

January 15, 2015

To: All Volunteers for AARP Foundation Tax-Aide (with a valid email address in VMIS)

From: Marcy Gouge, Assistant National Director, AARP Foundation Tax-Aide

Subject: CyberTax TY2014-5: Volunteer Tax Alerts 2015- 01, 02 and 03

The IRS has released three Tax Alerts this week, which are attached to this CyberTax. Please note the following information regarding these Alerts in reference to how they relate to AARP Foundation Tax-Aide policy and practice:

- **Tax Alert VTA-2015-01 Cancellation of Debt COD for Mortgage debt**

The Tax Increase Prevention Act of 2014 (“Extenders”) passed 12/19/15 extends the tax exclusion of imputed income from the discharge of indebtedness for a principal residence. The IRS has allowed this issue to be “In-Scope” for volunteer tax preparation programs as noted on this VTA.

However, Tax-Aide has determined that the issue will remain Out of Scope for Tax-Aide sites. The following factors have led to this decision:

- The Pub 5182 has just been released by IRS. It has not been reviewed by NTTC for accuracy and completeness;
- The practice problems have not been evaluated, nor has the test;
- The change in law has come too late for an effective training program in all states, some of which have already completed training for TY14;
- Tax-Aide sites generally see a very small percentage of these types of returns;
- ACA is generating significant anxiety and additional learning in many areas, and it is more important to focus on this topic than to try to do “catch-up” training on COD.

Note that COD for credit card debt cancellation will remain In-Scope for Tax-Aide sites.

- **Tax Alert VTA-2015-02 Publication of 4491-X**

The IRS has released Pub 4491X with updates to Pub 4012. The NTTC has highlighted all of the updates on a version which can be found in the OneSupport Help Center> Tax Training>Tax Law. Please review all updates for the most current information. Questions should be directed to the OneSupport Help Center.

- **Tax Alert VTA-2015-03 Tax Increase Prevention Act of 2014 (Extenders)**

All counselors should review the list of provisions that were extended by this Act. There is no separate certification on the extended provisions as they have been trained extensively in past seasons and should have been included in training this year for new volunteers in anticipation of this Congressional action.