

Tax-Aide Scope Summary

This document summarizes the in or out of scope tax forms and items that are different for Tax-Aide compared to the standard VITA/TCE Advance certification and the Pubs 4491 and 4012. If there are questions, please refer to the Tax-Aide Scope Manual that lists virtually all forms and schedules a Tax-Aide counselor might see. This summary will be updated as necessary and changes in this version are marked by a vertical line in the margin.

In-scope:

- State tax refund from any prior year when it is clearly fully taxable or fully nontaxable
- Sale of bonds that mature or are sold with no gain or loss or are reported on a brokerage statement with capital gain or loss only (no ordinary income/loss)
- Sale of inherited property listed as in scope for Schedule D in the Scope Manual and, if inherited in 2010, taxpayer provides the acquisition date and basis
- Sale of gifted property listed as in scope for Schedule D in the Scope Manual if the taxpayer provides the acquisition date and basis
- “Sale” of totally worthless securities
- Schedule C expense for renting equipment, other than a vehicle, for more than 30 days
- Form 5329 Part IX to waive additional tax for failure to take Required Minimum Distribution
- Form 1099-R codes 6, L and W and codes J and T if distribution is not taxable
- Form 1099-K for self-employment income (not rental income such as Airbnb)
- Income from the rent of land reported on 1099-MISC or received as cash
- Canadian or German social security income that is treated as US social security
- Form 8283 to report non-cash donations of more than \$500, but less than \$5,000
- Form 1099-LTC and Form 8853 for Long-Term Care Insurance payments
- Form 1099-Q if entire distribution is used for qualified education expenses
- Form 8606 Part I only.
- Form 2106-EZ for unreimbursed business mileage or entertainment expenses on Schedule A Line 21
- To assist in identifying and preventing identity theft, Tax-Aide recommends taxpayers e-file returns, even if not required. Since a \$0 AGI return cannot be e-filed, enter \$1 on Line 21 Other Income (via Wkt 7) and describe as “IN ORDER TO EFILE.”

Out-of-scope:

- Rental income from sources such as a home except for an active duty military taxpayer **AND** the Counselor and Quality Reviewer both have Military certification. All other rental situations (room in home, apartment over garage, separate building, for profit, not for profit, Airbnb, etc.) are out of scope regardless of certifications.
- State/local unique topics set by regional or state leaders as out of scope due to complexity and/or lack of sufficient training.
- Specific in scope tax law topics on which a counselor is not trained.