

March 29, 2024

# VITA/TCE Quality Site Requirement Alert

## QSRA 2024-02 Quality Reminders

### Purpose

Reminders for VITA/TCE volunteers on quality issues impacting Quality Site Requirement (QSR) 2, Intake/Interview and Quality Review Process.

### Identified Issue

QSR 2, Intake/Interview and Quality Review Process is important for the accuracy of tax returns provided to taxpayers.

SPEC is sharing some of the findings from FY2024 Quality Statistical Sample (QSS) reviews, which were addressed during a webinar for partners and employees on March 27, 2024.

During QSS reviews, we identified the following:

- On one return, a Form 1099-R did not have a taxable amount indicated. The simplified method for determining the taxable amount was not calculated resulting in an error in total income.
- On another return, a Form 1099-R was not included and impacted the total income.
- On another return, a Form 1099-INT was not included which resulted in the total income being understated.
- On one return, one of the two Forms 1099-SA, Distributions from a Health Savings Account, was not included on Form 8889.
- One dependent was incorrectly included on a return. The dependent was not eligible to be claimed because they were not a full-time student and earned over \$4,700.
- A taxpayer's filing status was incorrectly changed from Married Filing Separate to Single. The taxpayer did not qualify as Single based on their marital status at the end of the year.
- IRA distribution income was incorrectly added to the pensions and annuities line of the tax return. The error occurred because the IRA/SIMPLE/SEP box was not selected in TaxSlayer indicating the income was an IRA distribution.
- Medicare premiums were added twice as itemized deductions on a return. Once via the Form SSA-1099 and the other directly added to the medical and dental expenses field.

Several returns included out of VITA/TCE scope topics including out of scope Schedule K-1 topics and out of scope income including digital asset/virtual currency.

In addition, QSS reviewers observed taxpayers not being advised of their responsibility for the information listed on their tax return.

These are reminders to increase awareness of error trends identified this filing season. We encourage volunteers to continue using resource materials including Publication 4012, **VITA/TCE** Volunteer Resource Guide, focusing on Form 13614-C Intake/Interview and Quality Review sheet during discussions with the taxpayers about their tax situation.

Please refer to Publication 5166, VITA/TCE Volunteer Quality Site Requirements, and Publication 5838, VITA/TCE Intake/Interview and Quality Review Handbook to review the intake/interview and quality review requirements.

## Message for VITA/TCE Volunteers and Coordinators

Please review the identified issues with QSR 2, Intake/Interview and Quality Review Process addressed above.

Thank you for your time and service to your communities preparing free tax returns through the VITA/TCE program.

Questions about this QSRA should be directed to your SPEC relationship manager.