

VITA/TCE Volunteer Tax Alert

VTA 2021-03 Product Updates and New Legislation

Purpose:

Publication 4491-X, VITA/TCE Training Supplement, is now available for download and review. All volunteers who prepare tax returns must review this information before preparing tax year 2020 returns. This supplement contains critical new tax law information, new TaxSlayer screen shots, corrections and updates to the VITA/TCE training and testing materials.

Message to Volunteers:

Changes due to the Consolidated Appropriations Act, 2021, signed into law on December 27, 2020, are included in the Publication 4491-X. This includes information about:

- Economic Impact Payments
- Recovery rebate credits
- Educator expense deduction
- Election to use 2019 earned income to figure the 2020 earned income credit and additional child tax credit
- Other updates

There were additional topics added to scope:

- Form 8615, Tax for Certain Children Who Have Unearned Income (also known as Kiddie Tax), requires Advanced certification and is limited to:
 - Native Americans receiving per capita payments
 - Alaska residents receiving permanent fund dividends
- Form 8814, Parent's Election to Report Child's Interest and Dividends, requires Advanced certification and is limited to:
 - Alaska residents receiving permanent fund dividends
- Three-year spread of coronavirus-related distributions from eligible retirement plans, as well as special rollover rules with respect to such distributions, to qualified

individuals. Advanced certification is required.

Updated TaxSlayer screen shots were added for:

- Form 1099-NEC, Nonemployee Compensation
- Form 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals
- Deferral of self-employment (SE) tax

Publication 4491-X contains a list that can be used to make pen-and-ink changes to:

- Publication 4012, VITA/TCE Volunteer Resource Guide
- Publication 4491, VITA/TCE Training Guide
- Form 6744, VITA/TCE Volunteer Assistor's Test/Retest
- Publication 4704-FS, Foreign Student and Scholar Test
- Publication 4011, VITA/TCE Foreign Student and Scholar Volunteer Resource Guide

Replacement pages are also included for volunteers who wish to print and replace hard-copy pages in their printed training materials or to extract and insert the updated pages into their PDF files.

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!