and advise them the return cannot be filed by the site. Request that the coordinator delete the return from the software and ensure the taxpayer does not get a copy of the return. The taxpayer should be referred to a professional tax preparer.

**Return Review Sheet:** The section of this document titled “*Completing the Form 6729-R*,” provides guidance for each question on the form. This section provides general guidance in filling out the Form.

Use this general guidance when answering the questions on Form 6729-R:

- Select the most appropriate answer, because you cannot select more than one;
- If none of the specific answer options apply, select “Other” and provide a comment;
- Enter a detailed comment where required, for example, include the name of a missing form and the relevant amount. Underlined answers require an explanation in the comments section.

**Ripple Effect:** Many of the answer options are present to capture the “ripple effect.” In other words, an error on one tax law issue on the return can cause a subsequent error in another section of the return.

**Ripple Effect Example:** If there is an error in filing status, there may be an error in the amount of the standard deduction. Therefore, when you come to the question “Is the standard deduction correct?” you would choose the answer option “No - Error in filing status.” The data will then reflect the cause of the error was a tax law determination on filing status, not a standard deduction error. Keep this in mind when you are selecting your answer.

**Error Tolerance Level:** A return is considered accurate for purposes of the FSV return review if the tax law is applied correctly, all income is reported on the correct Form 1040 line, and the error does not cause a change:

- Of more than \$50 to “Total Income,” or “AGI” OR
- Of more than \$14 to “Total Tax,” “Federal Income Tax Withheld,” “Refund,” or “Amount You Owe”

Tolerance does not apply to the Label section of the return which contains the name(s), address and TIN(s). An error in a name, TIN or address makes the return inaccurate. Tolerance also does not apply if a dependent is listed incorrectly even if there is no change to the tax or refund. In addition, the return is considered inaccurate if the taxpayer is incorrectly classified as a dependent or should have been identified as a dependent of another taxpayer, even if there is no change to income, tax or refund.

Currently, direct deposit or debit information is not considered a measured area for accuracy of the return. An error in this section will not determine the accuracy of the return. However, it is still important that the direct deposit or debit information is reviewed and corrected if an error is found.

Dealing with an Error within Tolerance Level: In the case of error within the tolerance level, do not show an error for the tax law issue on Form 6729-R. When recording an error within tolerance, select a “Yes” answer option for the effected question and enter a comment identifying the “within tolerance” error and amount, if applicable. Be sure to check the BOE-generated Form 6729-R to make sure the return shows “Yes” in the box entitled “Overall Rating” on the top right corner of page one.

A tolerance error answer option is available in Q29 of the Form 6729-R. It’s important that the tolerance answer option is used when an error within tolerance is found; this is for data reporting purposes only and the answer to the question will not influence whether the return review is shown as accurate.

In the feedback email you will show the return as accurate and make a note that there was an error found but it was within tolerance level. *See the example below for more detailed instructions on handling a return with an error within tolerance.*

Even though the return is considered accurate for review purposes, the return with the error within tolerance must be corrected so the taxpayer has an error-free return to file and an accurate copy of their return.

Error within Tolerance Level Example: A volunteer tax preparer made a typo when entering the federal withholding shown on a W-2. He typed withholding of \$1200 rather than \$1210. The refund is \$10 less than it should be. The volunteer quality reviewer missed the typo. The error is within the tolerance level.

You will:

1. Ask the tax preparer/coordinator to correct the return for the taxpayer. The taxpayer needs to leave with an error- free return.
2. Input into SPECTRM with Tolerance Error
3. Answer Q25 of the Form 6729-R “Is the federal income tax withheld correct?” as “Yes.”
4. Make a comment for Q25 like: “Withholding was understated by \$10 due to a typo. Error was within tolerance.”
5. Answer Q29, “Based on the information provided, was an accurate return prepared?” as “Yes – Error(s) found but within tolerance level.”
6. Check the SPECTRM-generated Form 6729-R to make sure the box entitled “Overall Rating” shows a “Yes.” The “Yes” means an accurate return is recorded in SPECTRM.
7. Write the feedback email stating the return review as “Correct,” meaning the return is recorded as accurate. Make a note stating there was an error, but it was within tolerance. For Example:

Return A: Correct – Error within Tolerance Level: Withholding was understated by \$10. The error is within the SPEC tolerance level and is therefore recorded as a “Correct” return for review purposes. The return was corrected for the taxpayer.

Examples when Tolerance Does NOT Apply:

- There is a 1099-INT with \$400 in taxable interest income. The \$400 is showing on line 3b, Ordinary dividends, rather than 2b, Taxable interest. When the return is corrected there is no change to the tax

amount, refund, or credits, however, the return is considered inaccurate and does not fall within tolerance because the income is recorded on the incorrect line on Form 1040. This type of error could later generate a notice from the IRS causing a stressful situation for the taxpayer.

- A tax return is prepared for a college student with a small amount of earned income who needs to file a return to claim a refund of withholding. The return erroneously does not indicate that the student can be claimed by his/her parents or another person. When the return is corrected to show the taxpayer can be claimed by his parents and the correct standard deduction is calculated for the student, there is no change to the tax amount or refund; however, the return is considered inaccurate and does not fall within tolerance because the tax law was not applied correctly and there could be a negative effect on the parent's return.

#### **Tolerance with returns not meeting the who "Must File" or "Should File" criteria:**

A \$1 "forced" on an income line of Form 1040 to make the return eligible for electronic filing is not considered an inaccurate return, so long as an amount is not forced onto a line that generates a credit of any amount. In addition, the "forced" \$1 should not be input into TaxSlayer, or other software, as wages or retirement income because that would require fake information in the W-2 or 1099R entry to make the return eligible for e-file. All other entries on the return must be accurate. The \$1 income should only be used when there is NO other income to make the AGI higher than zero.

**Remember:** During a QSS Review this type of return (does not meet the who "Must File" or "Should File" criteria) should not be included as a return review; select another return for the return review.

### Input into the SPECTRM Quality Module

- The Site Review, Form 6729-D, must be entered first.
- The return review completed during the QSS Review is considered Return A, Return B, and Return C when inputting into the SPECTRM Quality Module.
- A tolerance return, defined as a return with an error that falls within the tolerance levels described above, will show as an ACCURATE return in SPECTRM. The return should read "Yes" in the box entitled "Overall Rating." Describe the within tolerance error in the comment section on the line that corresponds with where the error occurred. For example, if the error was made on withholding, then a note describing the error should be made in the comment section of Q25. The tolerance error is also recorded by Q29 of Form 6729-R.
- The "Comment" section is limited to 8,000 characters.
- Due to cybersecurity settings for web-based applications, the program will timeout at 15 minutes. This means you must complete your input of the Form 6729-R within this timeframe. This timeframe cannot be changed. Planning before beginning input is the key, and if extensive comments are needed, consider creating them ahead of time in a Word document and using copy and paste.
- When making comments do not use the "&" sign. When you print the Form 6729-R from Business Object Environment (BOE), the comment will be a mess if you have used the ampersand. Type out "and."
- Be sure to check the BOE-generated Form 6729-R to make sure the return is recorded correctly. An accurate return will have a "Yes" in the box at the top right of page one, entitled "Overall Rating." An inaccurate return will have "No."

### VSC Violation Reminder

If you identify a Volunteer Standards of Conduct (VSC) violation, use the Internal Referral Process to report the issue using Form 14511, Volunteer Standards of Conduct Violations Report. See IRM 22.30.1.8.13.7.1.3.

A violation to VSC #1, *Follow the Quality Site Requirements (QSR)*, is only reported on Form 14511 if the volunteer(s) or partners **refuses** to follow the QSR. If the volunteer(s) or partner agrees to follow the QSR when requested, then there is no VSC violation.

## Completing the Forms 6729-R

Each question on the Form 6729-R is listed below with information on where to look on the Form 1040 and schedules, tips on what to look for when reviewing each item, and guidance on selecting an answer option. Answer the questions based on the original return, not the corrected version. Bolded questions are measured questions used for determining whether the return is accurate. Most “No” answers require an explanation in the “Comment” section. Describe the tax law error, omission, or input mistake that caused the return to be considered inaccurate.

Tips for Narrative below: Question is abbreviated as “Q” for example, Q3 means question number 3. When the “Quality Review Print Set” is used, it refers to the TaxSlayer Quality Review Print Set.

### Enter/select all the following in the Entity Section (Top Section):

- Date of review
- Site Name
- SIDN
- Review conducted by Tax Consultant or Other
- The return reviews conducted during a QSS Review are considered Return A, Return B, and Return C

Question 1: Was the Form 13614-C, Intake/Interview & Quality Review Sheet, completed and corrected, as necessary?	Answer Options
<p>The Form 13614-C must be complete, meaning all questions must be answered, “Unsure” responses must be clarified and changed to “Yes” or “No,” and the shaded area with questions for the volunteer to ask, when appropriate, must be answered.</p> <p>If you receive an incomplete Form 13614-C and must return it for completion, the answer to this question will be “No.” You will put a statement in the comments explaining what was incomplete or not corrected on the Form 13614-C.</p> <p>A “No” to this answer does not automatically cause Question #3 on Form 6729D, QSS Review, to be “No.”</p>	<p>Yes</p> <p><u>No</u></p> <p>Include in the comments section what section of the Form 13614-C was incomplete or not corrected.</p>

Question 2: What is the certification level needed for this return?	Answer Options
<p>Refer to Publication 4012 “Scope of Service” chart.</p> <p>Review the return and determine the highest tax law certification level needed, including specialty certifications, to prepare or quality review this return. You will use this information to answer the next question.</p> <p>If the return required additional specialty training (Foreign Student, International, etc.) use the comments section to indicate the specialty certification needed.</p>	<p>Basic</p> <p>Advanced</p> <p>Military</p> <p>Specialty</p>
Question 3: Were both the tax preparer and quality reviewer certified at the level required to prepare and review this return?	Answer Options
<p>You can gather this information when you verify the volunteer certifications during the site review, or you can ask the coordinator or volunteer when conducting the return review.</p> <p>If a quality review is not conducted, select “<u>No</u> – Other.” Make a note that quality review was not conducted. You should also have this note in Q1.</p> <p>The information gathered from this question is used to help answer Q3 of the Form 6729D.</p>	<p>Yes – Both were certified at the level needed</p> <p><u>No</u> – Preparer was not certified at the level needed</p> <p><u>No</u> – Quality reviewer was not certified at the level needed</p> <p><u>No</u> – Neither were certified at the level needed</p> <p><u>No</u> - Other</p>
<p><b>Tip:</b></p> <p><b>Quality Review Print Set</b> – When using the Quality Review print set, one of the first pages that prints is a summary page. From this page you can quickly verify the accuracy of name spelling, TIN’s, address, birthdates and filing status. This is a quick method of comparing the information on Form 13614-C and verification documentation to the entries in the tax preparation software. The summary page also lists all the forms and schedules included with the return, which is helpful to know as you begin your review.</p>	
Question 4: Are all names and taxpayer’s address on the return correct?	Answer Options
<p>Use the social security card, or other approved documentation, to verify the accuracy of the names of the taxpayer(s), dependent(s), and/or qualifying child(ren).</p> <p>See Publication 4299, Privacy, Confidentiality and Civil Rights – A Public Trust, for approved documentation for verifying names.</p> <p>Use the address on the Form 13614-C to check the accuracy of the address on the tax return.</p> <p>Use “<u>No</u> – Other” when the other answer options do not apply or when there is an error in both a name and address.</p>	<p>Yes – All are correct</p> <p><u>No</u> – One or more names are incorrect</p> <p><u>No</u> – Address is incorrect</p> <p><u>No</u> - Other</p>

Question 5: Are all SSN/ITIN(s) on the return correct?	Answer Options
<p>Use the social security card, or other approved documentation, to verify the accuracy of the Taxpayer Identification Numbers (TIN). Individual Taxpayer Identification Number (ITIN) letters or cards should be used for verification for those without Social Security Numbers (SSN).</p> <p>See Pub 4299 for approved documentation for TIN verification.</p> <p>Remember, some ITINs will expire because of the PATH legislation. If the ITIN is one that will automatically expire this year because it hasn't been used, make sure the volunteer was able to tell the taxpayer how to renew the ITIN. For more information on ITIN expiration and renewals see <a href="#">Publication 5259, Fact Sheet – Expiring ITINs</a>.</p> <p>Use “<u>No</u> – Other” when the other answer options do not apply. Include a comment explaining the error(s).</p> <p>Be sure not to use any PII when commenting on an incorrect SSN or ITIN. For example, the correct way to make an SSN or ITIN comment, “Volunteer transposed two numbers in the SSN.” You should never place in the comment section the SSN or ITIN numbers.</p>	<p>Yes – All SSN/ITIN(s) are correct</p> <p><u>No</u> – One or more SSN/ITIN(s) are incorrect</p> <p><u>No</u> – Other</p> <p>N/A – W-7 Application</p>
Question 6: What is the filing status on the return?	Answer Options
<p>Remember, the answer is based on the initial return reviewed.</p>	<p>Single</p> <p>MFJ</p> <p>MFS</p> <p>HOH</p> <p>QW</p> <p>Other</p>
Question 7: Is the filing status on the return correct?	Answer Options
	<p>Yes</p> <p><u>No</u> – Should be Single</p> <p><u>No</u> – Should be MFJ</p> <p><u>No</u> – Should be MFS</p> <p><u>No</u> – Should be HOH</p> <p><u>No</u> – Should be QW</p> <p><u>No</u> - Other</p>

Question 8: Is the taxpayer (and/or spouse, if applicable) identified correctly as a dependent of someone else?	Answer Options
<p>Look at Form 1040, page 1, Standard Deduction section boxes “Someone can claim you as a dependent” and, if applicable “Someone can claim your spouse as a dependent.” Review Part I, Q10, of Form 13614-C. Is the box(es) on Form 1040 correctly checked or correctly left unchecked?</p> <p>Even though there is not a personal exemption any longer, it is still important to correctly identify when a taxpayer or spouse can be claimed by someone else. The standard deduction for the taxpayer (and spouse, if applicable) can be limited and the taxpayer(s) erroneously claiming themselves can have a negative effect on another taxpayer’s return.</p> <p>For example, a college student who can be claimed by their parents. If the student files a return to recover federal tax withheld and does not mark the box “Someone can claim you as a dependent,” the parents, who can rightfully claim the student as a dependent, will end up with a rejected return because the student filed and didn’t identify themselves as a dependent of someone else.</p> <p>When the 13614-C shows a young adult that is a full-time student, verify whether the taxpayer can be claimed as a dependent by a parent/guardian. Also, double check taxpayers with low income who live with family members.</p> <p>Use “<u>No</u> – Other” when the other answer options do not apply.</p> <p>Use “N/A – Taxpayer (and spouse, if applicable) cannot be claimed as a dependent by someone” when the taxpayer (and spouse, if applicable) cannot be claimed by someone and is not.</p>	<p>Yes – Someone can claim the taxpayer (and/or spouse) as a dependent and identified correctly</p> <p><u>No</u> – Failed to identify that someone can claim the taxpayer (and/or spouse) as a dependent</p> <p><u>No</u> – Erroneously identified that someone can claim the taxpayer (and/or spouse) as a dependent</p> <p><u>No</u> - Other</p> <p>N/A - Taxpayer (and spouse, if applicable) cannot be claimed as a dependent by someone else</p>
Question 9: Are dependents identified correctly?	Answer Options
<p>This question covers dependents listed in the “Dependent” section of Form 1040, page 1. Verify the dependents listed on the return with the information provided in Form 13614-C, Part II, Q2.</p> <p>When potential dependents are listed, the volunteer is required to complete the questions listed in the shaded area under “To be completed by a Certified Volunteer Preparer” Form 13614-C, Part II. The answers to the questions will help the volunteers, and you, determine which individuals can be claimed as dependents on the taxpayer’s return and for what credits and/or tax benefits. You cannot complete your return review without this section of the Form 13614-C being completed.</p> <p>This question is only asking if the Dependents section is correct. Other questions will gather more detail about the error. For example, if the dependent(s) is erroneously identified or erroneously omitted for the CTC or the credit for other dependents there will be an error on this question and on Q22, which will capture more details.</p> <p>The child must have an SSN, that allows them to work, by the due date of the return, to qualify the taxpayer for the Child Tax Credit (CTC). If the child has an ITIN they may qualify for the credit for other dependents, NOT the CTC.</p> <p>Make comments for No answers. Include a brief description of the error.</p> <p>Use “<u>No</u> – Other” when the other answer options do not apply.</p>	<p>Yes – Dependents correct</p> <p><u>No</u> – Claiming ineligible person</p> <p><u>No</u> – Failed to claim eligible person</p> <p><u>No</u> – Other</p> <p>N/A – Not eligible to claim dependents &amp; none claimed</p>

**Question 10: In 2020, did the taxpayer or spouse receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency?**

**Answer Options**

Virtual currency is a digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value. It operates like “real” currency but does not have legal tender in any jurisdiction. Virtual currency is used to pay for goods and services and is held for investment. It is equivalent in value to real currency or acts as a substitute for real currency (i.e. BitCoin).

Yes

No

N/A – No virtual currency & none claimed

When virtual currency is received as payment for goods or services, taxpayer(s) are required to report a gain or loss.

To computing gross income:

- Use the FMV of virtual currency, in U.S. dollars, as of the date the virtual currency was received
- If listed on exchange established by market supply and demand – arrive at FMV by converting the virtual currency into U.S. dollars (or into another real currency which in turn can be converted into U.S. dollars) at the exchange rate.
- The basis of virtual currency that a taxpayer receives as payment for goods or services is the fair market value of the virtual currency in U.S. dollars as of the date of receipt.

For Example, Taxpayer B had 4 BitCoins with a total basis of \$30. On 2/5/2020, when the FMV of each bitcoin was \$200, Taxpayer B used the 4 BitCoins to purchase an \$800 couch from online Vendor C.

- What is the amount of taxable income to Taxpayer B (purchaser) resulting from this transaction? (**\$770**)
- How would you categorize this income for Taxpayer B, assuming the BitCoins were not held for inventory or other property held mainly for sale to customers in a trade or business? (**Capital Gain**)
- How much would Vendor C have to include as gross income? (**\$800**)

If a taxpayer is paid in virtual currency for services rendered as an independent contractor, the fair market value of the virtual currency received is subject to self-employment tax. If a taxpayer is paid in virtual currency for services rendered as an employee, the fair market value of the currency paid as wages to the employee is subject to federal income tax withholding, FICA tax, and FUTA tax, and they are required to be reported on Form W-2.

A payment made using virtual currency is subject to information reporting similar to any other payment made in property. This includes payments such as rent, salaries, wages, premiums, annuities, and compensation. Virtual currency is subject to backup withholding to the same extent as other payments.

Tax returns – Look for any indication that the taxpayer(s) is using or receiving virtual currency. i.e., Form 8949, Schedule D, Schedule C, Schedule E – Flow thru entities, Schedule A

\*For federal tax purposes, virtual currency is considered property, not currency. General tax principles applicable to property transactions apply to transactions using virtual currency.

**Question 11: Are wages, salaries, tips (Form 1040, line 1) correct?**

**Answer Options**

Generally, wages are reported on Form W-2.

Look at Form 1040, page 1, line 1 and Form 13614-C, Part III, Q1 – Q3. Compare the wage amount on the Form 1040 with the source documents and the answers to the questions on Form 13614-C. Does the number of jobs listed in Part III, Q1 of the Form 13614-C match the number of W-2's in hand? Should other income not listed on a W-2 (tips, scholarships) be included on line 1?

Using the Quality Review print set, you will have a copy of the W-2's as they were input in the software. Compare the print set W-2's with the source document W-2's. Check each box to ensure they are accurately input. Are all the W-2's input?

Form 1099-R, box 7 (Distribution code) with a code 3 indicates disability income. If the taxpayer is under the retirement age set by the employer, should the income be reported on Form 1040, line 1?

Refer volunteers/taxpayers to Publication 17 for procedures for missing W-2(s) and substitute W-2(s).

See Publication 17 for information on how to report income for Household Employees who may not have received a W-2.

Provide a description of the error when answering with a "No." For example, "W-2 overlooked, therefore wages understated." Or, "Data entry error entering wage amount into the software, therefore wage amount incorrect."

Yes

No

N/A – No wages & none claimed

**Question 12: Are interest and dividends (Form 1040, lines 2 and 3) correct?**

**Answer Options**

Look at Form 1040, page 1, lines 2 and 3 and compare them to the answer the taxpayer provided on Form 13614-C, Part III, Q4. If the taxpayer has a "Yes" on Form 13614-C for interest and/or dividends, then there should be an entry on line 2a, 2b, 3a and/or 3b of the Form 1040. There are four spaces on the 1040 to look.

Many brokers will issue combined statements. Review the broker combined statement for the areas indicated as 1099-INT and 1099-DIV. They are usually identified in sub-headings.

Remember, interest does not always have a source document. If there is no source document, then there should be a note on the Form 13614-C identifying the amount that was determined based on oral testimony from the taxpayer.

Yes – Interest and/or dividends correct

No – Interest income is incorrect

No – Dividend income is incorrect

No – Other

N/A – No interest or dividend income & none claimed

Provide a description of the error when answering with a “No.” For example, “1099-DIV was overlooked on the brokerage statement. Dividends were not reported.”

Use “No – Other” when the other answer options don’t apply or both interest and dividend were incorrect. Describe each of the errors.

**Question 13: Are IRA, pension and annuity income (Form 1040, lines 4 and 5) correct?**

**Answer Options**

Look at Form 1040, lines 4 and 5 and compare it to the answers the taxpayer provided on Form 13614-C, Part III, Q10 and Q11.

Yes

No

If the taxpayer has a “Yes” for disability income verify how the income should be reported on the return, as a retirement distribution or as wages. Some disability payments are non-taxable, for example, Supplemental Security Income (SSI).

N/A – No IRA, pension or annuity income & none claimed

If the taxpayer has a “Yes” for retirement payments, there should be an entry on Form 1040, line 4a and most likely 4b also.

Using the Quality Review prints set, compare the 1099-R’s that were input in the software with the paper source documents. Verify the correct distribution code is entered in box 7. Understanding what the code means will tell you how the income should be reported and whether there is a possibility of an additional tax computation or an exception to the additional tax reported on Form 5329.

If the taxable amount is not included on the original Form 1099-R, (box 2 is blank on the source document) but the TaxSlayer copy shows a taxable amount in box 2, ask the volunteer how the taxable amount was determined. Was the Simplified Method used? Has the taxpayer recaptured all their contributions, therefore, making the full distribution taxable?

When applicable, using the Quality Review print set, review the 1099-R Simplified Method Worksheet to verify:

- Age at retirement of the taxpayer (and spouse, if applicable)
- Number of months retirement benefits received, and
- Whether there are survivor benefits.

See Publication 17 for procedures for missing Form(s) 1099-R.

Provide a description of the error when using “No.” For example, “Simplified method should have been used to calculate the taxable portion of pension. Full amount of distribution was entered instead.”

**Question 14: Is income from Social Security benefits (Form 1040 line 6) correct?**

**Answer Options**

Look at Form 1040, line 6 and compare it to the answer the taxpayer provided on Form 13614-C, Part III, Q13. If the taxpayer marked “Yes” to the question on the Form 13614-C they should have a Form SSA-1099 from the Social Security Administration as a source document.

Yes

No

Often our clients will only have a portion of social security benefits that are taxable. Check both line 6a and 6b. Line 6a should match the amount in box 5 of the Form SSA-1099. TaxSlayer, and other tax software, will calculate the amount of social security that is taxable based on the amount of income the taxpayer has and other factors. You can rely on the software calculation if all other data has been entered correctly.

N/A – No Social Security income & none claimed

Using the Quality Review print set, you can review the Social Security Benefits Worksheet.

Provide a description of the error when using “No.” For example, “Incorrect amount of SS benefits entered in the software. Box 3 amount was entered rather than the Net Benefits from box 5.”

**Question 15: Are capital gains or losses (Form 1040, line 7) correct?**

**Answer Options**

There are several forms to look at when reviewing capital gains. The Forms 8949, Sales and Other Dispositions of Capital Assets, are the base forms to review and compare to the source documents. From these forms the gains/losses flow to Schedule D, then to Form 1040, line 7.

Yes

Look at Form 13614-C, Part III, Q9 if there is a “Yes” on this line, verify the amounts by reviewing the source documents (Forms 1099-B) and comparing to the input documents. Brokerage statements usually break the Forms 1099-B out to show the Long and Short-term gains/losses. In addition, the brokerage statements most often show which checkbox on Form 8949 each transaction should be reported under.

No

N/A – No capital gains or losses & none claimed

There are instances where the capital gain/loss does not have to be reported on Schedule D. These are usually capital gains from a Form 1099-DIV, reported in box 3a. In these cases, the amount will go directly to Form 1040, line 7 without the Schedule D or the Form 8949.

Sometimes the taxpayer has their own records. In this situation it can get a little tricky. Compare the taxpayer’s records with the entries on the Forms 8949. Does everything match?

Capital gains/losses can be time consuming and complex to review. Take extra time and verify each transaction on the Forms 8949.

The “No” answer option requires a description of the error in comments.

**Tip:**

**Schedule 1, Additional Income:** Look at Form 1040, line 8. If there is an amount in the box following “Enter the amount from Schedule 1, line 9” you will need to review the Schedule 1, included in the Quality Review Print Set. The top portion of Schedule 1 contains the additional income that does not have a dedicated line on the Form 1040 itself. Some line items on Schedule 1 flow from another input schedule or form (i.e. Schedules C, E, etc.). The total of additional income from Schedule 1 is totaled on line 9 which flows to Form 1040, line 8. Review the additional income line items on Schedule 1, and if necessary, drill down to the schedule or form that shows the data that was input in the software. The Quality Review print set has a summary page that lists of all the forms and schedules that are included with the tax return.

**Question 16: Is net business income (Sch 1, line 3) correct?**

**Answer Options**

For business income you will look at Form 13614-C, Part III, Q7 and Q8 for possible self-employment income and Part IV, Q7 for possible expenses.

Yes – Net business income correct

No – Error in reported income

No – Error in reported expenses

No – Sch C required but none prepared

No – Other

N/A – Sch C not required & none prepared

Examine the Schedule C for accuracy of all business income and expenses. If there is an error in either income or expenses, then the net business income will be incorrect. If the taxpayer doesn’t have source documents for income and/or expenses, the oral testimony from the taxpayer should be recorded on the Form 13614-C. The Schedule C net

income will flow to Schedule 1, line 3 and total additional income from Schedule 1, line 9 will then flow to Form 1040, line 8.

If income reported on Form 1099-NEC, Non-Employee Compensation (box 1) is included on Schedule 1 line 8, Other Income, instead of reported on Schedule C:

- Report the error as “No – Sch C required but none prepared” and explain with a comment “Self-employment income was erroneously reported as Other Income on Schedule 1, line 8”; and
- On Q16 report the error again with the answer option “No – Error in Other income” and explain with a comment “Self-employment income erroneously reported as Other Income on Schedule 1, line 8, Sch C needed.”

See Publication 4012 for Schedule C Scope Limitations.

All “No” answer options require an explanation of the error with a comment. For example, “Car expenses were over-stated because commuting miles were included.”

Use “No – Other” when the other answer options do not apply or there are errors in both income and expenses. Include a comment explaining the error(s).

#### Question 17: Is all additional income on Schedule 1 correct?

#### Answer Options

This question covers additional Sch 1 income other than, line 3 business income. Look at Form 13614-C, Part III, questions 5, 6, 12, 14 & 15 on Form 13614-C. A “Yes” answer to any of these questions will require a review of Form 1040, Schedule 1, along with any additional worksheets or schedules.

If the taxpayer does not have all the supporting documents for income, generally, the return can be prepared based on the taxpayer’s oral testimony. Comments should be made on Form 13614-C by the volunteer when oral testimony is accepted. If comments were not made on Form 13614-C, you should verify the income with the volunteer and include the information in comments on Form 13614-C.

Schedule 1, line 1, deals with refunds of state and local income taxes. If the full amount of the state and/or local refund is not showing as taxable, then the refund worksheet might have been used to determine amount of the state or local income tax refund that is taxable. Verify with the volunteer the entries to ensure the amounts were input correctly. The Quality Review print set has not included the worksheet in previous years.

Look at Schedule 1, if there is an amount on line 5, then there should be a Schedule E with the return. Review the Schedule E for accuracy and to ensure the return is within scope of the program and within the certification level of the volunteers that prepared and reviewed it.

HSA Distributions are reported on Form 1099-SA, Distribution From an HSA, Archer MSA, Medicare Advantage MSA. A Form 8889, Health Savings Accounts, must be filed with the return when the taxpayer receives Form 1099-SA. The taxpayer must identify how the distributions were used. They must be used for qualified medical expenses, otherwise,

Yes – Additional income correct

No – Error in taxable refunds, credits or offsets

No – Error in alimony received

No – Error in rental, royalties, etc.

No – Error in unemployment compensation

No – Error in HSA distribution

No – Error in Other income

No – Other

N/A – No additional income & none claimed

Question 17: Is all additional income on Schedule 1 correct?	Answer Options
<p>the taxpayer will have to report the distribution as income and report it on Schedule 1, line 8. If an error is found on Sch 1, line 8 because of an error reporting an HSA distribution, use the answer option, "Error in HSA distribution."</p> <p>Use "<u>No</u> – Error in Other income"" when there is an error, other than HSA, on Sch 1, line 8, for example an error in:</p> <ul style="list-style-type: none"> <li>• Reporting jury duty, gambling, lottery, prize, etc.</li> <li>• Reporting Form 1099-NEC box 1, Non-employee Compensation, on line 8, which should have been reported on Schedule C. This is an error on Schedule C, Q15, also.</li> <li>• Reporting cash self-employment income on line 8 instead of on Schedule C.</li> </ul> <p>Use "<u>No</u> – Other" when none of the other answer options apply or more than one error is found. Include a comment explaining the error(s).</p>	
<p><b>Tip:</b></p> <p><b>Schedule 1, Adjustments to Income:</b> If Form 1040, line 10 is less than line 9, you will need to review the bottom half of Schedule 1 for Adjustments. Like additional income, some of the line items dealing with adjustments have other schedules or forms to review to verify the information entered in the software. The Quality Review print set has a list of all the forms and schedules that are included with the tax return. All the adjustments are totaled on Schedule 1 and then flow over to Form 1040 to compute Adjusted Gross Income on line 11.</p>	
Question 18: Are adjustments to income (Sch 1, line22) correct?	Answer Options
<p>Look at Form 13614-C, Part IV &amp; V, there are several questions that could indicate an adjustment to income may be appropriate.</p> <p>Look at Form 13614-C, page 1, taxpayer job title. Most teachers (educators) spend their own money for classroom supplies and will qualify for the educator expense.</p> <p>Look at Form 13614-C, Part V, line 1. Does the taxpayer have an HSA? Look at box 12 of the W-2's. If there is a Code W with a dollar amount, this indicates the taxpayer has a Health Savings Account (HSA) and the employer contributed to it. Form 5498-SA, HSA, Archer MSA, or Medicare Advantage MSA Information, is the source document showing contributions to an HSA. Be sure the HSA deduction was based on the taxpayer's contributions (or someone making them on behalf of the taxpayer), not the employer's contribution to the HSA. Review Form 8889 which will be part of the tax return. Are the contributions entered correctly? There may be contribution made by both the employer and the taxpayer.</p> <p>Check Form(s) 1099-INT for a penalty for early withdrawal.</p> <p>Review Form 13614-C, Part IV, Q2 for contributions to an IRA. There may be a source document or the taxpayer's oral testimony. If the taxpayer plans to contribute later, but before the April due date of the Form 1040, the volunteer needs to annotate on Form 13614-C that the taxpayer gave oral testimony.</p> <p>Look at Form 13614-C, Part IV, Q8. Most of the time, students that are paying student loan interest will get a source document, but don't rely</p>	<p>Yes – Adjustments to income correct</p> <p><u>No</u> – Error in educator expense</p> <p><u>No</u> – Error in HSA deduction</p> <p><u>No</u> – Error in SE tax</p> <p><u>No</u> – Error in penalty on early withdrawal</p> <p><u>No</u> – Error in alimony paid</p> <p><u>No</u> – Error Charitable Contributions</p> <p><u>No</u> – Error in IRA deduction</p> <p><u>No</u> – Error in student loan interest deduction</p> <p><u>No</u> – Other_</p> <p>N/A – No adjustments &amp; none claimed</p>

totally on the source document, check to see how the taxpayer answered the question on Form 13614-C.

**Question 19: Is the standard deduction (Form 1040, line 12) correct?**

**Answer Options**

Check Form 13614-C for the age of the taxpayer and spouse, if applicable, and for the legally blind box(es), when reviewing the standard deduction amount.

Use “No – Error identifying taxpayer (or spouse) as a dependent” when either the taxpayer is erroneously identified or was not correctly identified as being claimed by someone else as a dependent, causing the standard deduction amount to be incorrect. The standard deduction can be limited when a taxpayer can be claimed as dependent on another taxpayer’s tax return. Q8 will also capture when the taxpayer is not correctly identified or is erroneously identified as a dependent. The error classifying the taxpayer as a dependent or not, could ripple down to the standard deduction amount.

Remember, some taxpayers must itemize (MFS or dual status aliens). Use “No – Should have itemized & did not” when a taxpayer must itemize but the standard deduction was used. Use the comments section to describe the error. For example, “TP is filing MFS and spouse itemized, therefore taxpayer is not eligible for standard deduction and must itemize.”

Use “No – Other” when none of the other answer options apply or when there is more than one error. Explain the error in the comments section.

Yes – Standard deduction correct

No – Error in age/blindness

No – Error in filing status

No – Error identifying taxpayer (or spouse) as a dependent

No – Should have itemized & did not

No – Other

N/A – Itemized & no standard deduction claimed

**Question 20: Are itemized deductions (Schedule A) correct?**

**Answer Options**

If the taxpayer is itemizing, review each area of the Schedule A and compare the amounts with the source documents, which may be the taxpayer’s records. If any of the entries rely on oral testimony, there should be an explanation on Form 13614-C.

Use “No – Other” when the other answer options do not apply or when there is more than one error. Explain what caused the error(s) in the comments section.

Yes – Itemized deductions correct

No – Error in medical expenses

No – Error in taxes paid

No – Error in interest paid

No – Error in donations to charity

No – Other

N/A – Used standard deduction

**Question 21: Is the Qualified Business Income Deduction (Form 1040, Line 13) correct?**

**Answer Options**

Is the taxpayer self-employed? Generally, VITA/TCE prepared returns will have an entry on Form 1040, line 13 if there is a Schedule C with the return. The amount of the business income deduction is calculated using Form 8995, Qualified Business Income Deduction Simplified Computation.

Yes

No

N/A – Not entitled to deduction & none taken

The tax preparation software will compute the 20% calculation, with any adjustments, and enter it on this line.

Provide a comment if you use the “No” answer option. For example, “Deduction incorrect because net business income is incorrect.”

### Question 22: Is the tax (Form 1040, Line 16) correct?

### Answer Options

As always, we will assume the tax preparation software calculated the income tax amount correctly based on the taxable income. Generally, if the taxable income is incorrect, then the tax is incorrect. In this case, use the answer option, “No – Error in taxable income.”

Check Form 13614-C, Part V, Q9. Look at Form 1040, line 17. If there is an amount, it is most likely Form 8962, Premium Tax Credit (PTC), will be included with the tax return. The taxpayer must have Form 1095-A, Health Insurance Marketplace Statement, if he/she purchased insurance through the Marketplace. Taxpayers that received advance payments of the premium tax credit, which was sent to their health insurer, must complete Form 8962 to reconcile the advance payments with their premium tax credit. Oral testimony is not sufficient for the calculation of the premium tax credit or reconciling the advance payments; Form 1095-A is required.

An error on the Form 8962 can cause a miscalculation of the:

- Excess advance premium tax credit repayment, Schedule 2, line 2 (covered by this question) OR
- Net premium tax credit, Form 1040, Schedule 3, line 8 (covered by Q27).

An incorrect PTC calculation can be caused by errors in:

- Filing Status – Incorrect use or non-use of MFS status and/or incorrect use or non-use of the special exemption for MFS
- Part 1 of Form 8962 – Calculation of the taxpayer’s contribution amount
- Part 2 or 3 of Form 8962 -
  0. The reconciliation of advance payment of PTC
  1. The calculation of the PTC
  2. The calculation of excess advance payment of PTC
  3. The calculation of net PTC

When using “No – Error in excess advanced premium tax credit (Schedule 2)” identify what caused the error in the comments.

Use “No – Other” when the other answer options do not apply or there is more than one error. Include a comment describing the error(s).

Yes – Tax is correct

No – Error in excess Advanced Premium Tax Credit (Schedule 2)

No – Error in taxable income

No – Other

N/A – No taxable income

**Question 23: Is the Child Tax Credit (CTC) and Credit for Other Dependents (Form 1040, Line 19) correct?**

**Answer Options**

Look at Form 1040, page 1, Dependents section of the Form 1040. You should have reviewed this section already to answer Q9. If the eligible dependents are listed correctly for CTC, Credit for Other Dependent, or as a dependent for another reason, then the software will correctly compute the amount on line 19 of the Form 1040.

When answering Q9 of Form 6729-R, you should have determined whether the dependents for the CTC and Credit for Other Dependents were correctly listed. If there is an error listing a person for the CTC or Credit for Other Dependent, then the answer to this question will give further details on what caused the error.

If there is no tax liability there should not be any amount listed on Form 1040, line 19. Be sure to use the correct "Yes" answer, as there are two to choose from.

Use "No – Other" when one of the answer options does not fit or there are multiple mistakes.

Yes - CTC and/or Credit for Other Dependents correct

Yes - Entitled to claim CTC and/or Credit for Other Dependents, but no tax liability

No - Claiming ineligible child for CTC

No - Failed to claim eligible child for CTC

No - Claimed ineligible person for Credit for Other Dependents

No - Failed to claim eligible person for Credit for Other Dependents

No - Other

N/A - Not eligible to claim credits & none claimed

**Question 24: Are nonrefundable credits (Schedule 3, line 7) correct?**

**Answer Options**

If line 21 is larger than line 19, you must review Schedule 3. Most of the nonrefundable credits on Form 1040, Schedule 3 require additional forms. Drill down to the form where the entries can be reviewed. Schedule 3 will only have the net credit amount, but you won't be able to verify entries without going to the form for the credit (i.e. Forms 2441, 8863, 8880, etc.)

Be sure to use the correct "Yes" answer, as there are two from which to choose.

Check any brokerage statements for foreign tax paid. Often, it is a small amount that is easy to overlook.

Look at Form 13614-C, Part II, Q2 and Part IV, Q5. If there is an entry on Schedule 3, line 2, review Form 2441, Child and Dependent Care Expenses, and Forms W-2, Box 10. For the credit for child and dependent care expenses, the qualified expenses need to be documented with receipts or a comment on Form 13614-C indicating taxpayer's oral testimony was used and the amounts.

Look at Form 13614-C, Part IV, Q3 and Schedule 3, line 3. Review Form 8863, Education Credits, for the nonrefundable portion. Verify qualified expenses for specific credit claimed. In most circumstances, the taxpayer will have Form 1098-T, with Box 1 (payments received) complete, if it is blank and amount is in Box 2 be sure the volunteer verified the taxpayer made the payments in the tax year. If the taxpayer provided oral testimony for expenses, the volunteer should notate the actual amount paid by the taxpayer on Form 13614-C. There may be more than one education credit on the return. If one, or more, is incorrect include a description of the errors in the comments section. An error on nonrefundable portion of the American Opportunity Credit (AOC) may cause an error on the refundable portion claimed on Form 1040, line 29.

See Form(s) W-2, box 12 (box 14 in very limited situations) and Form 13614-C, Part IV, Q2, for qualified contributions to an IRA or other retirement plan. A withdrawal out of a retirement account can affect whether the taxpayer is eligible for the retirement savings credit or how much the credit will be for the taxpayer. Review the Form 8880 to ensure any withdrawals are input. If the taxpayer receives a 1099R for the withdrawal, the software should automatically include it for the calculation on the Form 8880.

Yes - Nonrefundable credits are correct

Yes - Entitled to claim one or more non-refundable credits, but no tax liability

No - Error in Foreign Tax Credit

No - Error in Credit for Child and Dependent Care expenses

No - Error in nonrefundable Education Credits

No - Error in Retirement Savings Contributions credit

No - Other

N/A - Not entitled to nonrefundable credits & none claimed

### Question 25: Are all other taxes (Schedule 2, line10) correct?

### Answer Options

Look at Form 1040, line 23, if there is an amount on line 23, then Schedule 2, Part II, must be reviewed.

At this point of the review, you will know if there is net business income. The software will calculate the self-employment tax based on the net business income. If there is an error on net business income, there will most likely be an error on SE tax. If SE tax amount is incorrect, then there will also be an error on Q17 for adjustments to income. The threshold for SE tax is net income from self-employment of \$400 or more.

Tip income on Form 4137, Social Security and Medicare Tax on Unreported Tip Income, is in-scope, for volunteers with Advanced tax law certification, but Social Security and Medicare tax on Form 8919, Uncollected Social Security and Medicare Tax on Wages, is out-of-scope.

We often see early distributions from an IRA or other qualified retirement plans at VITA/TCE sites. Check codes on Form(s) 1099-R to make sure they are correctly input into the software. An incorrect code could overstate or understate tax. The extra penalty can be especially harmful to the

Yes - Other taxes correct

No - Error in Self-employment Tax

No - Error in unreported Social Security & Medicare tax

No - Error in additional tax on IRA or retirement distribution

No - Error in repayment of First-time Homebuyer Credit

No - Household Employee Tax

No - Other

N/A - No other taxes & none claimed

Question 25: Are all other taxes (Schedule 2, line10) correct?	Answer Options
<p>taxpayers we serve, ensure the volunteer addressed possible exceptions to the additional tax (penalty). Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts, Part 1 is within scope for VITA/TCE.</p> <p>“<u>No</u> – Other” – Use this answer option if there is an error and no other answer option applies.</p>	
Question 26: Is federal income tax withheld (Form 1040, line 25d) correct?	Answer Options
<p>Check all the W-2's and 1099-R's in the Quality Review print set to ensure the withholding amounts are accurately entered. Some taxpayers also have withholding on social security income, double check the Form SSA-1099.</p> <p>Federal withholding cannot be based on oral testimony even if associated wages reported on Form 1040, line 1 of the tax return were based on oral testimony.</p>	<p>Yes</p> <p><u>No</u></p> <p>N/A – No withholding to report</p>
Question 27: Are refundable credits (Form 1040, line 32) correct?	Answer Options
<p>When answering Q9, you determined whether the dependents listed qualified the taxpayer for CTC, credit for other dependent, or for another tax benefit. Errors in the Dependent section of the Form 1040 could cause errors in refundable credits. Review Schedule 8812, Additional Child Tax Credit.</p> <p>You checked the nonrefundable portion of the education credit in Q23. If the nonrefundable portion of the AOC is correct, generally the refundable portion will also be correct because the tax preparation software will do the math.</p> <p>Check the eligible dependents for EIC. Remember there are situations where the eligible dependent for EIC is not an eligible dependent for CTC or the credit for other dependents. Be aware of divorced parents; the custodial parent could be eligible for the EIC even when they are not eligible for CTC. Review the Schedule EIC, Earned Income Credit, for accuracy.</p>	<p>Yes - Refundable credits correct</p> <p><u>No</u> - Error in EIC</p> <p><u>No</u> - Error in Additional Child Tax credit</p> <p><u>No</u> - Error in refundable American Opportunity Credit</p> <p><u>No</u> - Error in the Recovery Rebate Credit</p> <p><u>No</u> – Other</p> <p>N/A – no refundable EIC, CTC, AOC or RRC &amp; none claimed</p>

Question 28: Are other payments (Schedule 3, line 14) correct?	Answer Options
<p>Look at Form 13614-C, Part V, Q7. If there is a “Yes” then there should be an amount on Form 1040, Line 26, for estimated tax payments.</p> <p>Look at Form 13614-C, Part V, Q9. If there is a “Yes”, then as discussed in Q21, review the Instructions for Form 8962, Premium Tax Credit, to ensure the premium tax credit calculations are correct. See tips in Q21.</p> <p>Use “<u>No</u> – Other” when the other answers do not fit or there is more than one error.</p> <p>A description of the error(s) is required for any “<u>No</u>” answer.</p>	<p>Yes - Other payments are correct</p> <p><u>No</u> - Error in estimated tax payment</p> <p><u>No</u> - Error in net Premium Tax Credit</p> <p><u>No</u> – Error in amount paid with request for extension to file</p> <p><u>No</u> - Error in excess social security and tier 1 RRTA tax withheld</p> <p><u>No</u> - Error in credit for federal tax on fuels</p> <p><u>No</u> - Other</p> <p>N/A - No other payments/credits &amp; none claimed</p>
Question 29: Are the bank routing number, account number and account type (Form 1040, line 35a) correct?	Answer Options
	<p>Yes – Information correct</p> <p><u>No</u> – Information is incorrect</p> <p><u>No</u> – Other</p> <p>N/A – Not requested</p>
Question 30: Based on the information provided, was an accurate return prepared?	Answer Options
<p>Remember that an error in the Label section of the return, questions 4 &amp; 5 on the return review sheets, causes the return to be considered inaccurate.</p> <p><b><u>Tolerance</u></b></p> <p>If an error was found that is within tolerance the return is considered accurate for the return review. After input into SPECTRM, ensure the BOE-generated Form 6729-R show a “Yes” for the “Overall Rating.” <b>Describe the error with a comment on the line where the error within tolerance was made.</b></p> <p>For example, if there was a typo inputting the withholding, and the error is within tolerance, you will answer Q25 with “Yes.” You will make a note in the comment section explaining that there was an error, but it was within tolerance. The return should be corrected for the taxpayer, so he/she can file an error-free return.</p>	<p>Yes</p> <p><u>Yes</u> – Error(s) found but within tolerance level</p> <p><u>No</u></p>