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| 2017

Your Client Said They Had the
Documents...

Now Where are They?

Refundable Credits Audits



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Refundable Credits



Earned Income
Tax Credit



Child & Additional Child Tax
Credit



American Opportunity
Tax Credit



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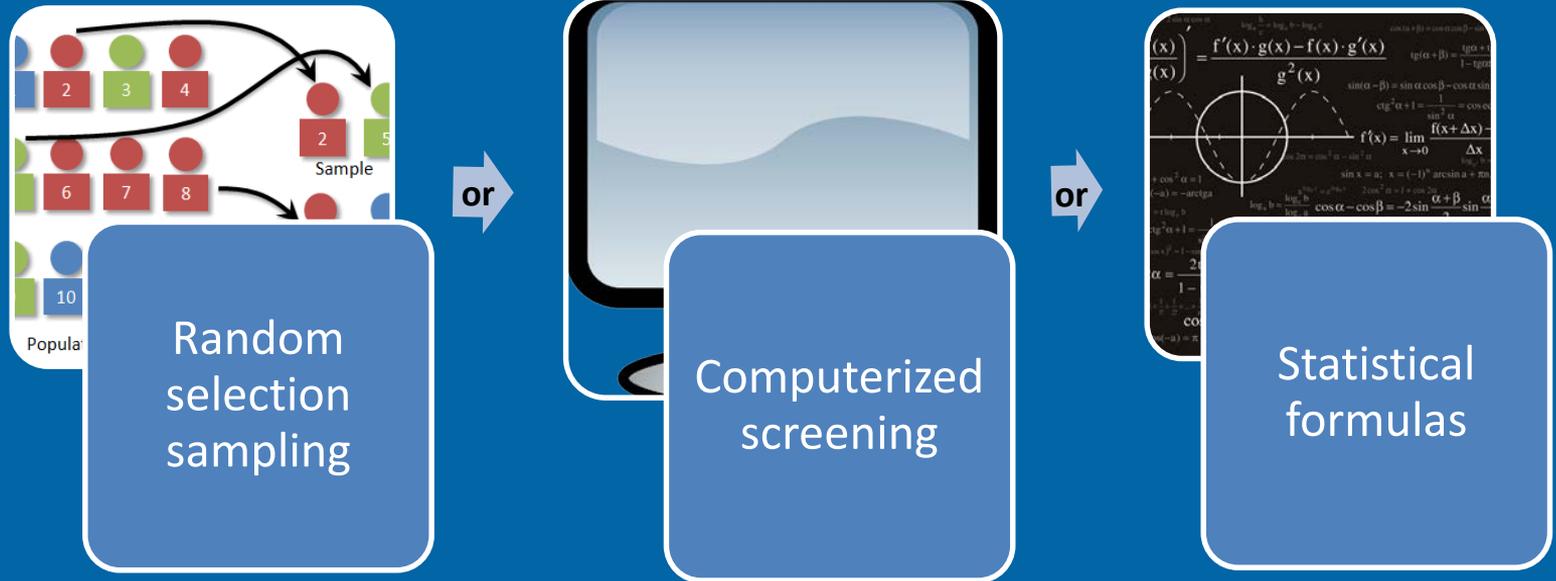
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After completing this seminar you will gain the knowledge and skills to be able to

- Understand and help your client through the exam process
- Know what documentation is needed to prove your client's eligibility for credits
- Avoid common documentation issues
- Know how recent law changes could affect your client
- Find the resources available to assist you



How are taxpayers selected for audit?





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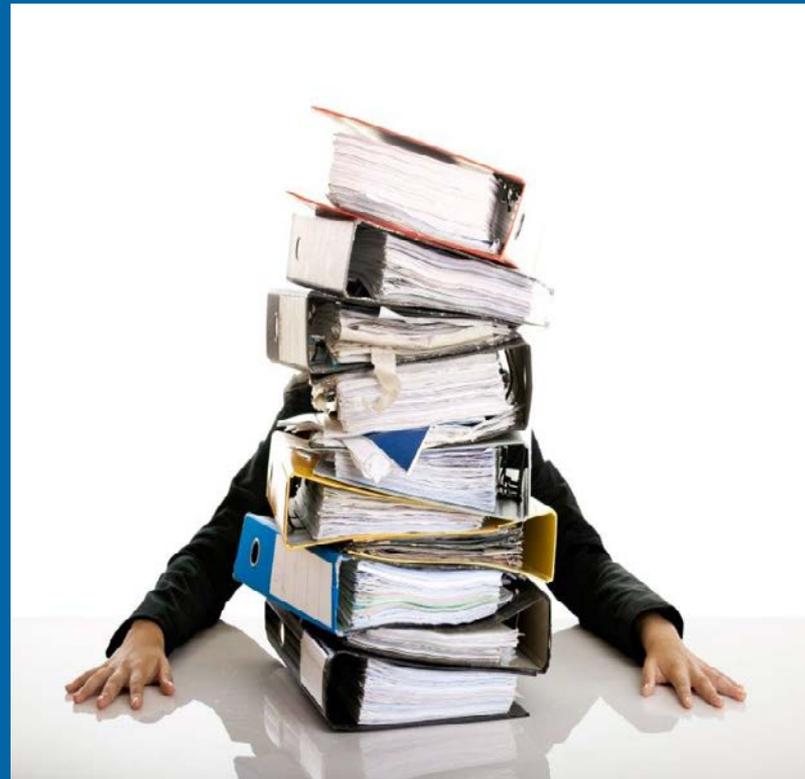
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You might encounter different types of audits

- Face-to-Face
- Correspondence





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Your client is getting audited – where do you start?

- The original tax return?
- The IRS audit letter?
- Requested documentation?



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Know where your client stands by reviewing the correspondence audit letters

- Initial contact letter
- 30 day letter
- 90 day letter - Statutory Notice of Deficiency



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Forms 886-H Standard Document Requests

- Forms 886-H provide guidance on documents to submit to IRS
- Review each Form 886-H in your client's audit package

Form 886-H-AOC (May 2017)		Department of the Treasury - Internal Revenue Service Supporting Documents to Prove American Opportunity Credit	
We need to verify that you are eligible to claim the American Opportunity Credit shown on your tax return.			
For each student for whom you claimed the American Opportunity Credit, provide proof of enrollment in an eligible educational institution:			
<ul style="list-style-type: none"> Copies of Form 1099-T, Tuition Statement, from each institution the student attended (if provided by the institution) If any institution did not provide Form 1099-T, copies of other documents that verify enrollment, such as transcripts or other enrollment forms. The document(s) must include the institution's name, federal identification number, dates of enrollment, and the student's enrollment status (more than half time, not a graduate student) Copies of proof of payment of tuition and fees such as cancelled checks, bank statements, credit card statements or receipts. Form 1098-T may 			
For each student for whom you qualified expenses such as a:		Department of the Treasury - Internal Revenue Service Form 886-H-EIC (October 2016)	
<ul style="list-style-type: none"> Copies of cancelled checks Copies of documents that a syllabus, or letters from 		Documents You Need to Send to Claim the Earned Income Credit on the Basis of a Qualifying Child or Children for Tax Year 2016	
Taxpayer name		Taxpayer Identification Number	
Tax year		Tax year	
To get Earned Income Credit (EIC), the child must have lived with you for more than half of 2016* in the United States. The United States includes the 50 states and the District of Columbia. It doesn't include Puerto Rico or U.S. possessions such as Guam.			
<p>Para recibir el Crédito por Ingresos del Trabajo (EIC), el niño tiene que haber convivido con usted, sea su pariente, y tener una edad específica. Visite IRS.gov/espanol para buscar la versión en español de Formulario 886-H-EIC (SPI) (Rev. 10-2016) o llame al 1-800-829-3676.</p> <p>Visite IRS.gov/etico to find out more about who qualifies for EIC.</p>			
<p>Certain payments on behalf of received any of the following:</p> <ul style="list-style-type: none"> Employer provided educational assistance Withdrawals from any educational savings account U.S. Savings bond interest Veteran's educational assistance Any other nontaxable payment 		<p>1. Each child that you claim must have lived with you for more than half of 2016* in the United States. The United States includes the 50 states and the District of Columbia. It doesn't include Puerto Rico or U.S. possessions such as Guam.</p> <p>*Count time that you or the child is temporarily away from home due to special circumstances as time the child lived with you. Examples include illness, college, business, vacation, military service or detention in a juvenile facility.</p>	
<p>Note: The following expenses are not eligible for the credit:</p> <ul style="list-style-type: none"> Insurance Medical expenses (including room and board) Similar personal, living or living conditions of enrollment or a 		<p>2. Each child that you claim must be related to you in one of the ways listed below. If the child is:</p> <ul style="list-style-type: none"> Your son or daughter (including an adopted child) 	
<p>To prove the child lived with you in the United States, the document(s) must have:</p> <ul style="list-style-type: none"> Your U.S. address, your name, and the child's name. If you use P.O. Box as your mailing address, you must send a complete Form 1099, P.O. Box Application stamped by the Post Office. The date in 2016 the child lived at the same address as you must cover more than half of 2016. If the document has the child's name and your address but not your name, you need to send in another document with your name showing the same address. 		<p>3. Each child that you claim must be related to you in one of the ways listed below. If the child is:</p> <ul style="list-style-type: none"> Your son or daughter (including an adopted child) 	
<p>You can send one or more of the following documents to prove the child lived with you for more than half of 2016:</p> <ul style="list-style-type: none"> School records (you may need to send one or more school records) Medical records from doctor, hospital or medical clinic (immigration records may not include all the necessary information) Adoption or child placement documents Court records 		<p>4. Do not send dated statements on letterhead from:</p> <ul style="list-style-type: none"> The child's school The child's childcare provider (not a relative) The child's team care provider, doctor, nurse or clinic A social service agency A placement agency official Your employer An Indian tribe official Your attorney or property manager A place of worship Others 	
<p>Nothing at this time, go to Section 3.</p> <p>If your name is not on the child's birth certificate, send us other records or documents proving you are the parent such as adoption records, court decree or adoption test results.</p> <p>If the child was not born in the United States, we need a copy of the birth certificate or immigration papers in English or a copy of the birth certificate.</p> <p>One or more birth certificates or other legal documents proving how you are related. For example, if you are claiming your</p>		<p>Then, send in copies of:</p> <ul style="list-style-type: none"> Nothing at this time, go to Section 3. If your name is not on the child's birth certificate, send us other records or documents proving you are the parent such as adoption records, court decree or adoption test results. If the child was not born in the United States, we need a copy of the birth certificate or immigration papers in English or a copy of the birth certificate. One or more birth certificates or other legal documents proving how you are related. For example, if you are claiming your 	

Form 886-H-DEP (Rev. October 2015)		Department of the Treasury - Internal Revenue Service Supporting Documents for Dependency Exemptions	
Taxpayer Name		Taxpayer Identification Number	
Tax year		Tax year	
<p>If You Are:</p> <p>Divorced, legally separated, or living apart from the other parent of the child claimed on your return.</p>		<p>And:</p> <p>Both parents (together) provided more than half of the child's total support for the tax year.</p> <p>and</p> <p>One or both parents have custody.</p>	
<p>If the Person Is:</p> <p>The child is your son, daughter, adopted child, a child lawfully placed with you for legal adoption, stepson, stepdaughter, brother, sister, stepbrother, stepdaughter, or a descendant of any such person (for example, a grandchild, or niece, or a nephew).</p> <p>and</p> <p>The child lived with you for more than half of 2015, (temporary absences away from home, such as the child going away to school, count as time lived at home).</p> <p>and</p> <p>The child did not provide half of his or her own support for 2015.</p> <p>and</p> <p>All the end of 2015, the child is under age 19, or a full time student under the age of 24, or permanently and totally disabled regardless of age.</p>		<p>Then please send photocopies of the following documents:</p> <p>Entire divorce decree, separation agreement, decree of separate maintenance, if you are living apart from the child's other parent, but you are not divorced or legally separated, send proof that you did not live with the child's other parent for the last six months of the year.</p> <p>Current custody order, completed Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents or a similar statement as applicable for 2015. You may need to send more than one document.</p> <p>Then please send photocopies of the following documents:</p> <p>Birth certificate or other official documents of birth, marriage certificate, letter from an authorized adoption agency, letter from the authorized placement agency, or applicable court document that verify your relationship to the child (send these documents only for a qualifying child who is not your natural or adopted child).</p> <p>To show both you and your child lived together at the same address or addresses for more than half of 2015, send either:</p> <ul style="list-style-type: none"> School, medical, daycare, or social service records. A letter on the official letterhead from a school, medical provider, social service agency, or place of worship that shows names, common address and dates. (If you send a letter from a relative who provides your daycare, you MUST send at least one additional letter that provides proof.) <p>You may need to send more than one document to show that the child lived with you for more than half of the year.</p>	



Form 886-H-HOH

Form 886-H-HOH (October 2016)		Department of the Treasury—Internal Revenue Service	
Supporting Documents To Prove Head of Household Filing Status			
You may qualify for Head of Household filing status if you meet the following three tests: Marriage Test, Qualifying Person Test, and Cost of Keeping up a Home Test.			
Name of Taxpayer		Taxpayer Identification Number	Tax Period Ending
Marriage Test	If You Are:	Then send photocopies of the following documents for tax year 2016	
	Single	Go to the Qualifying Person Test and Cost of Keeping up a Home Test.	
	Divorced or legally separated	Entire divorce decree, separate maintenance decree, or separation agreement.	
	Married, but your spouse did not live with you during the last 6 months of tax year 2016	Documents verifying your spouse did not live with you during the last 6 months of the year, such as a lease agreement, utility bills, a letter from a clergy member, or a letter from social services.	
Qualifying Person Test <i>(If your relationship with the child is not in this listing, please see Publication 501, Exemptions, Standard Deduction, and Filing Information for more information).</i>	If the Person Is:	And	Then send photocopies of the following documents for tax year 2016
	Your child (including an adopted child, or a pending adoption). Your brother or sister, stepbrother or stepsister, or any of their descendants (for example, grandchild, niece, or nephew). Your eligible foster child (a child placed in your home by an authorized placement agency or by a court order).	You can claim a dependency exemption for the child. The child lived in your home for more than half of 2016 (temporary absences away from home, such as time spent at school, count as time lived at home). Note—A married child must be your dependent.	Birth certificates or other official documents of birth, marriage certificates, letter from an authorized adoption agency, letter from the authorized placement agency, or applicable court document that verify your relationship to the child (send these documents only for a qualifying child who is not your natural or adopted child). To show both you and your child lived together for more than half of 2016, send: • School, medical, daycare, or social service records • A letter on the official letterhead from a school, medical provider, social service agency, or place of worship that shows names, common address and dates. (If you send a letter from a relative who provides your daycare, you MUST send at least one additional letter.) Send as many documents as necessary to show that the child lived with you for more than half of the year.
Cost of Keeping up a Home Test	If:	And	Then send photocopies of the following documents for tax year 2016
	You pass both the marriage test and the qualifying person test,	You paid more than half the cost of keeping up your home for 2016.	Rent receipts, utility bills, grocery receipts, property tax bills, mortgage interest statement, upkeep and repair bills, property insurance statement, and other household bills.



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Form 886-H-DEP

Form 886-H-DEP (Rev. October 2015)		Department of the Treasury—Internal Revenue Service	
		Supporting Documents for Dependency Exemptions	
Taxpayer Name		Taxpayer Identification Number	Tax Year
If You Are:	And:	Then please send photocopies of the following documents:	
Divorced, legally separated, or living apart from the other parent of the child claimed on your return.	Both parents (together) provided more than half of the child's total support for the tax year. and One or both parents have custody.	Entire divorce decree, separation agreement, decree of separate maintenance. If you are living apart from the child's other parent, but you are not divorced or legally separated, send proof that you did not live with the child's other parent for the last six months of the year. Current custody order, completed Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents or a similar statement as applicable for 2015. You may need to send more than one document.	
If the Person Is:	And:	Then please send photocopies of the following documents:	
Your qualifying child	The child is: your son, daughter, adopted child, a child lawfully placed with you for legal adoption, stepson, stepdaughter, brother, sister, stepbrother, stepdaughter, foster child placed with you by an authorized placement agency or by court order, or a descendant of any such person (for example, a grandchild, a niece, or a nephew). and The child lived with you for more than half of 2015, (temporary absences away from home, such as the child going away to school, count as time lived at home). and The child did not provide half of his or her own support for 2015, and At the end of 2015, the child is under age 19, or a full time student under the age of 24, or permanently and totally disabled regardless of age.	Birth certificates or other official documents of birth, marriage certificates, letter from an authorized adoption agency, letter from the authorized placement agency, or applicable court document that verify your relationship to the child (send these documents only for a qualifying child who is not your natural or adopted child). To show both you and your child lived together at the same address or addresses for more than half of 2015, send either: • School, medical, daycare, or social service records. • A letter on the official letterhead from a school, medical provider, social service agency, or place of worship that shows names, common address and dates. (If you send a letter from a relative who provides your daycare, you MUST send at least one additional letter that provides proof.) You may need to send more than one document to show that the child lived with you for more than half of the year.	



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Form 886-H-EIC

Form 886-H-EIC (October 2016)		Department of the Treasury—Internal Revenue Service Documents You Need to Send to Claim the Earned Income Credit on the Basis of a Qualifying Child or Children for Tax Year 2016	
Taxpayer name		Taxpayer Identification Number	
Tax year			
<p>To get Earned Income Credit (EIC), the child must have lived with you, be related to you and be a certain age. Para recibir el Crédito por Ingreso del Trabajo (EIC, por sus siglas en inglés), el niño tiene que haber convivido con usted, ser su pariente, y tener una edad específica. Visite IRS.gov/espanol para buscar la versión en español del Formulario 886-H-EIC (SP) (Rev. 10-2016) o llame al 1-800-829-3676. Visit IRS.gov/eic to find out more about who qualifies for EIC.</p>			
<p>1. Each child that you claim must have lived with you for more than half of 2016* in the United States. The United States includes the 50 states and the District of Columbia. It doesn't include Puerto Rico or U.S. possessions such as Guam.</p> <p><small>*Count time that you or the child is temporarily away from home due to special circumstances as time the child lived with you. Examples include illness, college, business, vacation, military service or detention in a juvenile facility.</small></p>			
<p>To prove the child lived with you in the United States, the document(s) must have:</p> <ul style="list-style-type: none"> • your U.S. address, your name, and the child's name. (If you use a P.O. Box as your mailing address, you must send a completed Form 1093, P.O. Box Application stamped by the Post Office) • the dates in 2016 the child lived at the same address as you must cover more than half of 2016 • if the document has the child's name and your address but not your name, you need to send in another document with your name showing the same address 		<p>You can send one or more of the following documents to prove the child lived with you for more than half of 2016:</p> <ul style="list-style-type: none"> • school records (you may need to send one or more school records) • Medical records from doctors, hospital or medical clinic (immunization records may not include all the necessary information) • adoption or child placement documents • court records 	
		<p>Or, send dated statements on letterhead from:</p> <ul style="list-style-type: none"> • the child's school • the child's childcare provider (not a relative) • the child's health care provider, doctor, nurse or clinic • a social service agency • a placement agency official • your employer • an Indian tribal official • your landlord or property manager • a place of worship • shelters 	
<p>2. Each child that you claim must be related to you in one of the ways listed below. If the child is:</p>		<p>Then, send in copies of:</p>	
<p><i>Your son or daughter (including an adopted child)</i></p>		<p>Nothing at this time, go to Section 3. If your name is not on the child's birth certificate, send us other records or documents proving you are the parent such as adoption records, court decree or paternity test results. If the child was not born in the United States, we need a copy of the birth certificate or immigration papers in English or a copy of the legal translation.</p>	
<p><i>Your grandchild or great grandchild</i></p>		<p>One or more birth certificates or other legal documents proving how you are related. For example, if you are claiming your:</p> <ul style="list-style-type: none"> • Grandchild, send your child's and grandchild's birth certificates • Great grandchild, send your child's, your grandchild's and your great grandchild's birth certificates <p>If the names aren't on the birth certificates, you need to send another type of document such as a court decree or paternity test results.</p>	
<i>Table continued...</i>			
Catalog Number 35113Q		www.irs.gov	
		Form 886-H-EIC (Rev. 10-2016)	



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Form 886-H-ITIN

Page 1 of 2

Form 886-H-ITIN Rev. December 2013	Dependent-Related Tax Benefits and Credits—Explanation of Items	Schedule No. or Exhibit
Name of Taxpayer	Tax Identification Number	Year Ended

Examination issues: For the examination issues shown in the enclosed letter, send us the items requested below.

Send us copies of records: Please do not send us your original documents.

Provide translations: For any document you send us that is not already in English, provide a true and accurate translation in the English language including the translator's name, address and telephone number. Failure to provide a true and accurate translation and to properly identify the translator may result in the item being disallowed.

CHILD TAX CREDIT AND ADDITIONAL CHILD TAX CREDIT

You must show us that each person claimed was a resident of the United States.

U.S. Resident Alien: To be a U.S. resident (resident alien), a person must be present in the U.S. for at least 31 days during the year being examined, and for at least 183 days during the three-year period ending in the year being examined. 183 days are counted as: (1) total days present in the U.S. during the year being examined, plus (2) one-third of the days in the immediate prior year, plus (3) one-sixth of the days in the second prior year.

Examples of what to send us: Documents proving each person claimed was present in the United States for the required number of days such as passports, rental property leases, records for school enrollment and attendance, for government benefits or assistance, for legal or financial matters, or from medical care, health insurance, or child care providers, or other similar documents proving U.S. residency.

EXEMPTIONS FOR DEPENDENTS

You must show us that each person claimed was your qualifying child or your qualifying relative.

NOTE: Only a qualifying child is eligible for child tax credit and additional child tax credit. A qualifying relative is not.

A qualifying child must be related to you in one of the ways shown in "Qualifying Child" on the last page, and must have lived with you for more than half the year.

A qualifying relative must be related to you in one of the ways shown in "Qualifying Relative" on the last page, and must have received over half of their support from you.

Related to you – examples of what to send us: Birth certificates for each dependent, and for any other individuals including yourself whose birth certificates prove that each dependent is related to you. For an adopted child, send an adoption decree. For a foster child, send proof of authorized placement.

Lived with you – examples of what to send us: Records that prove where you lived and where each claimed person lived for the entire year such as a rental property lease (or written statement from the property owner or agent showing the property address, the parties, terms, and time period of the agreement, and naming the persons residing at the property), or proof you lived in a home owned by you or another person (mortgage statement or payments, real estate tax statement), records for employment, for school enrollment and attendance, for government benefits or assistance, for legal or financial matters, or from medical care, health insurance, or child care providers, or other similar documents that prove each claimed person lived with you.

Support – examples of what to send us: Receipts, cancelled checks, account statements or other proof and estimates of amounts you paid for each dependent's support, including amounts paid for housing, food, clothing, transportation, medical care and other personal living expenses. For support each child received from other sources (such as from other persons, government agencies, or charities) send us the names, addresses, and amounts received from other sources.

We also need: For all persons who lived in the same home with you, send us their names, SSNs or ITINs, their relationship to you, and the number of months they lived in the same home with you. For any claimed dependent age 19 to 23 who is a full-time student, send school records that prove dates of enrollment and full-time attendance. For any claimed dependent over age 18 who is permanently and totally disabled, send medical records that prove the disability.

Special rules: There are special rules for children of divorced or separated parents, for children who may be the qualifying children of more than one taxpayer, and for children whose support is subject to a multiple support agreement. See Publication 501, *Exemptions, Standard Deduction, and Filing Information*.

You must show us that each person claimed was a resident of the United States, Mexico or Canada.

Examples of what to send us: Documents proving each person was either present in the U.S. for the required number of days (see U.S. Resident Alien above), or that each person lived in Mexico or Canada. Examples are passports, rental property leases, records for school enrollment and attendance, for government benefits or assistance, for legal or financial matters, or from medical care, health insurance, or child care providers, or other similar documents that prove residency.



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Form 886-H-AOC

Form **886-H-AOC**
(May 2017)

Department of the Treasury - Internal Revenue Service

Supporting Documents to Prove American Opportunity Credit

We need to verify that you are eligible to claim the American Opportunity Credit shown on your tax return.

For each student for whom you claimed the American Opportunity Credit, provide proof of enrollment in an eligible educational institution:

- Copies of Form 1098-T, *Tuition Statement*, from each institution the student attended (if provided by the institution)
- If any institution did not provide Form 1098-T, copies of other documents that verify enrollment, such as transcripts or other enrollment forms. The document(s) must include the institution's name, federal identification number, dates of enrollment, and the student's enrollment status (more than half time, not a graduate student)
- Copies of proof of payment of tuition and fees such cancelled checks, bank statements, credit card statements or receipts. Form 1098-T may serve as proof of payment IF payments received are recorded in Box 1

For each student for whom you claimed the American Opportunity Credit, provide proof of payment for other qualified expenses such as additional course related fees, books and supplies:

- Copies of cancelled checks, bank statements, credit card statements or receipts
- Copies of documents that show the expenses were needed for a course of study, such as course guides, course syllabuses, or letters from the educational institution(s)

Certain payments on behalf of the student reduce the amount of qualified expenses. For any student that received any of the following, provide copies of documents that show the amounts received as:

- Employer provided educational assistance benefits
- Withdrawals from any educational retirement arrangements
- U.S. Savings bond interest that is nontaxable because you paid qualified higher education expenses
- Veteran's educational assistance benefits or
- Any other nontaxable payment received for education expenses

Note: The following expenses are not allowable and do not qualify for the American Opportunities Credit:

- Insurance
- Medical expenses (including student health fees)
- Room and Board
- Similar personal, living or family expenses. This is true even if the amount must be paid to the institution as a condition of enrollment or attendance.



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Avoid common documentation problems

- Not legible
- Wrong time frame
- Missing and incomplete information
- Information not related to issue in question



Form 886-H-EIC

Standard Document Request

Form 886-H-EIC (October 2016)		Department of the Treasury—Internal Revenue Service Documents You Need to Send to Claim the Earned Income Credit on the Basis of a Qualifying Child or Children for Tax Year 2016	
Taxpayer name		Taxpayer Identification Number	
Tax year			
<p>To get Earned Income Credit (EIC), the child must have lived with you, be related to you and be a certain age. Para recibir el Crédito por Ingreso del Trabajo (EIC, por sus siglas en inglés), el niño tiene que haber convivido con usted, ser su pariente, y tener una edad específica. Visite IRS.gov/espanol para buscar la versión en español del Formulario 886-H-EIC (SP) (Rev. 10-2016) o llame al 1-800-829-3676. Visit IRS.gov/eto to find out more about who qualifies for EIC.</p>			
<p>1. Each child that you claim must have lived with you for more than half of 2016[*] in the United States. The United States includes the 50 states and the District of Columbia. It doesn't include Puerto Rico or U.S. possessions such as Guam.</p> <p><small>*Count time that you or the child is temporarily away from home due to special circumstances as time the child lived with you. Examples include illness, college, business, vacation, military service or detention in a juvenile facility.</small></p>			
<p>To prove the child lived with you in the United States, the document(s) must have:</p> <ul style="list-style-type: none"> • your U.S. address, your name, and the child's name. (If you use a P.O. Box as your mailing address, you must send a completed Form 1093, P.O. Box Application stamped by the Post Office) • the dates in 2016 the child lived at the same address as you must cover more than half of 2016 • if the document has the child's name and your address but not your name, you need to send in another document with your name showing the same address 		<p>You can send one or more of the following documents to prove the child lived with you for more than half of 2016:</p> <ul style="list-style-type: none"> • school records (you may need to send one or more school records) • Medical records from doctors, hospital or medical clinic (immunization records may not include all the necessary information) • adoption or child placement documents • court records 	
<p>2. Each child that you claim must be related to you in one of the ways listed below. If the child is:</p>		<p>Or, send dated statements on letterhead from:</p> <ul style="list-style-type: none"> • the child's school • the child's childcare provider (not a relative) • the child's health care provider, doctor, nurse or clinic • a social service agency • a placement agency official • your employer • an Indian tribal official • your landlord or property manager • a place of worship • shelters 	
<p>Your son or daughter (including an adopted child)</p>		<p>Then, send in copies of:</p> <p>Nothing at this time, go to Section 3.</p> <p>If your name is not on the child's birth certificate, send us other records or documents proving you are the parent such as adoption records, court decree or paternity test results.</p> <p>If the child was not born in the United States, we need a copy of the birth certificate or immigration papers in English or a copy of the legal translation.</p>	
<p>Your grandchild or great grandchild</p>		<p>One or more birth certificates or other legal documents proving how you are related. For example, if you are claiming your:</p> <ul style="list-style-type: none"> • Grandchild, send your child's and grandchild's birth certificates • Great grandchild, send your child's, your grandchild's and your great grandchild's birth certificates <p>If the names aren't on the birth certificates, you need to send another type of document such as a court decree or paternity test results.</p>	
<p><small>Table continued...</small></p>			
<p>Catalog Number 35113Q</p>		<p>www.irs.gov</p>	
<p>Form 886-H-EIC (Rev. 10-2016)</p>			

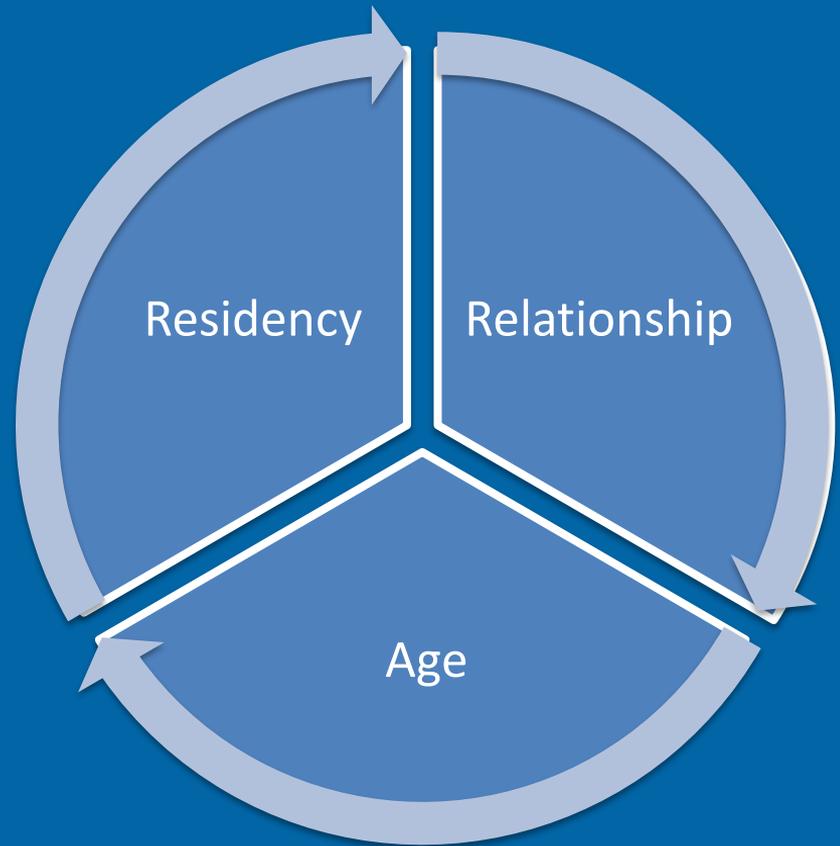


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Let's talk EITC acceptable documents for...





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Let's talk "relationship" acceptable documents

Military records

Court document

Medical records

Marriage certificate

Paternity DNA test

Child care provider

Government agency benefits

Birth Certificate



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Let's talk "residency" acceptable documents

Social Service
Records

Bank
Statements

Post Office
Info

Check stub

Homeless
Shelter
Statement

Indian tribal
official



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Let's talk "age" acceptable documents

Statement from
medical doctor

School records
verifying full time
student

Statement from
social service
program or
government agency

Birth Certificate



Let's talk ACTC/CTC acceptable documents



Residency examples:

- Bank statements
- Mortgage or rental receipts
- Earning /check stub
- Homeless shelter statement

Relationship examples:

- Birth certificate
- Child care provider
- Custody order
- Social service records
- Military records



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Form 886-H-ITIN

Standard Document Request

Page 1 of 2

Form 886-H-ITIN Dependent-Related Tax Benefits and Credits—Explanation of Items Schedule No. or Exhibit
Rev. December 2013

Name of Taxpayer	Tax Identification Number	Year Ended
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Examination Issues: For the examination issues shown in the enclosed letter, send us the items requested below.

Send us copies of records: Please do not send us your original documents.

Provide translations: For any document you send us that is not already in English, provide a true and accurate translation in the English language including the translator's name, address and telephone number. Failure to provide a true and accurate translation and to properly identify the translator may result in the item being disallowed.

CHILD TAX CREDIT AND ADDITIONAL CHILD TAX CREDIT

You must show us that each person claimed was a resident of the United States.

U.S. Resident Alien: To be a U.S. resident (resident alien), a person must be present in the U.S. for at least 31 days during the year being examined, and for at least 183 days during the three-year period ending in the year being examined. 183 days are counted as: (1) total days present in the U.S. during the year being examined, plus (2) one-third of the days in the immediate prior year, plus (3) one-sixth of the days in the second prior year.

Examples of what to send us: Documents proving each person claimed was present in the United States for the required number of days such as passports, rental property leases, records for school enrollment and attendance, for government benefits or assistance, for legal or financial matters, or from medical care, health insurance, or child care providers, or other similar documents proving U.S. residency.

EXEMPTIONS FOR DEPENDENTS

You must show us that each person claimed was your qualifying child or your qualifying relative.

NOTE: Only a qualifying child is eligible for child tax credit and additional child tax credit. A qualifying relative is not.

A qualifying child must be related to you in one of the ways shown in "Qualifying Child" on the last page, and must have lived with you for more than half the year.

A qualifying relative must be related to you in one of the ways shown in "Qualifying Relative" on the last page, and must have received over half of their support from you.

Related to you – examples of what to send us: Birth certificates for each dependent, and for any other individuals including yourself whose birth certificates prove that each dependent is related to you. For an adopted child, send an adoption decree. For a foster child, send proof of authorized placement.

Lived with you – examples of what to send us: Records that prove where you lived and where each claimed person lived for the entire year such as a rental property lease (or written statement from the property owner or agent showing the property address, the parties, terms, and time period of the agreement, and naming the persons residing at the property), or proof you lived in a home owned by you or another person (mortgage statement or payments, real estate tax statement), records for employment, for school enrollment and attendance, for government benefits or assistance, for legal or financial matters, or from medical care, health insurance, or child care providers, or other similar documents that prove each claimed person lived with you.

Support – examples of what to send us: Receipts, cancelled checks, account statements or other proof and estimates of amounts you paid for each dependent's support, including amounts paid for housing, food, clothing, transportation, medical care and other personal living expenses. For support each child received from other sources (such as from other persons, government agencies, or charities) send us the names, addresses, and amounts received from other sources.

We also need: For all persons who lived in the same home with you, send us their names, SSNs or ITINs, their relationship to you, and the number of months they lived in the same home with you. For any claimed dependent age 19 to 23 who is a full-time student, send school records that prove dates of enrollment and full-time attendance. For any claimed dependent over age 18 who is permanently and totally disabled, send medical records that prove the disability.

Special rules: There are special rules for children of divorced or separated parents, for children who may be the qualifying children of more than one taxpayer, and for children whose support is subject to a multiple support agreement. See Publication 501, Exemptions, Standard Deduction, and Filing Information.

You must show us that each person claimed was a resident of the United States, Mexico or Canada.

Examples of what to send us: Documents proving each person was either present in the U.S. for the required number of days (see U.S. Resident Alien above), or that each person lived in Mexico or Canada. Examples are passports, rental property leases, records for school enrollment and attendance, for government benefits or assistance, for legal or financial matters, or from medical care, health insurance, or child care providers, or other similar documents that prove residency.



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Let's talk AOTC alternative documents

No Form 1098-T
then
NO Credit

WAIT!!!





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Form 886-H-AOC

Standard Document Request



Form **886-H-AOC**
(May 2017)

Department of the Treasury - Internal Revenue Service

Supporting Documents to Prove American Opportunity Credit

We need to verify that you are eligible to claim the American Opportunity Credit shown on your tax return.

For each student for whom you claimed the American Opportunity Credit, provide proof of enrollment in an eligible educational institution:

- Copies of Form 1098-T, *Tuition Statement*, from each institution the student attended (if provided by the institution)
- If any institution did not provide Form 1098-T, copies of other documents that verify enrollment, such as transcripts or other enrollment forms. The document(s) must include the institution's name, federal identification number, dates of enrollment, and the student's enrollment status (more than half time, not a graduate student)
- Copies of proof of payment of tuition and fees such as cancelled checks, bank statements, credit card statements or receipts. Form 1098-T may serve as proof of payment IF payments received are recorded in Box 1

For each student for whom you claimed the American Opportunity Credit, provide proof of payment for other qualified expenses such as additional course related fees, books and supplies:

- Copies of cancelled checks, bank statements, credit card statements or receipts
- Copies of documents that show the expenses were needed for a course of study, such as course guides, course syllabuses, or letters from the educational institution(s)

Certain payments on behalf of the student reduce the amount of qualified expenses. For any student that received any of the following, provide copies of documents that show the amounts received as:

- Employer provided educational assistance benefits
- Withdrawals from any educational retirement arrangements
- U.S. Savings bond interest that is nontaxable because you paid qualified higher education expenses
- Veteran's educational assistance benefits or
- Any other nontaxable payment received for education expenses

Note: The following expenses are not allowable and do not qualify for the American Opportunities Credit:

- Insurance
- Medical expenses (including student health fees)
- Room and Board
- Similar personal, living or family expenses. This is true even if the amount must be paid to the institution as a condition of enrollment or attendance.



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Let's talk "AOTC" acceptable documents

Photocopies of cancelled checks

Bank or statements

Money order receipts

Certified cashier checks

Credit card statements

Enrollment forms or transcripts



PATH 211 - American Opportunity Tax Credit

**School's Employer Identification Number
required**





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Keeping you on the right PATH

Section 208 Consequences for your Clients

Recertification

- Expanded recertification to CTC/ACTC and AOTC

Two and ten year bans

- Expanded bans to CTC/ACTC and AOTC along with math error authority



New Form 8862

Form 8862 (Rev. December 2012) Department of the Treasury Internal Revenue Service	Information To Claim Earned Income Credit After Disallowance ▶ Attach to your tax return. ▶ Information about Form 8862 and its instructions is at www.irs.gov/form8862 .	OMB No. 1545-0074
	Name(s) shown on return	Attachment Sequence No. 43A

DRAFT...New form headed your way!!

- Before you begin:**
- ✓ See your tax return instructions or **Pub. 596**, Earned Income Credit (EIC), for the year for which you are filing this form to make sure you can take the earned income credit (EIC) **and** to find out who is a qualifying child.
 - ✓ If you have a qualifying child, complete **Schedule EIC** before you fill in this form.
 - ✓ **Do not** file this form if you are taking the EIC without a qualifying child **and** the only reason your EIC was reduced or disallowed in the earlier year was because it was determined that a child listed on **Schedule EIC** was not your qualifying child.

Part I All Filers

1 Enter the year for which you are filing this form (for example, 2012) ▶

2 If the **only** reason your EIC was reduced or disallowed in the earlier year was because you incorrectly reported your earned income or investment income, check "Yes." Otherwise, check "No" ▶ **Yes** **No**

Caution. If you checked "Yes," **stop. Do not** fill in the rest of this form. But you must attach it to your tax return to take the EIC. If you checked "No," continue.



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Your clients have

- Be informed
- Quality service
- Privacy
- Pay no more than the correct amount of tax
- Challenge the IRS's position and be heard



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RIGHTS

Your clients have

- Finality
- Confidentiality
- Retain representation
- A fair and just tax system
- Appeal an IRS decision in an independent forum



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- Tips and Tools
- Frequently Asked Questions
- Internal Revenue Manuals
- Regulations





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Thanks for attending

Your Client Said They Had the Documents...Now Where Are They?