FPP 2020
Regional Roundtable: South/Southeast Florida

“A Tax Time Summit”
A Thank You to FPP’s Funders

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“A Tax Time Summit” Format

FPP 2020 Regional Roundtables
Convening in the FPP Zoom Room

“Together Around the (Virtual) Table” Community Conversations

ELEVATING FINANCIAL CAPABILITY FOR ALL
Today’s Guest Experts/Panelists

FPP, TOGETHER AGAIN

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Community Conversations

ELEVATING FINANCIAL CAPABILITY FOR ALL
Summit Agenda

1) Why?
2) Resources
3) VITA Site Operations Strategies
4) Safety Protocols
5) Challenging Taxpayer Scenarios
6) Problem-Solving Day
Why is it so critical to share insights and expertise in support of LMI U.S. Taxpayers as the 2020-2021 tax season approaches?
What resources are available to U.S. Taxpayers to assist them when encountering challenging scenarios? VITA Programs/Sites, LITCs, IRS Support/Partnership, Other?
Earned Income Tax Credit (EITC)
What is the Earned Income Tax Credit?

The Earned Income Tax Credit (EITC) is an important benefit providing a financial boost to working individuals and families.
To qualify for EITC, you must meet certain requirements and file a tax return, even if you do not owe any tax or are not required to file.

EITC reduces the amount of tax you owe and may give you a refund.
Do I Qualify for EITC?

- To qualify you must have earned income from working for someone or from running or owning a business or farm and meet basic rules.
- And, you must either meet additional rules for workers without a qualifying child or have a qualifying child for EITC.
- EITC has special rules that apply for members of the military, members of the clergy, and taxpayers with certain types of disability income or children with disabilities.
Tool to Help You See if You Qualify

• Find out if you are eligible for EITC by answering questions and providing basic income information, use the **EITC Assistant** on IRS.gov.

• It helps determine your filing status, the number of qualifying children you have, if any, and estimates the amount of your EITC. You can also print out a summary of your results.


Claiming the EITC – No Children

If you aren't claiming a child as a qualifying child for EITC, you must meet these rules:

• You must be at least age 25, but under 65;
• You may not be the dependent of another person;
• You may not be a qualifying child of another person; and
• You must have your main home in the United States for more than half of the tax year.
Claiming the EITC – With Children

To claim a child as a qualifying child for EITC:

• You may not be a qualifying child of another taxpayer;
• You must be entitled to claim the child as a qualifying child under the tie-breaker rules if the child is a qualifying child of more than one taxpayer; and
• The child must pass relationship, age, residency, and joint return tests.
The child must be related to you.

Many different relationships qualify for EITC, including:

- Son or daughter (whether by blood or adoption), stepchild, eligible foster child, or their descendants (grandchild or great-grandchild), or
- Full, half, and step siblings or their descendants (niece or nephew).
The child must be:
- Under age 19 at the end of the tax year and younger than you (or your spouse, if filing jointly), or
- Under age 24 at the end of the tax year, a “student”, and younger than you (or your spouse, if filing jointly), or
- Permanently and totally disabled at any time during the year, regardless of age.
Generally, the child must have the same main home as you in the United States for more than half of the tax year.

- This doesn’t mean six months in a row.
- For example: If your child lives with you during the school year but spends summers elsewhere (i.e. January – May and September – December), then he or she meets this requirement.
How Do I Claim EITC?

Use Form 1040, US Individual Income Tax Return (PDF) or Form 1040 SR, U.S. Tax Return for Seniors (PDF).

• If you have a qualifying child, you must file Schedule EIC listing the child/children you are claiming for EITC with the tax return.
• If you don't have a qualifying child, you simply claim the credit, on the applicable line, on your tax return.
Common EITC Errors

- Claiming a child who does not meet residency or relationship requirements
- Reporting income or expenses, particularly on Schedule C incorrectly
- Filing as single or head of household when married
- Mismatching name and Social Security number

Visit IRS.gov, at: https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/watch-out-for-these-common-eitc-errors
Consequences of Errors

*Know that there are consequences if you claim EITC incorrectly.*

- Delays in refunding the credit amount.
- Denial of *all or part* of your EITC.
- Required to pay it back with penalties and interest, if you receive the refund.
- Be banned from claiming EITC for the next two years, if the error is because of reckless or intentional disregard of the rules.
- Be banned from claiming EITC for the next ten years, if the error is because of fraud.
If IRS Asks for Proof of Claim...

The notice you get will tell you the documents you need to send to claim the credit (birth certificates, school records, etc.).

Resources for you:

✓ TAS’s EITC Get Help page has templates for school, healthcare providers, and childcare providers

✓ IRS Form 886-H-EIC, Documents You Need to Send to Claim the Earned Income Tax Credit on the Basis of a Qualifying Child or Children, lists many options, but remember that different combinations may also be acceptable.
Summit Conversation Starter #3

What is the strategy for operating VITA Programs/Sites in and beyond our Florida communities?
Virtual VITA, Semi-Virtual, TAS, Drop-Off/Valet, Live, Other?
Taxpayer Advocate Service

Your Voice at the IRS

https://TaxpayerAdvocate.irs.gov/
Who We Are

• An independent organization **within** the IRS

• Provide **free** service to eligible taxpayers

• At least one office in every state, the District of Columbia, and Puerto Rico
TAS Functions

• Assist taxpayers to resolve problems with IRS

• Identify areas where taxpayers have problems dealing with IRS

• To the extent possible, propose changes in the administrative practices of the IRS to mitigate problems

• Identify potential legislative changes to mitigate such problems
TAS Offices

- Office of the National Taxpayer Advocate
  - Washington, D.C.

- Local TAS offices nationwide
  - 1 (or more) - every state
  - 1 - District of Columbia
  - 1 - Puerto Rico
What We Do

• Protects taxpayers’ rights by striving to ensure taxpayers are treated fairly and understand their rights under the Taxpayer Bill of Rights

• Help taxpayers where a system failed to operate as intended or efforts failed to resolve the problem within the IRS

If you qualify for help, your advocate is with you at every turn and does everything possible to assist you.

TAS is your voice at the IRS!
TAXPAYER BILL OF RIGHTS

A Framework for Effective Tax Administration

The Right to Be Informed
The Right to Quality Service
The Right to Pay No More than the Correct Amount of Tax
The Right to Challenge the IRS's Position and Be Heard
The Right to Appeal an IRS Decision in an Independent Forum
The Right to Finality
The Right to Privacy
The Right to Confidentiality
The Right to Retain Representation
The Right to A Fair and Just Tax System

Learn more at www.irs.gov/taxpayerrights

IRS

Your Rights
How to Contact TAS

Your local taxpayer advocate’s number is in your local directory and at: taxpayeradvocate.irs.gov/contact-us

- Fax or phone the Local Taxpayer Advocates listed in Publication 1546, Your Voice at the IRS
- Call the NTA Case Intake Line: 1-877-777-4778
- Download Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order), from irs.gov
Other TAS Programs

Low Income Taxpayer Clinics (LITCs)

- Represent low income taxpayers who have a controversy with the IRS
- Provide education and outreach to taxpayers who speak English as a second language about their rights and responsibilities as taxpayers
- Provide services for free or no more than a nominal fee

Find the LITC nearest you at: https://taxpayeradvocate.irs.gov/litcmap
Summit Conversation Starter #4

What safety protocols are being installed to ensure Taxpayer, Volunteer and Support Staff safety as the pandemic continues?
What challenging scenarios have been encountered when serving LMI Taxpayers? And, what are the optimal approaches to solving each of these challenging scenarios?
Summit Conversation Starter #5

- Incorrect Returns – Who Is Responsible? How Do These Get Addressed?
- “Ghost Preparers” – Not Self-Prepared But Claiming To Be
- Earned Income Credit Disallowance – Bans and Rejections, 2 and 10 year Disallowances, Paper Filing
- Non-Filers and Special Circumstances
- IRS Collections and Alternatives
Summit Conversation Starter #5

- ACA Health Insurance Purchased from the Marketplace, Taxpayer Confusion
- EIP Distribution and Tax Considerations
- Importance of Refund Direct Deposited in Personal Bank Accounts
- Maintaining Records in the Case of an IRS Audit
Summit Conversation Starter #6

What is a “Problem Solving Day?“

Who is involved?

How can these be done virtually?

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