

Tax-Aide Scope Summary of Differences

This document summarizes the in or out of scope tax forms and items that are different for Tax-Aide compared to the standard VITA/TCE Advance certification and Pubs 4491 and 4012. If there are questions, please refer to the *Tax-Aide Scope Manual* that lists virtually all forms and schedules a Tax-Aide Counselor might see. This summary will be updated as necessary.

In-scope:

- State tax refund from any prior year when it is clearly fully taxable or fully nontaxable or the taxable portion can be determined using the Bogart [Taxable Refund and Recovery Calculator](#)
- “Sale” of totally worthless securities
- Form 5329 Part IX to waive additional tax for failure to take Required Minimum Distribution
- Section 1250 gains reported on Form 1099-DIV
- Form 1099-R codes 6, U and W; codes J and T if distribution is not taxable and if first-time homeowner exception does not apply
- Income from the rent of bare land (any improvements not the property of taxpayer) reported on 1099-MISC or received as cash
- Canadian or German social security income that is treated as US social security
- Form 8283 to report non-cash donations of more than \$500, but less than \$5,000
- Form 8606 Parts I and II only
- To assist in identifying and preventing identity theft, Tax-Aide recommends taxpayers e-file returns, even if not required. Since a zero AGI return cannot be e-filed, enter \$1 as Other Income and describe as “IN ORDER TO EFILE.” This will also force a long Form 1040 to print for years prior to 2018 and to be transmitted in the e-file.
- To force printing and transmitting Form 1040 Schedule C (instead of Schedule C-EZ for years prior to 2019) for prior year returns, enter \$1 in Cost of Goods Sold (Part III) beginning inventory and ending inventory.

Out-of-scope:

- State/local unique topics set by regional or state leaders as out of scope due to complexity and/or lack of sufficient training
- Specific in-scope tax law topics and state returns on which a counselor is not trained.
- Puerto Rico returns—even with a Puerto Rico certification
- Married taxpayers in community property states who are not filing jointly but are subject to community property rules.
- Taxpayer who holds virtual currency, even if no sale or purchase in 2021.