



4491X

VITA/TCE Training Supplement

Volunteer Income Tax Assistance (VITA) / Tax Counseling for the Elderly (TCE)

2014 RETURNS



Take your VITA/TCE training online at **www.irs.gov** (keyword: Link & Learn Taxes). Link to the Practice Lab to gain experience using tax software and take the certification test online, with immediate scoring and feedback.





Publication 4491X – 2014 Supplement

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Introduction

This supplement contains changes to the October 2014 and January 2015 revisions as well as revisions and additions to the:

- Training Guide (Publication 4491)
- Problems and Exercises (Publication 4491W)
- Site Coordinator's Handbook (Publication 1084)
- Volunteer e-file Administration Guide (Publication 3189)
- Volunteer Resource Guide (Publication 4012)
- Privacy and Confidentiality – A Public Trust (Publication 4299)
- Site Coordinator Training PowerPoint (Publication 5088)
- VITA/TCE Affordable Care Act (Publication 5157)
- 2015 SPEC Partner Filing Season Readiness Training Guide (Publication 5159)
- Volunteer Assistor's Test/Retest (Form 6744)
- Link & Learn Taxes (L<)
- VITA/TCE Online Specialty Courses – Health Savings Accounts (HSA) (Publication 4942) and Cancellation of Debt (COD) (Publication 5182)

TIP

The answers to the comprehensive problems and exercises in Publication 4491W can be accessed under Other Technical Resources and Training Products on the Volunteer Training Resources page on www.irs.gov.

TIP

Blank forms are no longer printed in the training publications. Blank forms can be accessed at www.irs.gov/Forms-&-Pubs.

These changes impact all of the VITA/TCE courses. VITA/TCE tax preparers must review this supplement before assisting taxpayers with tax law questions or preparing their returns. Quality reviewers must also review this document before performing quality reviews.

Changes from the February 2015 revision, including provisions extended under the Tax Increase Prevention Act of 2014, are on pages 2-14. Changes from January 2015 are on pages 14-23, followed by the changes listed in the 10/2014 version on pages 24-59.

Changes to the Training and Site Publications

Make the following 2/2015 revisions to the listed publications.



Publication 4012, VITA/TCE Volunteer Resource Guide

Page ACA-5

Replace the Coverage Exemptions chart with the following chart, which has these changes:

- A checkmark is added to the "Claimed on tax return" column on the line for the coverage exemption labeled "Income below the filing threshold." If you are not required to file a tax return, your tax household is exempt from the shared responsibility payment and you do not need to file a tax return to claim the coverage exemption. However, if you choose to file anyway, you can claim this coverage exemption on Part II of Form 8965, Health Coverage Exemptions, Lines 7A or 7B.
- The checkmark is deleted from the "Granted by Marketplace" column on the line for the coverage exemption labeled "Resident of a state that did not expand Medicaid." The coverage exemption described on this line can be claimed on your tax return (using Code "G" on Form 8965 in Part III), unless you have already received an ECN from the Marketplace because you were ineligible for Marketplace and Medicaid coverage.

Types of Coverage Exemptions

This chart shows all of the coverage exemptions available for 2014, including information about where the coverage exemptions can be obtained and the code for the coverage exemption that is to be used on Form 8965 when you claim the exemption. If your coverage exemption was granted by the Marketplace, enter the ECN (see the instructions for [Part I](#)).

Coverage Exemption	Granted by Marketplace	Claimed on tax return	Code for Exemption
Income below the filing threshold — Your gross income or your household income was less than your applicable minimum threshold for filing a tax return.		✓	No Code See Part II
Coverage considered unaffordable — The minimum amount you would have paid for premiums is more than 8% of your household income.		✓	A
Short coverage gap — You went without coverage for less than 3 consecutive months during the year.		✓	B
Citizens living abroad and certain noncitizens — You were: • A U.S. citizen or resident who spent at least 330 full days outside of the U.S. during a 12-month period; • A U.S. citizen who was a bona fide resident of a foreign country or U.S. territory; • A resident alien who was a citizen of a foreign country with which the U.S. has an income tax treaty with a nondiscrimination clause, and you were a bona fide resident of a foreign country for the tax year; or • Not a U.S. citizen, not a U.S. national, and not an individual lawfully present in the U.S. For more information about who is treated as lawfully present for purposes of this coverage exemption, visit healthcare.gov .		✓	C
Members of a health care sharing ministry — You were a member of a health care sharing ministry.	✓	✓	D
Members of Indian tribes — You were either a member of a Federally-recognized Indian tribe, including an Alaska Native Claims Settlement Act (ANCSA) Corporation Shareholder (regional or village), or you were otherwise eligible for services through an Indian health care provider or the Indian Health Service.	✓	✓	E
Incarceration — You were in a jail, prison, or similar penal institution or correctional facility after the disposition of charges.	✓	✓	F
Aggregate self-only coverage considered unaffordable — Two or more family members' aggregate cost of self-only employer-sponsored coverage was more than 8% of household income, as was the cost of any available employer-sponsored coverage for the entire family.		✓	G
Gap in coverage at the beginning of 2014 — You had a coverage gap at the beginning of 2014 but were either enrolled in, or were treated as having enrolled in, coverage through the Marketplace or outside of the Marketplace with an effective date on or before May 1, 2014.		✓	G
Gap in CHIP coverage — You applied for CHIP coverage during the initial open enrollment period and were found eligible for CHIP based on that application but had a coverage gap at the beginning of 2014.		✓	G
Resident of a state that did not expand Medicaid — Your household income was below 138% of the federal poverty line for your family size and at any time in 2014 you resided in a state that did not participate in the Medicaid expansion under the Affordable Care Act.		✓	G
Limited benefit Medicaid and TRICARE programs that are not minimum essential coverage — You were enrolled in certain types of Medicaid and TRICARE programs that are not minimum essential coverage. (Available only in 2014.)		✓	H
Employer coverage with non-calendar plan year beginning in 2013 — You were eligible, but did not purchase, coverage under an employer plan with a plan year that started in 2013 and ended in 2014. (Available only in 2014.)		✓	H
Members of certain religious sects — You are a member of a recognized religious sect.	✓		Need ECN See Part I
Determined ineligible for Medicaid in a state that did not expand Medicaid coverage — You were determined ineligible for Medicaid solely because the state in which you resided did not participate in Medicaid expansion under the Affordable Care Act.	✓		Need ECN See Part I
General hardship — You experienced a hardship that prevented you from obtaining coverage under a qualified health plan.	✓		Need ECN See Part I
Coverage considered unaffordable based on projected income — You did not have access to coverage that is considered affordable based on your projected household income.	✓		Need ECN See Part I
Unable to renew existing coverage — You were notified that your health insurance policy was not renewable and you considered the other plans available unaffordable.	✓		Need ECN See Part I
AmeriCorps coverage — You were engaged in service in AmeriCorps State and National, VISTA, or NCCC programs and were covered by short-term duration coverage or self-funded coverage provided by these programs.	✓		Need ECN See Part I

ACA Tab,
Marketplace
Coverage
Affordability
Worksheet

Line 10 of the Marketplace Coverage Affordability Worksheet has been revised to read as follows: "Enter the monthly premium for the second lowest cost silver plan premium that covers everyone in your tax household for whom a personal exemption deduction is claimed, who is not eligible for minimum essential coverage (other than coverage in the individual market), and who does not qualify for another coverage exemption for the month. To find the second lowest cost silver plan go the Marketplace for your area." A web lookup tool for the second lowest cost silver plan can be found at: healthcare.gov/taxes/tools.

Marketplace Coverage Affordability Worksheet

Use this worksheet to figure an individual's required contribution for any month in which the individual is not eligible for employer-sponsored coverage. Complete a separate worksheet for each part of the year in which either the individual resided in different geographic rating areas served by the Marketplace or for which the number of people in your tax household who are neither exempt nor eligible for employer-sponsored coverage was different.



Do not complete this worksheet unless you were instructed to do so in the Affordability Worksheet.

1. Enter the monthly premium for the lowest cost bronze plan that covers everyone in your tax household for whom a personal exemption deduction is claimed, who is not eligible for employer coverage, and who does not qualify for another coverage exemption for the month. To find the lowest cost bronze plan go to the Marketplace for your area
2. Enter your household income (see [Household income](#))
3. Enter the total of all nontaxable social security benefits received by you, your spouse, and each claimed dependent who must file a tax return*
4. Add lines 2 and 3
5. Enter the federal poverty line for the number of individuals in your tax household less any dependents not claimed. See the instructions for Form 8962, line 4
6. Divide line 4 by line 5. If the result (without rounding) is less than 1.0 or more than 4.0, skip lines 7 through 10 and enter -0- on line 11.
7. Multiply line 6 by 100 and round to the nearest whole number. Enter the applicable figure for the result from the table in the instructions for Form 8962, line 7
8. Multiply line 4 by line 7
9. Divide line 8 by 12.0
10. Enter the monthly premium for the second lowest cost silver plan premium that covers everyone in your tax household for whom a personal exemption deduction is claimed, who is not eligible for minimum essential coverage (other than coverage in the individual market), and who does not qualify for another coverage exemption for the month. To find the second lowest cost silver plan go the Marketplace for your area
11. Subtract line 9 from line 10
12. Subtract line 11 from line 1. If zero or less, enter -0-. This is the individual's required contribution for the month
13. Is the individual eligible for this coverage for every month of the year?
 - ☐ **Yes.** Multiply line 12 by 12.0. This is the annualized premium. Enter this amount in the space for every month on the [Affordability Worksheet](#)
 - ☐ **No.** Use the Annualized Premium Worksheet to determine what the annualized premium would be for each month the individual was eligible for the coverage being tested. Enter the annualized premium in the space for the appropriate months on the [Affordability Worksheet](#)

*If the individual filed Form 1040, figure the nontaxable social security benefits received by that individual by subtracting Form 1040, line 20a from Form 1040, line 20a. If the individual filed Form 1040A, figure the nontaxable social security benefits received by that individual by subtracting Form 1040A, line 14b from Form 1040A, line 14a. If the individual filed Form 1040EZ, he or she should have received a Form SSA-1099 or Form RRB-1099 showing the social security benefits received by that individual, all of which were nontaxable.

Replace with the following chart, which adds a 138% column. Residents of states that did not expand Medicaid with household incomes below 138% of the federal poverty line are eligible to claim a coverage exemption on their tax return using Form 8965 (Part III, Code "G").

Federal Poverty Lines

2013* Poverty Lines for the 48 Contiguous States and the District of Columbia

For families/households with more than 8 persons, add \$4,020 for each additional person (100% Poverty Line)

Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	\$11,490	\$15,856	\$45,960
2	\$15,510	\$21,404	\$62,040
3	\$19,530	\$26,951	\$78,120
4	\$23,550	\$32,499	\$94,200
5	\$27,570	\$38,047	\$110,280
6	\$31,590	\$43,594	\$126,360
7	\$35,610	\$49,142	\$142,440
8	\$39,630	\$54,689	\$158,520

2013* Poverty Lines for Alaska

For families/households with more than 8 persons, add \$5,030 for each additional person (100% Poverty Line)

Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	\$14,350	\$19,803	\$57,400
2	\$19,380	\$26,744	\$77,520
3	\$24,410	\$33,686	\$97,640
4	\$29,440	\$40,627	\$117,760
5	\$34,470	\$47,569	\$137,880
6	\$39,500	\$54,510	\$158,000
7	\$44,530	\$61,451	\$178,120
8	\$49,560	\$68,393	\$198,240

2013* Poverty Lines for Hawaii

For families/households with more than 8 persons, add \$4,620 for each additional person (100% Poverty Line).

Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	\$13,230	\$18,257	\$52,920
2	\$17,850	\$24,633	\$71,400
3	\$22,470	\$31,009	\$89,880
4	\$27,090	\$37,384	\$108,360
5	\$31,710	\$43,760	\$126,840
6	\$36,330	\$50,135	\$145,320
7	\$40,950	\$56,511	\$163,800
8	\$45,570	\$62,887	\$182,280

*For purposes of the premium tax credit, eligibility for a certain year is based on the most recently published set of poverty lines on the first day of the annual open enrollment period. As a result, the tax credit for 2014 will be based on the 2013 poverty lines.

Page ACA-10	Delete the 2014 National Average Bronze Plan Premium (NABPP) Table. This table is the maximum potential shared responsibility payment amount and is built into the calculations of Form 8965 (automated in TaxWise software).
ACA Tab	<p>Insert the following Dependents' Combined MAGI chart.</p> <div style="border: 1px solid black; padding: 10px;"> <p>Worksheet 1-2. Dependents' Combined Modified AGI—Line 2b</p> <hr/> <p>1. Enter the AGI for your dependents from Form 1040, line 38; Form 1040A, line 22; Form 1040EZ, line 3; and Form 1040NR, line 37 1. _____</p> <p>2. Enter any tax-exempt interest for your dependents from Form 1040, line 8b; Form 1040A, line 8b; Form 1040EZ, the amount written to the left of the line 2 entry space; and Form 1040NR, line 9b 2. _____</p> <p>3. Enter any amounts for your dependents from Form 2555, lines 45 and 50, and Form 2555-EZ, line 18 3. _____</p> <p>4. Enter for each of your dependents the excess, if any, of Form 1040, lines 20a over 20b; and Form 1040A, lines 14a over 14b 4. _____</p> <p>5. Add lines 2 through 4 5. _____</p> <p>6. Add lines 1 and 5. Enter here and on Form 8962, line 2b 6. _____</p> <hr/> </div>

Table 3. Shared Policy Allocation—Line 9

Follow Steps 1–5 below to determine whether you need to complete [Part 4—Shared Policy Allocation](#), later, for each qualified health plan that covers at least one individual in your tax family and at least one individual **not** in your tax family. For each shared policy, if your answer directs you to Part 4, skip directly to Part 4—you do not need to complete the remaining steps below. If your answers in Steps 1 through 4 do not direct you to Part 4 (or if you did not answer any questions in Steps 1 through 4), continue until you have completed Step 5.

STEP 1: Complete if You Divorced or Legally Separated from Your Spouse in 2014

1. Did the policy cover at least one individual in your tax family **AND** cover at least one individual in your former spouse's tax family?

☐ **Yes.** You must allocate the policy amounts. Check the “Yes” box on Form 8962, line 9, and skip to [Part 4—Shared Policy Allocation](#). ☐ **No.** Continue to Step 2.

STEP 2: Complete if You were Married at the End of 2014 but are Filing a Separate Return from Your Spouse*

2. Did the policy cover at least one individual in your tax family **AND** cover at least one individual in your spouse's tax family?

☐ **Yes.** You must allocate the policy amounts. Check the “Yes” box on Form 8962, line 9, and skip to [Part 4—Shared Policy Allocation](#). ☐ **No.** Continue to Step 3.

*Also use this Step 2 if you meet the rules in [Situation 1](#) or [Situation 2](#) under *Married taxpayers*, earlier.

STEP 3: Complete if Another Taxpayer will Claim the Personal Exemption for an Individual You Enrolled in a Policy

- 3.a. Did the policy cover at least one individual in your tax family **AND** cover at least one individual whom you enrolled in the policy **but** who will be in another taxpayer's tax family?

☐ **Yes.** Continue to question 3b. ☐ **No.** Go to Step 4.

- b. Did you indicate to the Marketplace at enrollment in the policy that you intended to claim the personal exemption(s) for the individual(s) in 3a above whom you enrolled but for whom another taxpayer will claim a personal exemption?

☐ **Yes.** You must allocate the policy amounts. Check the “Yes” box on Form 8962, line 9, and skip to [Part 4—Shared Policy Allocation](#). ☐ **No.** Continue to Step 4.

*If no one claims the personal exemption for an individual you enrolled in a policy **and** you indicated to the Marketplace that you would claim the individual's personal exemption, you are responsible for reconciling any APTC paid on behalf of the individual. See [Individual you enrolled for whom no taxpayer will claim a personal exemption](#) under [Lines 12 through 23—Monthly Calculation](#), later. You do not need to complete Part 4 for this policy. If you got married in 2014, continue to [Table 4](#), later. Otherwise, check the “No” box on Form 8962, line 9, and continue to line 10.

STEP 4: Complete if You are Claiming the Personal Exemption for an Individual Another Taxpayer Enrolled in a Policy

4. Did the policy cover at least one individual in your tax family **but** whom another person enrolled in the policy **AND** cover at least one individual not in your tax family?

☐ **Yes.** You must allocate the policy amounts. Check the “Yes” box on Form 8962, line 9, and skip to [Part 4—Shared Policy Allocation](#). ☐ **No.** Continue to Step 5.

STEP 5: Complete for Other Allocation Scenarios

- 5.a. Did the policy cover at least one individual in your tax family **AND** cover at least one individual **not** in your tax family?

☐ **Yes.** Continue to question 5b. ☐ **No. STOP.** You do not need to complete Part 4. If you got married in 2014, continue to [Table 4](#), later. Otherwise, check the “No” box on Form 8962, line 9, and continue to line 10.

- b. Does the information provided to the Marketplace at enrollment regarding who would claim the personal exemptions for covered individuals match who will claim the personal exemptions for those individuals for 2014 (answer “Yes” if you did not have to provide this information at enrollment)?

☐ **Yes.** Continue to question 5c. ☐ **No.** You must allocate the policy amounts. Check the “Yes” box on Form 8962, line 9, and skip to [Part 4—Shared Policy Allocation](#).

- c. Did each tax family receive a separate Form 1095-A **AND** did each Form 1095-A have the correct applicable SLCS premium for each tax family for each month in Part III, column B?

☐ **Yes. STOP.** You do not need to complete Part 4. If you got married in 2014, continue to [Table 4](#), later. Otherwise, check the “No” box on Form 8962, line 9, and continue to line 10. ☐ **No.** You may have to allocate the policy amounts. Check the “Yes” box on Form 8962, line 9, and skip to [Part 4—Shared Policy Allocation](#).

Page ACA-12	Replace the chart on this page with the new Alternative Calculation for Year of Marriage chart below. Note: Please follow the latest Volunteer Tax Alert guidance on returns involving Form 8962, Part V: Alternative Calculation for Year of Marriage.
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Table 4. Alternative Calculation for Year of Marriage Eligibility

Answer questions 1–5 below to determine whether you may be eligible to elect the alternative calculation for year of marriage.	
1	<p>Were you married on December 31, 2014?</p> <p><input type="checkbox"/> Yes. Continue to the next question in this table.</p> <p><input type="checkbox"/> No. You are not eligible to elect the alternative calculation. Check the “No” box on Form 8962, line 9, and continue to line 10.</p>
2	<p>Are you filing a joint return with your spouse for 2014?</p> <p><input type="checkbox"/> Yes. Continue to the next question in this table.</p> <p><input type="checkbox"/> No. You are not eligible to elect the alternative calculation. Check the “No” box on Form 8962, line 9, and continue to line 10.</p>
3	<p>Were you and your spouse each unmarried on January 1, 2014?</p> <p><input type="checkbox"/> Yes. Continue to the next question in this table.</p> <p><input type="checkbox"/> No. You are not eligible to elect the alternative calculation. Check the “No” box on Form 8962, line 9, and continue to line 10.</p>
4	<p>Was anyone in your tax family enrolled in a qualified health plan before your first full month of marriage? (For example, if you got married on July 15, your first full month of marriage was August.)</p> <p><input type="checkbox"/> Yes. Continue to the next question in this table.</p> <p><input type="checkbox"/> No. You are not eligible to elect the alternative calculation. Check the “No” box on Form 8962, line 9, and continue to line 10.</p>
5	<p>Was APTC paid for anyone in your tax family during 2014?</p> <p><input type="checkbox"/> Yes. Continue to Worksheet 2 next to determine whether excess APTC was paid during 2014. If excess APTC was paid, you are eligible to elect the alternative calculation. If the amount you entered on Form 8962, line 5, is more than 400, do not complete Worksheet 2. See <i>Alternative Calculation for Year of Marriage</i> in Pub. 974 to determine if electing the alternative calculation reduces your repayment amount.</p> <p><input type="checkbox"/> No. You are not eligible to elect the alternative calculation. Do not complete Part 5. If you did not complete Part 4, check the “No” box on line 9 and continue to line 10. If you completed Part 4, check the “No” box on line 10, skip line 11, and continue to <u>Lines 12 through 23—Monthly Calculation</u>, later.</p>

Page A-3	Delete #6 from Chart C.
Page D-20	Change explanation for Distribution Code 2 to: Code 2 applies if the taxpayer is under 59½, but the payer knows that an exception to the additional tax applies. If the IRA/SEP/SIMPLE box is NOT checked, no further action needed. If the IRA/SEP/SIMPLE box IS checked, additional reporting may be required on Form 8606, and the return is out of scope.
Page D-21	<p>Change explanation for Distribution Code G to: Code G is for a direct rollover from a qualified plan to an eligible retirement plan. If box 2, taxable amount, is zero or blank, it will not be taxed. If there is an amount in box 2, the direct rollover is fully or partially taxable. No further action is needed.</p> <p>Change explanation for Distribution Code J to: This code is out of scope.</p> <p>Change explanation for Distribution Code T to: This code is out of scope.</p> <p>(Nonqualified Distributions from Roth IRAs are out of scope for VITA/TCE, because it requires the completion of Form 8606. Therefore, Distribution Codes J and T are out of scope.)</p>
Back Cover	<p>Make the following entry for the VITA/TCE Hotline hours of operation:</p> <p>January 20 – April 15, Monday – Friday, 7:00 AM – 7:00 PM (local time)</p> <p>No service available on Saturdays</p>

Replace Publication 4012, page 16 with this page:

Form 13614-C Job Aid for Volunteers Page 2

Important Reminder: During the interview, question taxpayers about any items marked "Unsure" and mark them "Yes" or "No". Modify any taxpayer answers to correctly reflect all information obtained during the interview.

The certification indicators (B, A, HSA, M) should only be used to assign returns to preparers. The final scope/certification level determination should be made after completing the Interview Process using the Scope of Service Chart.

Check appropriate box for each question in each section

Last Year, Did You (or Your Spouse) Receive

- (B) Wages or Salary? (Form W-2) ☐ Yes, how many jobs did you have last year?
- (A) Tip Income? ☐
- (B) Scholarships? (Forms W-2, 1098-T) ☐
- (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV) ☐
- (B) Refund of state/local income taxes? (Form 1099-G) ☐
- (B) Alimony income? ☐
- (A) Self-Employment income? (Form 1099-MISC, cash) ☐
- (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099? ☐
- (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B) ☐
- (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2) ☐
- (A) Distribution from Pensions, Annuities, and/or IRA? (Form 1099-R) ☐
- (B) Unemployment compensation? (Form 1099-G) ☐
- (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099) ☐
- (M) Income (or loss) from Rental Property? ☐
- (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, etc.) (Forms W-2G) Specify _____

Enter all W-2 information; see Tab D.

If yes, verify tips were reported to employer. If not, complete Form 4137. Consult Scope Chart if you are certified at Basic.

See TAB D for information about F1098T.

Verify the return is within the scope of VITA/TCE.

Consult Scope Chart if you are certified at Basic.

If yes, determine if taxable.

Last Year, Did You (or Your Spouse) Pay

- (B) Alimony? If yes, do you have the recipient's SSN? ☐ Yes ☐ No ☐ Unsure ☐ IRA (A) ☐ 401K (B) ☐ Rollover IRA (B) ☐
- Contributions to a retirement account? ☐
- (B) Post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T) ☐
- (B) Unreimbursed employee business expenses? (such as uniforms or mileage) ☐
- (B) Medical expenses? (including health insurance premiums) ☐
- (B) Home mortgage interest? (Form 1098) ☐
- (B) Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098) ☐
- (B) Charitable contributions? ☐
- (B) Child or dependent care expenses such as daycare? ☐
- (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.? ☐
- (A) Expenses related to self-employment income or any other income you received? ☐

Verify eligibility for Saver's Credit.

Include only qualified unreimbursed expenses (Sch A). See Pub 17.

See Tab E for definition of alimony.

See Tab J and compare credits and adjustments.

Advise taxpayer of records requirements (Sch A) see Pub 17, Chapter 24.

Part V – Life Events – Last Year, Did You (or Your Spouse)

- (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12) ☐
- (COD) Have debt from a mortgage or credit card cancelled/forgiven by a commercial lender? (Forms 1099-C, 1099-A) ☐
- (A) Buy, sell or have a foreclosure (COD) of your home? (Form 1099-A) ☐
- (B) Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year? _____
- (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.) ☐
- (B) Live in an area that was affected by a natural disaster? If yes, where? _____
- (A) Receive the First Time Homebuyers Credit in 2008? ☐
- (B) Pay any student loan interest? (Form 1098-E) ☐
- (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? _____
- (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D? ☐

If yes, ask taxpayer for provider's TIN, check "CDC" box on TaxWise Main Info Sheet, and complete Form 2441.

Check for tax benefits for declared disaster areas.

Ask taxpayer for a copy of last year's return to locate necessary information.

Catalog Number 52121E www.irs.gov Form 13614-C Page 3

Yes No Unsure Check appropriate box for each question in each section

Part VI: Health Care Coverage (includes CHIP, Medicare, Medicaid, Employer-Sponsored Insurance, Individual Health Insurance, etc.)

- Last year, did you have health care coverage for you, your spouse, and all qualifying dependents? (Forms W-2, 1099 SSA and F) ☐
- Last year, did you or your spouse receive an advance payment from the Marketplace to help you pay for your monthly health care? (Form 1095A) ☐

Visit <http://www.healthcare.gov> or call 1-800-318-2596 for more information on health insurance coverage options and assistance.

Receiving advanced payments may create an automatic filing requirement. See Pub 17

Refer taxpayers who have questions or need coverage to this phone number.

Living advance payments of the premium tax credit to help pay for your health insurance coverage, you should report life changes, such as marital status or family size changes, to your marketplace. Reporting changes will help to make sure you are getting the proper amount of advance

Completed by a Certified Volunteer Preparer (Use Publication 4012 and check the appropriate box(es) indicating the health care coverage status for everyone

Had Health Care Coverage	(B) For the Entire year (12 months)	(B) For part of the year (Less than 12 months)	(B) No Health Care Coverage at all	(B)
Preparer 1 (page 1)				
Preparer 2 (page 1)				
Preparer 3 (page 1)				
Preparer 4 (page 1)				

You must use the flow chart in Tab ACA for all taxpayers to determine Minimum Essential Coverage.

Complete for taxpayers & dependents after answering questions in the Certified Volunteer Preparer Section (Page 1, Part II).

Minimum Essential Coverage

Qualifies as Minimum Essential Coverage	May Provide Limited Benefits But Does Not Qualify as Minimum Essential Coverage
Employer Sponsored Basic Health Coverage	Coverage consisting solely of excepted benefits such as:
Qualified employee coverage (including self-insured and grandfathered plans)*	<ul style="list-style-type: none"> • Supplemental insurance plans • Limited/short-term medical insurance • Hospital indemnity health plans • Standalone dental and vision insurance • Accident or disability income insurance • Workers' compensation insurance
COBRA coverage	AmeriCorps coverage for those serving in programs receiving AmeriCorps State and National grants
Retiree	AfterCorps coverage purchased by returning members of the Peace Corps
Individual Health Coverage	Government-Sponsored Limited-Benefit Coverage (The programs listed below generally do not qualify as minimum essential coverage. However, for 2014, for any month an individual is enrolled in one of these programs, a coverage exemption can be claimed. Use code H on Form 8965 to claim this exemption)
Qualified health insurance you purchase from an insurance company directly*	Medicaid providing only family planning services
Health insurance you purchase through the Health Insurance Marketplace	Medicaid providing only tuberculosis-related services
Qualified health insurance provided through a student health plan	Medicaid providing only coverage limited to treatment of emergency medical conditions
Qualified health insurance provided through a student health plan that is self-funded by a university (only for a plan year beginning on or before December 31, 2014, unless recognized as minimum essential coverage by HHS)	Pregnancy-related Medicaid coverage
Coverage Under Government-Sponsored Programs	Medicaid coverage for the medically needy
Medicare Part A coverage (hospital insurance)	Section 1115 Medicaid demonstration projects
Medicare Advantage plans	Space available TRICARE coverage provided under Title 10, Chapter 55 of the United States Code for individuals who are not eligible for TRICARE coverage for health services from private sector providers
Most Medicaid coverage	Line of duty TRICARE coverage provided under Title 10, Chapter 55 of the United States Code
Children's Health Insurance Program (CHIP)	
Most types of TRICARE coverage under Title 10, Chapter 55 of the United States Code	
Comprehensive health care programs offered by the Department of Veterans Affairs	
State high-risk health insurance pools (only for a plan year beginning on or before December 31, 2014, unless recognized as minimum essential coverage by HHS)	
Health coverage provided to Peace Corps volunteers	
Department of Defense Nonappropriated Fund Health Benefits Program	
Refugee Medical Assistance	
Other Coverage	
Certain foreign coverage (If recognized as minimum essential coverage by the Department of Health and Human Services (HHS))	
Certain coverage for business owners (Minimum essential coverage includes coverage provided to a business owner (such as a partner or sole proprietor) under a plan that is eligible employer-sponsored coverage with respect to at least one employee.)	

*If the taxpayer is not sure if their health coverage is qualified, they need to contact the provider (employer, insurance company, educational institution, etc.)

Affordability Worksheet

Use this worksheet to determine whether coverage for each individual in your tax household is unaffordable. If you or another member of your tax household is not eligible for employer-sponsored coverage, use the [Marketplace Coverage Affordability Worksheet](#) to figure the required contribution for that individual. An individual is exempt for any month in which (B), the Required Contribution, is more than (A), the Affordability Threshold.

(A) Affordability Threshold

Enter 8% of your household income (see [Household income](#)). For this purpose, increase household income by the amount of any premium that is paid through a salary reduction arrangement and excluded from gross income.

(B) Required Contribution Amount

For each member of your tax household, enter in the columns provided the annual premium for the first option below that applies to that person. If the monthly premium is the same for the whole year, enter the annual premium in the space for each month. If the premiums cover only part of the year, use the [Annualized Premium Worksheet](#) to determine what the annualized premium would be for each month. Once you have figured the annualized premium, enter it in the space for each month.

Options (use the first that applies to each member of your tax household, including you, for each month):

1. The lowest cost self-only policy offered to each member of your tax household by his or her employer.
2. The lowest cost family policy* offered by your employer or your spouse's employer (if you are filing a joint return).
3. The amount from the Marketplace Coverage Affordability Worksheet.

For each individual, coverage is unaffordable and the individual is exempt if (B), the Required Contribution Amount, is greater than (A), the Affordability Threshold.

Members of your tax household (enter one name per column):						
Premium for:						
January						
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						

*The policy must cover everyone in your tax household:

- for whom a personal exemption deduction is claimed on your tax return,
- who is not eligible for employer coverage, and
- who does not qualify for another coverage exemption.

Publication 4012, VITA/TCE Volunteer Resource Guide (continued)

Page ACA-7	Replace the note at the bottom of the page with the following: In this chart, unearned income includes taxable interest, ordinary dividends, and capital gain distributions. It also includes unemployment compensation, taxable social security benefits, pensions, annuities, and distributions of unearned income from a trust. Earned income includes salaries, wages, tips, professional fees, and taxable scholarship and fellowship grants. Gross income is the total of unearned and earned income.
Page ACA-9	Add the following footnote for line 13 of the Shared Responsibility Payment Worksheet: **\$204 is the 2014 national average premium for a bronze level health plan available through the Marketplace for one individual and should not be changed.
Page A-3	Chart D: Delete item 5. The Health Coverage Tax Credit expired December 31, 2013. Replace with: "You qualify for the premium tax credit."
Page D-15	Fourth arrow: This note is no longer correct. Change note to: TWO 2014 accepts (requires) codes A, B, C, D, E, and F.
Page D-17	4th bullet under number 1, change short term to long term.
Page E-1	Line 15: Change first sentence to read: "If all distributions were used for Qualified Medical Expenses paid using your HSA distributions, enter the same amounts as line 14a."
Page E-3	Insert the following chart:

Educator Expenses

Do not rely on this table alone. Refer to Publication 17 for more details.

Question	Answer
What is the maximum benefit?	\$250 (or \$500 if married filing jointly and both are educators). Taxpayers may be able to deduct expenses that are more than the limit as a miscellaneous deduction on Schedule A.
Who can claim the expense?	Eligible Educators — an eligible educator is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide who worked in a school for at least 900 hours during a school year.
What are qualifying expenses?	Qualifying expenses include ordinary and necessary expenses paid in connection with books, supplies, equipment (including computer equipment, software, and services), and other materials used in the classroom.
What are non qualifying expenses?	Expenses for home schooling or non athletic supplies for courses in health or physical education.
What other issues apply?	Taxpayer must reduce qualified expenses by <ul style="list-style-type: none"> • Excludable U.S series EE and I savings bond interest from Form 8815 • Non taxable qualified tuition program earnings or distributions • Non taxable distribution of earnings from a Coverdell education savings account • Any reimbursements received for expenses that were not reported on the Form W-2

Page F-3	Change Step 4 to read: Were the following taxes you paid imposed on you: state, local or foreign income taxes, real or personal property taxes, state or local general sales tax?
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Page F-4	<p>Insert the following step after step 9:</p> <p>Did you pay premiums in 2014 for qualified mortgage insurance for a home acquisition debt that was issued after 2006?</p> <p>If YES, you can take a deduction for qualified mortgage insurance as home mortgage interest with AGI limitations.</p> <p>If NO, you cannot take a deduction for qualified mortgage insurance as home mortgage interest. Go to the next step.</p>
Page P-1	Remove extension 245 from the IPSU telephone number. There is no replacement extension.
Tab J	Insert the following chart:

Tuition and Fees Deduction at a Glance

Do not rely on this table alone. Refer to the text for complete details.

Question	Answer
What is the maximum benefit?	You can reduce your income subject to tax by up to \$4,000.
Limit on modified adjusted gross income (MAGI)	\$160,000 if married filing joint return; \$80,000 if single, head of household, or qualifying widow(er)
Where is the deduction taken?	As an adjustment to income on Form 1040.
For whom must the expenses be paid?	<p>A student enrolled in an eligible educational institution who is either;</p> <ul style="list-style-type: none"> • you • your spouse, or • your dependent for whom you claim an exemption.
What tuition and fees are deductible?	Tuition and fees required for enrollment or attendance at an eligible postsecondary educational institution, but not including personal, living or family expenses, such as room and board.



Publication 4731-A
Screening Sheet for Foreclosures/Abandonments and
Cancellation of Debt



NOTE: Only volunteers with a **Cancellation of Debt Certification** may assist taxpayers with Form(s) 1099-A and 1099-C issues.

If the taxpayer is in bankruptcy, the tax return is out of scope for the VITA/TCE programs.

Instructions: Use this Screening Sheet to assist in identifying taxpayers with cancellation of debt issues that are within the scope of the VITA/TCE Programs.

- Use Part I for taxpayers with Form 1099-A for a foreclosure or abandonment of their principal residence.
- Use Part II for taxpayers with Form 1099-C, and/or Forms 1099-A and 1099-C resulting from cancellation of debt on a home mortgage loan.
- Use Publication 4731 for taxpayers with Form 1099-C resulting from cancellation of credit card debt.

Part I – Home Mortgage Loan

step 1	Did the taxpayer receive Form 1099-A, Acquisition or Abandonment of Secured Property, from their home mortgage lender?	YES – Go to Step 2 NO – Advise the taxpayer to get the documentation from the home mortgage lender.
step 2	Did the taxpayer ever use the home in a trade or business or as rental property?	YES – Go to Step 6 NO – Go to Step 3
step 3	Is box 5 of Form 1099-A checked indicating a recourse loan in which the taxpayer is personally liable?	YES – The sales price is the lesser of box 2 (Balance of principal outstanding) or box 4 (Fair Market Value of Property) on Form 1099-A. NO – The sales price is the amount in box 2 (Balance of principal outstanding) on Form 1099-A. The taxpayer is not personally liable (non-recourse loan).
step 4	Ask the taxpayer for the cost or basis of the home. Refer to Publication 523, Selling your Home, for further information, if needed.	
step 5	Report the sale of the personal residence on Form 8949 and Schedule D. If the disposition of the property results in a: Gain – The taxpayer may qualify for the Section 121 exclusion (\$250,000 or \$500,000 if Married Filing Jointly) for a gain on the sale of a principal residence, if all requirements are met. Loss – The taxpayer cannot claim a loss on the sale or disposition of a principal residence. Refer to Publication 4012 (Tab 2), TaxWise Income “Examples: Capital Loss on Foreclosure,” for further information.	
step 6	These tax issues are outside the scope of the volunteer program. Refer the taxpayer to: <ul style="list-style-type: none"> • www.irs.gov for the most up-to-date information. • An IRS Representative: 1-800-829-1040. • The Taxpayer Advocate Service (TAS): 1-877-777-4778, TTY/TDD 1-800-829-4059. TAS may help if the problem cannot be resolved through normal IRS channels. • A professional tax preparer. 	Additional Resources: <ul style="list-style-type: none"> • Publication 523, Selling your Home • Publication 525, Taxable and Nontaxable Income • Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments



Publication 4731-A Screening Sheet for Foreclosures/Abandonments and Cancellation of Debt



NOTE: Only volunteers with a **Cancellation of Debt Certification** may assist taxpayers with Form(s) 1099-A and 1099-C issues.

If the taxpayer is in bankruptcy, the tax return is out of scope for the VITA/TCE programs.

Instructions: Use this Screening Sheet to assist in identifying taxpayers with cancellation of debt issues that are within the scope of the VITA/TCE Programs.

- Use Part I for taxpayers with Form 1099-A for a foreclosure or abandonment of their principal residence.
- Use Part II for taxpayers with Form 1099-C, and/or Forms 1099-A and 1099-C resulting from cancellation of debt on a home mortgage loan.
- Use Publication 4731 for taxpayers with Form 1099-C resulting from cancellation of credit card debt.

Part II – Home Mortgage Loan

step 1	Did the taxpayer receive Form 1099-C, Cancellation of Debt, from their home mortgage lender and is the information shown on the form correct? Note: Answer "yes" if the taxpayer has received a Form 1099-A and Form 1099-C.	YES – Go to Step 2 NO – Go to Step 6
step 2	Did the taxpayer ever use the home in a trade or business or as rental property?	YES – Go to Step 6 NO – Go to Step 3
step 3	Does box 3 of Form 1099-C show any interest or does box 6 show code A indicating bankruptcy? Note: If box 6 is not marked with code A but the taxpayer has subsequently filed bankruptcy, answer "yes."	YES – Go to Step 6 NO – Go to Step 4
step 4	Ask the following questions to determine if the discharged debt is "qualified principal residence indebtedness:" a. Was the mortgage taken out to buy, build, or substantially improve the taxpayer's principal residence? (Note: A principal residence is generally the home where the taxpayer lives most of the time. A taxpayer can have only one principal residence at any one time.) b. Was the mortgage secured by the taxpayer's principal residence? c. Was any part of the mortgage used to pay off credit cards, purchase a car, pay for tuition, pay for a vacation, pay medical/dental expenses, or used for any other purpose other than to buy, build, or substantially improve the principal residence? d. Was the mortgage amount more than \$2 million (\$1 million if Married Filing Separately)?	a. YES – Go to Step 4b NO – Go to Step 6 b. YES – Go to Step 4c NO – Go to Step 6 c. YES – Go to Step 6 NO – Go to Step 4d d. YES – Go to Step 6 NO – Go to Step 5
step 5	The discharged debt is "qualified principal residence indebtedness." The Mortgage Forgiveness Debt Relief Act of 2007, as extended in the Emergency Economic Stabilization Act of 2008, allows individuals to exclude from gross income any discharges of "qualified principal residence indebtedness" made after 2006 and before 2013. The volunteer should complete the applicable lines on Form 982, and file it with the taxpayer's return. If the residence was disposed of, the taxpayer also may be required to report the disposition (sale) on Form 8949 and Schedule D.	
step 6	These tax issues are outside the scope of the volunteer program. The taxpayer may qualify to exclude all or some of the discharged debt. However, the rules involved in the mortgage debt relief exclusions are complex. Refer the taxpayer to: <ul style="list-style-type: none">• www.irs.gov for the most up-to-date information.• The Interactive Tax Assistance (ITA) on www.irs.gov to answer tax law questions. Type "ITA" in the key word search box.• An IRS Representative: 1-800-829-1040.• The Taxpayer Advocate Service (TAS): 1-877-777-4778, TTY/TDD 1-800-829-4059. TAS may help if the problem cannot be resolved through normal IRS channels.• A professional tax preparer.	Additional Resources: <ul style="list-style-type: none">• Publication 523, Selling your Home• Publication 525, Taxable and Nontaxable Income• Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments• Publication 4705, Overview of Mortgage Debt Forgiveness• Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Basis Adjustment) and Instructions



Residential Energy Credits

Part II, Form 5695 - Key points about the Nonbusiness Energy Property Credit:

- Nonbusiness energy property credit is extended for tax year 2014.
- A total combined credit limit of \$500 (\$200 limit for windows) for all tax years after 2005.
- The maximum credit for residential energy property costs is \$50 for any advanced main air circulating fan; \$150 for any qualified natural gas, propane, or oil furnace, or hot water boiler; and \$300 for any item of energy-efficient building property.
- The credit applies to:
 - Qualified energy efficiency improvements such as adding insulation, energy-efficient exterior windows and doors, and qualifying metal or asphalt roofs (**does not include** labor costs for onsite preparation, assembly or installation)
 - Qualified residential energy property improvements such as energy-efficient heating and air conditioning systems. For a complete list of items see Form 5695. (**includes** labor costs for onsite preparation, assembly, or original installation)
- The improvements must be made to the taxpayer's main home located in the United States (must be existing home).
- Qualifying improvements must be placed into service by the taxpayer during the tax year.
- Expenditures which are made from subsidized energy financing cannot be used to figure the credit.
- The credit is taken on Part II, Form 5695. See Form 5695 and Instructions for more information.

Please note, not all ENERGY STAR products qualify for a tax credit. For detailed information about qualifying improvements, visit the U.S. Department of [Energy's EnergyStar Web site](#) and the [EnergyStar Frequently Asked Questions site](#).

Manufacturers must certify that their products meet new standards and they must provide a written statement to the taxpayer such as with the product packaging or in a printable format on the manufacturer's Web site. Taxpayers should keep a copy of the manufacturer's certification statement and receipts with their other important tax records.

Part I, Form 5695 - Key points about the Residential Energy Efficient Property Credit:

- This credit is taken on Part I, Form 5695. This part of the form is out of scope for return preparation in the volunteer program. Taxpayers that have these expenses should be referred to a professional tax preparer.
- The credit is available to help individual taxpayers pay for qualified residential alternative energy equipment, such as solar hot water heaters, geothermal heat pumps and wind turbines.