

# FACT SHEET for SPEC Partners & Employees

## Quality & Oversight Updates for 2017 Filing Season



8/18/2016

### Key Messages

- There is a new Circular 230 Federal Tax Law Updates test for attorneys, Certified Public Accountants (CPA) and Enrolled Agents (EA).
- Once volunteer data is transferred to Form 13206 or partner-created listing with the same information and received by the Territory Office, partners do not need to retain Forms 13615.
- QSR # 2 and QSR #3 are now combined into one QSR.
- New QSR #3 requires Photo ID and TIN verification at VITA/TCE sites.
- Truncated SSN's are now required on Form 14446, *Virtual VITA/TCE Site Module Taxpayer Consent*.
- Site must remain marked as "Active" in SPECTRM if open for one or more days throughout the fiscal year.
- Civil Rights posters are now available in several languages to better inform taxpayers who are Limited English Proficiency (LEP).

This fact sheet provides updates to prepare employees, partners, site coordinators and volunteers for filing season 2017. Share this document during Site Coordinators training.

**Background:** Stakeholder Partnerships, Education & Communication (SPEC) continues to encourage consistent site operations and effective communications to improve quality and oversight in the Volunteer Income Tax Assistance and Tax Counseling for the Elderly (VITA/TCE) Programs. The following updates are effective for the 2017 Filing Season.

### Updates to Quality Site Requirements (QSR)

#### QSR #1 – Certification

**New:** There is a new "Circular 230 Federal Tax Law Update" test for volunteers governed by the rules and regulations under Treasury Department Circular No. 230. This new certification exam will test knowledge of new tax law provisions and updates. Only Attorneys, Certified Public Accountants (CPA) and Enrolled Agents (EA) may certify using this new test. However, they may choose to certify using the traditional certification path (i.e. Advance, Military, etc.). This IRS tax law-certification is a minimum requirement for this specific group of volunteers and some partners may have different certification expectations. Partners may require all volunteers to use the traditional certification path.

**Why:** *This is a National Taxpayer Advocate recommendation. After reviewing and evaluating the current certification process, SPEC agreed to provide this new annual certification option. Many of these individuals are tax professionals with annual Continuing Education (CE) requirements.*

#### QSR #2 – Intake/Interview & Quality Review Process:

**Update:** QSR #2 (Intake/Interview Process) and QSR #3 (Quality Review Process), are now combined as QSR #2, Intake/Interview & Quality Review Process.

**Why:** *To gain consistency in rating Quality Site Requirements by connecting the inter-relationship between Intake/Interview and Quality Review processes.*

#### QSR #3 – Confirming Photo Identification & Tax Identification Numbers (TIN):

**Update:** The new QSR#3 requires volunteers to confirm:

- Photo identification for primary and secondary taxpayers; and
- Social Security Numbers (SSN) or Individual Taxpayer Identification Numbers (ITIN) for everyone listed on the tax return.

At a minimum, volunteers will validate taxpayers' identities and identification numbers prior to preparing the tax return and before the return is electronically transmitted or before a copy of the return is given to the taxpayer. In order to efile a Married Filing Joint (MFJ) return, both taxpayers are required to be present at the site (not necessary at the same time) or produce a written document or Power of Attorney signed by the spouse who is unable to travel to the site. See exceptions listed in Publication 4299 for taxpayers known to the site.

**Why:** *To deter the filing of identity theft returns at our VITA/TCE sites.*

### **QSR #7 – Civil Rights Requirements:**

**Update:** In addition to the English/Spanish Publication 4053 – *Your Civil Rights are Protected* and the *AARP Tax-Aide D-143* Civil Rights Posters, all VITA/TCE sites serving Chinese, Korean, Russian, Spanish, and/or Vietnamese Limited English Proficient (LEP) taxpayers must also post Publication 4053 in these various languages. These posters are electronically available at IRS.gov.

**Why:** *To inform all taxpayers about their civil rights in various languages.*

### **Other Changes and Reminders:**

**Change:** Partners are no longer required to maintain Form 13615, *Volunteer Standards of Conduct Agreement*, once the volunteer and partner have:

- Signed the completed agreement;
- Accurately transferred all required data to the current Form 13206, *SPEC Volunteer Assistance Report*, or partner created listing (containing the same information); and
- Forwarded the Form 13206 or partner created listing, to the SPEC Territory Office.

Partners can choose to give Forms 13615 back to their volunteers. However, if volunteers are requesting CE credits, the form must be completed and forwarded to the SPEC Territory Office as described in the CE credits requirements.

**Why:** *No longer having to maintain this form reduces the burden for partners with large numbers of volunteers.*

**Change:** Form 14446, *Virtual VITA/TCE Site Module Taxpayer Consent* no longer requires the full Social Security Number. For security reasons, Form 14446 requires only the last four digits of the taxpayer's SSN.

**Why:** *In an effort to protect the taxpayer against ID Theft IRS requires all agencies to remove taxpayers' full SSNs from IRS forms unless necessary. Partners and volunteers are required to protect the taxpayers' data by following this same practice.*

**Reminder:** During Field Site Visits and QSS Return Reviews, we will continue to allow a "Tolerance Amount Level" when determining the accuracy of a tax return as long as the tax law is applied correctly, all income is listed on the correct Form 1040 line and the error does not cause a change:

- of more than \$50 to "**Total Income**" or "AGI",
- of more than \$14 to "**Total Tax**", "Federal Income Tax Withheld" or "Amount You Owe" and
- any of the credits shown on the return.

**Why:** *This is the current IRS policy for determining if a corrected return requires a new signed Form 8879, IRS e-file Signature Authorization.*

**Reminder:** The Protecting Americans from Tax Hikes Act of 2015 (PATH Act) contained many tax law provisions that affect the VITA/TCE programs. Some of these were previously existing provisions known as extenders.

- Those that are *permanently extended* by the PATH Act have been added to their respective lessons in Publication 4491, *VITA/TCE Training Guide*.
- Those that are *temporarily extended* through 2016 continue to be included in the Legislative Extenders lesson in Publication 4491.
- All (permanently/ temporarily) extenders have been added to the appropriate tabs in Publication 4012, *VITA/TCE Volunteer Resource Guide*.

- An overview of the permanently and temporarily extended provisions and other new provisions that are part of the PATH Act legislation are included in the Important Changes for 2016 section in Publication 4491 and the “What’s New” Tab in Publication 4012.

**Why:** *To ensure all volunteers have access to tax law changes that affect the VITA/TCE programs.*

**Reminder:** The SPEC Director must approve all policy changes that alter the current QSR, software agreements, e-file requirement and security policies.

**Why:** *To keep quality standards, security requirements or other license agreements from being in jeopardy in an effort to increase return preparation.*

**SPEC Employees Only:** Sites must remain marked as “Active” in the SPEC Total Relationship Management (SPECTRM) Database if it is open one or more days during the year. Only SPEC Headquarters (HQ) will mark all sites as “Inactive” at the appropriate time.

**Why:** *This was a Treasury Inspector General Tax Administration (TIGTA) finding. If a territory prematurely marks a site as inactive (closed for service), this gives the appearance the site (with return production) was never marked as active (open for service). TIGTA also identified sites not added to the SOI list to be selected as a QSS site and return review. HQ will change all active VITA/TCE sites in SPECTRM from active to inactive in November/December.*