

November 20, 2020

## VITA/TCA Volunteer Tax Alert

### VTA 2021-01 Certification Testing and Using Practice Lab

#### Purpose

Volunteers should use caution when completing their certification tests using the Practice Lab.

#### Identified Issues

The Practice Lab has not incorporated all 2020 tax law changes. Additionally, it does not include the 2020 draft versions of all the forms or schedules. This may cause users to make inadvertent errors when taking their certification tests.

Please note that certain calculations could change as the IRS continues to finalize instructions for tax year 2020. TaxSlayer is working diligently with the IRS and state agencies to incorporate updates as they receive them.

The 1040 View in the Practice Lab still reflects 2019 Form 1040. It is recommended that volunteers generate the tax return PDF from the Client List or Summary/Print menu to see the return on a tax year 2020 draft Form 1040.

#### Message to Volunteers

Unless you have an immediate training need to certify for tax year 2020, volunteers should wait to take the 2020 VITA/TCE certification tests when the final forms are available in the Practice Lab.

The identified issue in the Practice Lab may affect your answers for any certification or practice return preparation scenarios that include:

- Form 1099-NEC
- The deduction for charitable contributions
- The recovery rebate credit
- Credits for sick and family leave for certain self-employed individuals
- The deferred payment of 50% of Social Security tax for certain individuals
- The inclusion of coronavirus-related distributions in income ratably over a 3-year period, and repayments of those distributions

Other tax provisions may also be affected.

The IRS anticipates that Form 1040 will be finalized in mid-December. TaxSlayer will then begin to update the Practice Lab with the final 2020 form at that time. Again, volunteers not having an immediate need to certify should wait until the Practice Lab is updated. Volunteers who have a need to certify early may discuss the impact and possible workarounds with their SPEC relationship manager.

### Use caution when completing the following test scenarios

- Basic Scenario 6
  - Name of charitable organization and date of contribution not provided. Enter the name of any charitable organization and date in tax year 2020.
  - The screen to input direct deposit information is not available.
- Basic Scenario 7
  - Name of charitable organization and date of contribution not provided. Enter the name of any charitable organization and date in tax year 2020.
  - The EIN on Form W-2 auto-populates with a different name and address. Type over the data with information shown on Form W-2.
- Basic Scenario 8
  - The form used to request a split of refund is not in the first TaxSlayer software release in the Practice Lab.
  - The EIN for the daycare provider auto-populates with a different name and address. Type over the data with the information shown on the statement.
- Advanced Scenario 6
  - In the Interview Notes, between the first and second sentence of the seventh bullet, **add** "He received a scholarship and the terms require that it be used to pay tuition."
  - The recovery rebate credit does not calculate in the first TaxSlayer software release in the Practice Lab. Completion of the tax return is not needed to respond correctly. Refer to the information in Publication 4491 and/or Publication 4012.
  - The screen to input direct deposit information is not available in the Practice Lab.
- Advanced Scenario 7
  - The sale date of stock is indicated as 12/1/2020 on Form 1099-B. If you are taking the test prior to 12/1/2020, enter a date in tax year 2020 prior to this date.
- Advanced Scenario 8
  - In the Interview Notes, third sub-bullet of the seventh bullet, **replace** 3/15/2020 with 4/15/2020.
  - Form 1099-NEC is not in the first TaxSlayer software release in the Practice Lab. Enter the information in Box 7 on the Form 1099-MISC screen.
  - The new Part III of Schedule SE does not calculate the deferral of self-employment tax payments. Completion of the tax return is not needed to respond correctly. Refer to the information in Publication 4491 and/or Publication 4012.

- Military Scenario 5
  - In the Interview Notes, on the Social Security card for Joseph Stevens, **replace** 959 with 659.
- Federal Income Tax Updates for Circular 230 Professionals Return Preparation Scenario 5
  - Name of charitable organization and date of contribution not provided. Enter the name of any charitable organization and date in tax year 2020.
  - The screen to claim a recovery rebate credit is not available in the first TaxSlayer software release in the Practice Lab. This does not affect the answer to any test question.

## Resources

For specific information refer to the following resources:

- [TaxSlayer VITA/TCE Blog](#)
- [Draft 2020 Form 1040](#)
- [Draft 2020 Instructions for Form 1040 and 1040-SR](#)

For additional questions, please talk to your site coordinator, partner or IRS SPEC relationship manager.

***Thank you for volunteering and for your dedication to top QUALITY service!***