



4491X

VITA/TCE Training Supplement

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

2010 RETURNS



Take your VITA/TCE training online at **www.irs.gov** (keyword: Link and Learn Taxes) with online testing, immediate scoring, feedback and more. Gain experience using the Electronic Software Practice Lab!



Publication 4491-X – 2010 Supplement

New Tax Legislation and Other Updates

Introduction

This supplement contains pen and ink changes to the Training Guide (Publication 4491), the Volunteer Resource Guide (Publication 4012), the Problems and Exercises (Publication 4491W), the Volunteer Assistor's Test/Retest (Form 6744), Link & Learn Taxes (L<) online certification test, the Foreign Student test (Publication 4704-FS) and answer key (Publication 4704-FS-A), and the IRS Volunteer Site Coordinator's Handbook (Publication 1084).

This supplement also contains information about available technical resources for handling payments related to the Gulf Oil Spill.

Updates to the Volunteer e-file Administration Guide (Publication 3189) will be issued in a separate product alert.

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.

At the time this supplement was issued, Congress was still considering legislation that would increase the AMT exemption amounts and extend some expired tax benefits. To find out if the legislation was enacted, and for details, go to www.irs.gov. If legislation affecting tax issues and return preparation services provided by VITA/TCE sites is enacted, that information will be conveyed separately.

TIP

The answers to the comprehensive problems and exercises in Publication 4491W can be accessed from "What's Hot" in the Partner and Volunteer Resource Center on www.irs.gov.



Any additional updates to the content in the comprehensive problems and exercises (Publication 4491-W) and Link & Learn Taxes (including the Practice Lab) will be issued in Product Alerts through mid-February, as needed. Consult your Site Coordinator for additional guidance.

Pen & Ink Changes to the Printed Publications

Thanks to everyone who provided feedback regarding the printed training material. The following pen and ink changes are responses to concerns received through the first week of December. Please feel free to direct any additional content concerns to your local IRS-SPEC tax consultant or Site Coordinator.

Product	Page	Pen and Ink Changes
Technical Updates		
4012	C-3	Under "Tests To Be a Qualifying Child," step 1, change to: "The child must be younger than you (or your spouse, if filing jointly)."
4012	2-1	For Form 1099-R Distributions from IRAs, change line number to 15.
4491W	68	Interview notes, ninth bullet: change year from 2008 to 2009
L< HSA Certification Test		The answer for question 10 was not correct when initially released. The HSA L< certification test was updated on 11/29/10 with the correct answer. For HSA purposes long term care insurance premiums do qualify as a medical expense but there are limitations based on age. Refer to the 2010 Instructions for Schedule A or the 2010 edition of Publication 502 for details.

Product	Page	Pen and Ink Changes
Non-technical Updates		
4012	A-3	On Chart D, add two items to the list: 9. You qualify for the making work pay credit. 10. You qualify for the adoption credit.
4012	A-4	Under Form 1040A, Tax Credits: delete “government retiree credit,”
4012	C-5	<ul style="list-style-type: none"> Table 2, Step 5, delete the * In Footnotes, change “*” to “Step 5” In Footnotes, delete footnote currently labeled “Step 5.” It does not apply to Table 2.
4012	C-6	In Footnotes: change “Step 10” to “Step 13”
4012	C-7	<ul style="list-style-type: none"> In Footnotes, add a footnote for Step 2: If a child is emancipated under state law, either by reaching the age of majority or through other means, the child is treated as not living with either parent. See examples in Publication 17. Table 3, Step 4: delete the phrase “greater part of the year” and replace with “greater number of nights during the year”
4012	E-3	Under “Student qualifications” change the first bullet to read: “you, your spouse or your dependent, and”
4012	G-2	Footnote 2: change the word “expect” to “except”
4012	G-9	In Part I, under the third bullet, delete the phrase “certain metal and asphalt roofs” from the second list and add to the first list. The labor costs associated with the on-site preparation and installation of certain metal or asphalt roofs are not to be included when calculating the Nonbusiness Energy Property Credit.
4012	2-4	Under “Allocated Tips,” change first sentence to read: “Allocated tips in box 8 of Form W-2 will carry over to line 4 of Form 4137.”
4012	4-1	Delete 3rd bullet on this page.
4012	14-6	Under “Peel-off label,” delete the first sentence. Change remaining sentence to: Individual and business taxpayers will no longer receive income tax packages in the mail from the IRS. These tax packages contained the forms, schedules, instructions and the “ peel-off ” label.
1084	Inside Cover	Delete telephone number for Foreign Student/Scholar Issues, and replace with the new number: 267-941-1000 (not toll-free)
6744	2-9	Change the year from 2009 to 2010 on Form 1098-T shown on this page.
4491	6-11	Second paragraph, first sentence, after the words “custodial parent” insert the following: “(parent with whom the child lived for the greater number of nights during the year)”
4491W	41, 87 and 178	On all three pages, change “Line 73a” to “Line 74a”

Product	Page	Pen and Ink Changes
4491W	41	Under the heading for “Line 50,” change the last sentence to read: Check to see if they qualify for this credit and if so, complete the questions on Form 8880.”
4491W	46	Delete 6th bullet
4491W	52	<ul style="list-style-type: none"> • 3rd bullet, 2nd sentence, change to: “When Earl’s sister became ill last March...” • 4th bullet, 3rd sentence, change the number \$6,060 to \$6,560
4491W	81	On the first Form 1099-R: Enter \$10,000 in Box 2a and change the distribution code in Box 7 to “1”
4491W	96	On the Form 1099-R, delete the “X” in box 2b.
4704-FS	13	Question 25, answer B should be \$337. This amount was corrected on the L< online certification test.
4704-FS-A	A-5	Raji Singh’s Form 1040NR-EZ, lines 15 and 17 should be 2,075 and lines 22 and 23a should be 337.



Lesson 15: Other Income



Gulf Oil Spill Payments

This topic follows the text on page 15-1.

Many taxpayers in the Gulf Coast region received payments in 2010 related to the oil spill. However, claims have also been paid to taxpayers residing outside this region. Volunteers nationwide should be aware of the guidance and technical resources available for assisting taxpayers impacted by the oil spill.

Before completing or reviewing any returns for taxpayers who have received payments resulting from the Gulf oil spill, volunteers should review Publication 4906, the Gulf oil spill Overview & Guidance. This PowerPoint presentation contains information relating to specific tax issues resulting from the Gulf oil spill, including claims for damages and lost income as well as payments for clean-up activities. For assistance in preparing returns at VITA/TCE sites, Publication 4899, Decision Tree - Gulf Oil Spill Affected Taxpayers can be used. These publications will be available electronically to IRS employees internally on the repository and to employees, partners and volunteers externally on www.irs.gov by late December.

additional information

IRS Publication 4873, The Gulf Oil Spill and Your Taxes

IRS Publication 4873-A, Gulf Oil Spill: Questions and Answers

Also visit the Gulf Oil Spill Information Center on www.irs.gov for the most up-to-date information.