

A large yellow star with a white center, positioned in the top left corner of the slide.

Filing Basics

TIP **Chart A – For Most People Who Must**

If you **CAN** be claimed as a dependent by another taxpayer, you must file a return if you have any of the following:

TIP **Chart B – For Children and Other Dependents**

If your parent (or someone else) **can** claim you as a dependent, use this chart to determine if you must file a return.

In this chart, **unearned income** includes taxable interest, ordinary dividends, and capital gains.

TIP **Chart C – Other Situations Where You Must File**

You must file a return if any of the conditions below apply for 2011:

1. You owe any special taxes, including any of the following.
 - a. Alternative minimum tax.
 - b. Additional tax on a qualified plan, including an individual retirement account or annuity, or a tax-favored account. But if you are filing a return only because you have a tax-favored account, you do not have to file a return.

About Filing Basics

- TaxSlayer: Basic Information section
- Additional resources listed in L< “References” tab
- Review all tips and cautions
- Read all examples and sample interviews
- We will review answers to each exercise in the lesson

Starting a New Return

Welcome to SUPPORT

Message Center **1** Rejected Clients **1**

Start New 2018 Tax Return
Create a brand new tax return for a client. The Start a New Tax Return option enables you to begin the data input process for a taxpayer. [Select](#)

Client Search
Edit returns you previously started. [Select](#)

Review Returns
Returns that are currently waiting to be reviewed. [Select](#)

Configuration
Setup the configuration options for your office. [Select](#)

Reports
Print acks, mailing labels, bank reports, and old reports. [Select](#)

Transmissions
Transmit returns to IRS. [Select](#)

Note: These options will not appear for all users.

Objectives – Filing Basics

- Determine who *must* file a tax return
- Determine who *should* file a tax return
- Verify the taxpayer's identity
- Determine how to file the return
- Time Required: 10 minutes

Topics



- Who Must File?
- Who Should File?
- Verifying Taxpayer Identity
- Choosing Appropriate Schedules
- Filing the Return
- Administrative Questions
- Potential Pitfalls

Chart A – For Most People Who Must File

Note: If you may be claimed as a dependent by another taxpayer, you must file as a dependent whether you are being claimed or not. See Chart B.

If your filing status is...	AND at the end of 2021 you were...*	THEN file a return if your gross income was at least...**	
Single	under 65	\$12,550	
	65 or older	\$14,250	
Married filing jointly***	under 65 (both spouses)	\$25,100	
	65 or older (one spouse)	\$26,450	
	65 or older (both spouses)		\$27,800
Married filing separately (see the Instructions for Form 1040)	any age	\$5	
Head of household (see the Instructions for Form 1040)	under 65	\$18,800	
	65 or older	\$20,500	
Qualifying widow(er) (see the Instructions for Form 1040)	under 65	\$25,100	
	65 or older	\$26,450	

* If you were born on January 1, 1957 you are considered to be age 65 at the end of 2021. (If your spouse died in 2021 or if you are preparing a return for someone who died in 2021, see Publication 501)

** Gross income means all income you received in the form of money, goods, property, and services that isn't exempt from tax, including any income from sources outside the United States or from the sale of your main home (even if you can exclude part or all of it).

• Do not include any social security benefits unless

(a) you are married filing a separate return and you lived with your spouse at any time in 2021 or

(b) one-half of your social security benefits plus your other gross income and any tax-exempt interest is more than \$25,000 (\$32,000 if married filing jointly).

If (a) or (b) applies, see the Form 1040 Instructions to figure the taxable part of social security benefits you must include in gross income.

• Gross income includes gains, but not losses, reported on Form 8949 or Schedule D.

• Gross income from a business means, for example, the amount on Schedule C, line 7, or Schedule F, line 9. But, in figuring gross income, don't reduce your income by any losses, including any loss on Schedule C, line 7, or Schedule F, line 9.

*** If you didn't live with your spouse at the end of 2021 (or on the date your spouse died) and your gross income was at least \$5, you must file a return regardless of your age.

Individuals who do not have a filing requirement based on this chart should also check Chart C, Other Situations When You Must File, and Chart D, Who Should File. Individuals with earned income but who do not have a filing requirement may be eligible for the Earned Income Credit.

Key Terms

Definitions are always available in the L< online Glossary.

- ATIN
- Dependent
- Gross Income
- ITIN
- Tax Credits



Who Must File?

- What helps determine if an individual must file?
- Form 13614-C very important in this stage of the process
- Refer to Pub 4012, [Charts A, B, and C](#)
- Internet resource for determining filing requirement:
 - Interactive Tax Assistant: [Determine if you have to file a return](#)
- Let's practice: Case studies and Skills Warm Up from L< lesson

Who Should File?

- In what situations would an individual want to file if they are not required to?
 - Find examples in Pub 4012, [Chart D](#)
- Out of scope:
 - Health coverage tax credit

Chart D – Who Should File

Even if a taxpayer is not required to file a federal income tax return, they should file if any of the following situations below apply.

1. You had income tax withheld from your pay, pension, social security or other income.
2. You made estimated tax payments for the year or had any of your overpayment for last year's estimated tax applied to this year's taxes.
3. You qualify for the earned income credit. See Publication 596, Earned Income Credit (EIC), for more information.
4. You qualify for the additional child tax credit. See Form 1040 Instructions for more information on this credit.
5. You qualify for the refundable credit for prior year minimum tax. See Form 8801, Credit for Prior Year Minimum Tax — Individuals, Estates, and Trusts. (Out of Scope)
6. You qualify for a refundable American Opportunity Credit.
7. You receive a 1099-B and the gross proceeds plus other income exceeds the filing limits in Chart A.
8. You receive Form 1099-S, Proceeds From Real Estate Transactions.
9. You qualify for the federal tax on fuels (Out of Scope).
10. You are required to file a state return.
11. You qualify for the Premium Tax Credit.

Verifying Taxpayer Identity

- What are acceptable identity documents to verify identity?
 - See the Tip in Pub 4491
- What are acceptable TINs?
- Enter names and identification numbers accurately
 - Mistakes in data entry can result in processing delays
 - See Pub 4012, Starting a New Return in Tab B, Starting a Return/Filing Status
- Verify taxpayer information to protect against identity theft
- Remind taxpayers correct information is necessary to receive age-related tax benefits
- Out of scope: taxpayers who cannot substantiate their identity

Choosing the Appropriate Schedules

- Form 1040 allows many taxpayers to file a short, simple form.
- Form 1040-SR, U.S. Income Tax Return for Seniors, is also available. It may be used by taxpayers who are age 65 or older at the end of the tax year.
- Schedules 1 through 3 have been created for instances where additional information needs to be carried over to Form 1040 or Form 1040-SR. The schedules are:
 - Schedule 1: Additional Income and Adjustments to Income
 - Schedule 2: Additional Taxes
 - Schedule 3: Additional Credits and Payments

Filing the Return

- Covered in detail in Completing the Return lesson
- IRS E-file
 - All volunteer tax assistance sites e-file tax returns
 - Safest, fastest and easiest way to file
 - Free File for individuals with income below the threshold



Administrative Questions

- FAQ answers:
 - Pub 4012, Partner Resources tab, [Frequent Taxpayer Inquiries](#)
 - [Pub 17](#) Index
 - Internet: [Filing Requirements](#)

Frequent Taxpayer Inquiries

Taxpayers normally ask questions during the interview process about the topics covered in this section. Visit the IRS.gov website, keyword: "1040 Central" or see Publication 17 for additional topics and information.

Installment Payment

Publication 594, The IRS Collection Process, explains taxpayers' rights and responsibilities regarding payment of federal taxes.

Copies of Prior-Years' Returns

Transcripts of prior-year returns may be obtained by going to the IRS.gov website or by filing Form 4506-T, Request for Transcript of Tax Return. The website can be used to get prior-year information needed for this year's return.

If an actual copy is needed, taxpayer should complete Form 4506, Request for Copy of Tax Return, and mail it with the required fee to the IRS campus where the return was filed.

Amended Returns (See Tab M, Other Returns)

Form 1040X, Amended U.S. Individual Income Tax Return, should be used by taxpayers to amend their return. Many mistakes are corrected in processing by the IRS, and a letter of explanation is mailed at the time an error is identified or when a refund is issued. In these cases, taxpayers aren't required to file an amended return as the corrections have already been made.

Preparation of amended returns has expanded in the VITA/TCE programs. Sites can choose to file amended returns even if they didn't prepare the original return. See Tab M, Other Returns for additional information on preparing amended returns.

Taxpayer Address Change

Taxpayers should use Form 8822, Change of Address, to notify the IRS of any change of address. If taxpayers move after filing the return and before a refund is received, they should notify their old post office and the IRS of their new address.

Recordkeeping

Taxpayers should keep their tax documents until the statute of limitations runs out for the return. Usually, this is three years from the date the return was due or filed, or two years from the date the tax was paid, whichever is later. Refer taxpayers to Publication 17, "Filing Information" or at the IRS.gov website -- keyword:

on a joint tax return. Spousal relief is granted in certain situations when a taxpayer can prove he/she isn't liable for amounts due in joint filing situations.

Taxpayers should see Publication 971, Innocent Spouse Relief, which explains the types of relief, who may qualify for them, and how to get them. Married persons who didn't file joint returns, but who live in community property states, may also qualify for relief. (Out of Scope)

Injured Spouse Relief

An Injured spouse claim is different from an Innocent spouse relief request. An Injured spouse can request the division of tax overpayment attributed to each spouse. The Injured spouse must file Form 8379, Injured Spouse Allocation, to request his or her portion of a joint refund.

Married Filing Separately

Unless required to file separately, married taxpayers may want their tax figured on a joint return and on separate returns, to make sure they are receiving the most advantageous filing status. Filing separately may be advantageous for some taxpayers in certain situations, however, most married taxpayers would pay more combined tax on separate returns than they would on a joint return. See Publication 17, "Filing Status" section, for Special Rules (which outlines the disadvantages). Taxpayers who filed a Married Filing Jointly return cannot amend their return to change to Married Filing Separately after the due date of the return. There is an exception for deceased taxpayers. See Publication 17.

Social Security Numbers and Account Information

Social Security Administration no longer issues Social Security Number verification printouts in their field offices. Taxpayers may get this information using the my Social Security Account feature on the Social Security Administration website. Local Social Security offices will continue to provide benefit verification letters.

Volunteers should enter names into the tax software as they

Potential Pitfalls

- Canadians have ID numbers similar to Social Security; do not use Canadian ID numbers on a U.S. tax return
- Be alert for possible indications of fraudulent activity
 - Form W-2 that is typed or handwritten or has noticeable alterations
 - Form W-2 from a company that looks different from other Forms W-2 issued by the same company
 - A suspicious person accompanying the taxpayer (who has been observed on other occasions)
 - Multiple refunds directed to the same address or P.O. box
 - Employment or earnings that are a basis for refundable credits, which are not well-documented
 - Similar returns (e.g., same amount of refund, same number of dependents, or same number of Forms W-2)

Out of Scope for this Lesson:

- Taxpayers who may qualify for the health coverage tax credit or credit for the repayment of previously taxed income
- Taxpayers who cannot substantiate their identity

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2020** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)
 Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial _____ Last name _____ Your social security number _____
 If joint return, spouse's first name and middle initial _____ Last name _____ Spouse's social security number _____

Home address (number and street). If you have a P.O. box, see instructions. _____ Apt. no. _____
 City, town, or post office. If you have a foreign address, also complete spaces below. _____ State _____ ZIP code _____
 Foreign country name _____ Foreign province/state/country _____ Foreign postal code _____
 Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. You Spouse

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? Yes No

Standard Deduction Someone can claim: You as a dependent Your spouse as a dependent Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: Were born before January 2, 1956 Are blind **Spouse:** Was born before January 2, 1956 Is blind

Dependents (see instructions):
 If more than four dependents, see instructions and check here ▶

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions): Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

1 Wages, salaries, tips, etc. Attach Form(s) W-2	1
2a Tax-exempt interest	2b Taxable interest
3a Qualified dividends	3b Ordinary dividends
4a IRA distributions	4b Taxable amount
5a Pensions and annuities	5b Taxable amount
6a Social security benefits	6b Taxable amount
7 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	7
8 Other income from Schedule 1, line 9	8
9 Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9
10 Adjustments to income:	
a From Schedule 1, line 22	10a
b Charitable contributions if you take the standard deduction. See instructions	10b
c Add lines 10a and 10b. These are your total adjustments to income	10c
11 Subtract line 10c from line 9. This is your adjusted gross income	11
12 Standard deduction or itemized deductions (from Schedule A)	12
13 Qualified business income deduction. Attach Form 8995 or Form 8995-A	13
14 Add lines 12 and 13	14
15 Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15

Attach Sch. B if required.

Standard Deduction for—
 • Single or Married filing separately, \$12,400
 • Married filing jointly or Qualifying widow(er), \$24,800
 • Head of household, \$18,650
 • If you checked any box under Standard Deduction, see instructions.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320R Form **1040** (2020)

Summary

- Three charts help you determine who must file and who should file
 - Chart A - For Most People Who Must File
 - Chart B - For Children and Other Dependents
 - Chart C - Other Situations When You Must File
 - Chart D - Who Should File
- Individuals who are not required to file should file to claim a refund of withheld taxes or a tax credit for which they qualify
- Verifying taxpayer identity