



Orientation to VITA, Overview of Tax Law, & Filing Requirements

Today's Outcomes

1. Understand the six (6) volunteer standards and the consequences of ignoring the volunteer standards.

2. Identify how to access more income tax preparation scenarios.

3. Explain the current tax law changes for tax year 2022.

4. Discuss filing requirements.



Volunteer Standards of Conduct

The mission of the VITA/TCE return preparation program is to assist **eligible taxpayers** in satisfying their tax responsibilities by providing **free tax return preparation**. To establish the greatest degree of public trust volunteers are required to maintain the **highest standards of ethical conduct and provide quality service**.

Annually Volunteers Must...

- Pass with 80% or higher, the Volunteer Standards of Conduct (VSC) certification test.
- Agree to adhere to the VSC by signing Form 13615, Volunteer Standards of Conduct Agreement, prior to volunteering.
- All return preparers, quality reviewers, coordinators, and tax law instructors must pass the "Intake, Interview, & Quality Review certification.
- Volunteers who answer tax law questions, instruct tax law classes, prepare or correct tax returns, or conduct quality reviews must be certified in tax law prior to signing Form 13615.
- Form 13615 is not valid until the site coordinator, sponsoring partner, instructor or IRS contact confirms the volunteer's identity, name and address, and signs and dates the form and signs and dates the form.

VSC 1 - Follow the Quality Site Requirements (QSR).

VSC 2 - Do not accept payment, ask for donations, or accept refund payments for federal or state tax return preparation from customers.

VSC 3 - Do not solicit business from taxpayers you assist or use the information you gained about them (their information) for any direct or indirect personal benefit for yourself or any other specific individual.

VSC 4 - Do not knowingly prepare false returns.

VSC 5 - Do not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct considered to have a negative effect on the VITA/TCE program.

VSC 6 - Treat all taxpayers in a professional, courteous, and respectful manner.

Volunteer Standards of Conduct

- Removal from all VITA/TCE program;
- Inclusion in the IRS Volunteer Registry to bar future VITA/TCE activity indefinitely;
- Deactivation of your sponsoring partner's site VITA/TCE EFIN;
- Removal of all IRS products, supplies, loaned equipment, and taxpayer information from your site;
- Termination of your sponsoring organization's partnership with the IRS;
- Termination of grand funds from the IRS to your sponsoring partner; and
- Referral of you conduct for potential TIGTA and criminal investigations.

I Want More Tax Training Scenarios

How to Get Technical Updates?

Updates to the volunteer training materials will be contained in Publication 4491-X, VITA/TCE Training Supplement. The most recent version can be downloaded at: www.irs.gov/pub/irs-pdf/p4491x.pdf

VITA/TCE Quality Site Requirements

All taxpayers using the services offered through the VITA/TCE programs should be confident they are receiving accurate tax return preparation and quality service.

The purpose of the ten Quality Site Requirements (QSR) is to ensure quality and accurate tax return preparation and consistent site operations.

The QSR are required to be communicated to all volunteers and partners to ensure IRS and partner mutual objectives are met.

10 Quality Site Standards

QSR 1: Certification

QSR 2: Intake/Interview & Quality Review Process

QSR 3: Confirming Photo Identification and Taxpayer Identification Numbers (TIN)

QSR 4: Reference Materials

QSR 5: Volunteer Agreement

QSR 6: Timely Filing of Tax Returns

QSR 7: Civil Rights

QSR 8: Correct Site Identification Number (SIDN)

QSR 9: Correct Electronic Filing Identification Number (EFIN)

QSR 10: Security

Tax Table Updates

2021-Married Filing Joint

- Income not over \$19,900 tax 10%
- Income over \$19,900 but over \$81,050 tax \$1,990 plus 12% of amount over \$19,900
- Income over \$81,050 but over \$172,750 tax \$9,328 plus 22% of amount over \$81,050
- Income over \$172,750 but over \$329,850 tax \$29,502 plus 24% of amount over \$172,750
- Income over \$329,850 but over \$418,850 tax \$67,206 plus 32% of amount over \$329,850
- Income over \$418,850 but over \$628,300 tax \$95,686 plus 35% of amount over \$418,850
- Income over \$628,300 tax \$168,993 plus 37% of amount over \$628,300

2022-Married Filing Joint

- Income not over \$20,550 tax 10%
- Income over \$20,550 but over \$83,550 tax \$2,055 plus 12% of amount over \$20,550
- Income over \$83,550 but over \$178,150 tax \$9,615 plus 22% of amount over \$83,550
- Income over \$178,150 but over \$340,100 tax \$30,427 plus 24% of amount over \$178,150
- Income over \$340,100 but over \$431,900 tax \$69,295 plus 32% of amount over \$340,100
- Income over \$431,900 but over \$647,850 tax \$98,671 plus 35% of amount over \$431,900
- Income over \$647,850 tax \$174,254 plus 37% of amount over \$647,850

Tax table updates

2021-Head of Household

- Income not over \$14,200 tax 10%
- Income over \$14,200 but over \$54,200 tax \$1,420 plus 12% of amount over \$14,200
- Income over \$54,200 but over \$86,350 tax \$6,220 plus 22% of amount over \$54,200
- Income over \$86,350 but over \$164,900 tax \$13,293 plus 24% of amount over \$86,350
- Income over \$164,900 but over \$209,400 tax \$32,145 plus 32% of amount over \$164,900
- Income over \$209,400 but over \$523,600 tax \$46,385 plus 35% of amount over \$209,400
- Income over \$523,600 tax \$156,355 plus 37% of amount over \$523,600

2022-Head of Household

- Income not over \$14,650 tax 10%
- Income over \$14,650 but over \$55,900 tax \$1,465 plus 12% of amount over \$14,650
- Income over \$55,900 but over \$89,050 tax \$6,415 plus 22% of amount over \$55,900
- Income over \$89,050 but over \$170,050 tax \$13,708 plus 24% of amount over \$89,050
- Income over \$170,050 but over \$215,950 tax \$33,148 plus 32% of amount over \$170,050
- Income over \$215,950 but over \$549,900 tax \$47,836 plus 35% of amount over \$215,950
- Income over \$549,900 tax \$161,218 plus 37% of amount over \$549,900

Tax table updates

2021- Single

- Income not over \$9,950 tax 10%
- Income over \$9,950 but over \$40,525 tax \$995 plus 12% of amount over \$9,950
- Income over \$40,525 but over \$86,375 tax \$4,664 plus 22% of amount over \$40,525
- Income over \$86,375 but over \$164,925 tax \$14,751 plus 24% of amount over \$86,375
- Income over \$164,925 but over \$209,425 tax \$33,603 plus 32% of amount over \$164,925
- Income over \$209,425 but over \$523,600 tax \$47,843 plus 35% of amount over \$209,425
- Income over \$523,600 tax \$157,804 plus 37% of amount over \$523,600

2022-Single

- Income not over \$10,275 tax 10%
- Income over \$10,275 but over \$41,775 tax \$1,027 plus 12% of amount over \$10,275
- Income over \$41,775 but over \$89,075 tax \$4,807 plus 22% of amount over \$41,775
- Income over \$89,075 but over \$170,050 tax 15,213 plus 24% of amount over \$89,075
- Income over \$170,050 but over \$215,950 tax \$33,647 plus 32% of amount over \$170,050
- Income over \$215,950 but over \$539,900 tax \$49,335 plus 35% of amount over \$215,950
- Income over \$539,900 tax \$162,718 plus 37% of amount over \$539,900

Tax table updates

2021- Married Filing Separate

- Income not over \$9,950 tax 10%
- Income over \$9,950 but over \$40,525 tax 995 plus 12% of amount over \$9,950
- Income over \$40,525 but over \$86,375 tax \$4,664 plus 22% of amount over \$40,525
- Income over \$86,375 but over \$164,925 tax \$14,751 plus 24% of amount over \$86,375
- Income over \$164,925 but over \$209,425 tax \$33,603 plus 32% of amount over \$164,925
- Income over \$209,425 but over \$314,150 tax \$47,843 plus 35% of amount over \$209,425
- Income over \$523,600 tax \$84,497 plus 37% of amount over \$314,150

2022 – Married Filing Separate

- Income not over \$10,275 tax 10%
- Income over \$10,275 but over \$41,775 tax \$1,027 plus 12% of amount over \$10,275
- Income over \$41,775 but over \$89,075 tax \$4,807 plus 22% of amount over \$41,775
- Income over \$89,075 but over \$170,050 tax \$15,213 plus 24% of amount over \$89,075
- Income over \$170,050 but over \$215,950 tax \$33,647 plus 32% of amount over \$170,050
- Income over \$215,950 but over \$323,925 tax \$49,335 plus 35% of amount over \$215,950
- Income over \$323,925 tax \$87,127 plus 37% of amount over \$323,925

Standard Deduction Updates

Standard deductions updated for inflation

- Married filing joint - \$25,900
- Head of household -\$19,400
- Single - \$12,950
- Married filing separate - \$12,950
- Additional deductions for over 65 or blind of \$1,400

Earned income credits (EIC) Updates

2021

Rules for everyone

- Taxpayer and qualifying children need SSN
- Can't file married filing separate
- Must be a US citizen or resident
- Investment income must be less than \$10,000
- Can't be a qualifying child of another person

2022

Rules for everyone

- Taxpayer and qualifying children need SSN
- Can't file married filing separate
- Must be a US citizen or resident
- Can't file a 2555 (foreign income exclusion)
- Investment income must be less than \$10,300
- Can't be a qualifying child of another person

Earned income credits (EIC) Updates

2021

Have children

- Child must meet relationship test, residency test and joint return test
- Child can't be used for EIC by more than one person

No Children

- Must be 19 or older
- Can't be a dependent of another
- Live in US more than half the year

2022

Have children

- Child must meet relationship test, residency test and joint return test
- Child can't be used for EIC by more than one person

No Children

- Must be 25 but not over 65
- Can't be a dependent of another
- Live in US more than half the year

Earned income credits (EIC) Updates

2021

1 qualifying child

- Must have income of \$10,640
- Max credit \$3,618

2 qualifying children

- Must have income of \$14,950
- Max credit \$5,980

3 qualifying children

- Must have income of \$14,950
- Max Credit \$6,728

No qualifying children

- Must have income of \$9,820
- Max Credit \$1,502

2022

1 qualifying child

- Must have income of \$10,980
- Max credit \$3,733

2 qualifying children

- Must have income of \$15,410
- Max credit \$6,164

3 qualifying children

- Must have income of \$15,410
- Max Credit \$6,935

No qualifying children

- Must have income of \$7,320
- Max Credit \$560

Child Tax Credit

2021

Refundable Child tax credit

Taxpayer lived in US more than half the year

Take the credit even if there is no income (\$0)

- Qualifying Child
 - US citizen, national or resident
 - Age under 18
 - Your son, daughter, brother, sister or descendent
 - Didn't provide own support
 - Live with taxpayer more than half the year
 - Must have SSN
- \$3,000 children 6 to 16
- \$3,600 children 0 to 5

2022

Non-Refundable Child tax credit

- Qualifying Child
 - US citizen, national or resident
 - Age under 17
 - Your son, daughter, brother, sister or descendent
 - Didn't provide own support
 - Live with taxpayer more than half the year
 - Must have SSN
- \$2,000 children 6 to 16
- \$2,000 children 0 to 5

Child tax credit

2021

Additional Child Tax Credit

- Don't qualify for refundable credit
- More than \$2,500 of taxable earned income
- \$1,400 per qualifying child

Credit for other dependents

- \$500

2022

Additional Child Tax Credit

- More than \$2,500 of taxable earned income
- \$1,500 per qualifying child

Credit for other dependents

- \$500

Legislative Extenders

Discharge of Qualified Principal Residence Indebtedness (extended through 2025)

- Form 1099-A, Acquisition or Abandonment of Secured Property
- Form 1099-C, Cancellation of Debt
 - Box 3 (Interest if included in Box 2, Amount of Debt Cancelled) & Box 6, Code A, **OUT OF SCOPE**
 - If a bankruptcy, **OUT OF SCOPE**
 - More information can be found in Pub 4012, EXT 1-5

Residential Energy Credits (extended through 12/31/2032)

- Part I, Residential Clean Energy Credit (OUT OF SCOPE)
- Part II, Energy Efficient Home Improvement
 - A total combined credit limit of \$500 (\$200 for windows) for all tax years after 2005
 - More information can be found in Pub 4012, EXT-6

+ Important Tax Law Changes for TY 2022, Pub 4491-x

- Taxpayers have until Tuesday, April 18, 2023 to file
- New Form 1099-DA, Digital Asset Proceeds from Broker Transactions
- Provisions that have expired:
 - Child Tax Credit (CTC) expansion
 - Recovery Rebate Credit
 - Increased amount of Child and Dependent Care Expenses modified phase out.
 - Earned Income Tax Credit (EITC) expired provisions:
 - Higher income limits and credits for taxpayers with no qualifying children
 - Ability to figure credit based on 2019 income
 - Elimination of upper age limit, minimum age of 19; minimum age of 18 for qualified homeless youth and qualified foster youth
- Private mortgage insurance premiums (PMI) deduction as home mortgage interest (through 2021)
- Temporary deduction for charitable contributions for taxpayers who do not itemize (through 2021)
- Unemployment benefits if household income was at or above 133% (through 2021)
- The provision for qualified sick and family leave credits expired on 09/30/21

Temporary Provisions Still in Effect

The nonbusiness energy property credit and the name changed to "energy efficient home improvement credit"

For TY 2021 and 2022, household income of 100% or more eligible for Premium Tax Credit

Exclusion from gross income of canceled qualified principal residence indebtedness (through 2025)

An employer may contribute up to \$5,200 annually toward an employee's student loans, and such payment is excluded from the employee's income through 2025.

Exclusion from gross income is available for student loan forgiveness after 2020 and before 2026 for most forgiven loans (Pub 970)

Temporary 100% deduction for food or beverages from restaurants. Beginning January 1, 2021 through December 31, 2022.

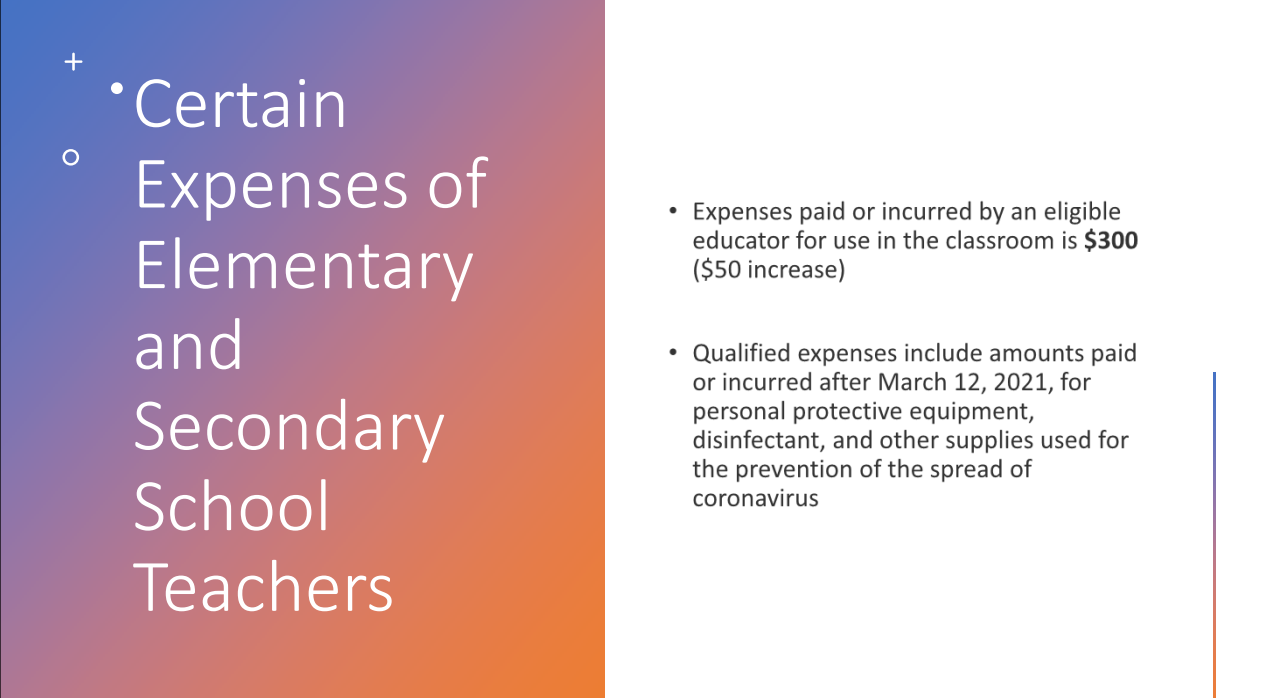
What Changes from Last Year are Permanent

- Earned Income Credit Changes:
 - Individuals and couples who have SSN can claim the credit, even if their children do not have SSNs. They would get the smaller credit available without qualifying children
 - Invest income limit was set at \$10,000 for 2021 and is adjusted for inflation in 2022
 - Special rule for separated spouses. Taxpayers can claim EIC if they are married, not filing a joint return, had a qualifying child who lived with them for more than half of the year and either:
 - Lived apart from their spouse for the last six (6) months of the year OR
 - Are legally separated according to state law under a written separation agreement or a decree of separate maintenance and didn't live in the same household as their spouse at the end of the year.




Personal Exemption Amount

- The deduction for all personal exemptions is suspended (reduced to zero), effective for tax years 2018 through 2025
- For 2022, the gross income limitation for qualifying relative is **\$4,400** (\$100 increase)




Certain Expenses of Elementary and Secondary School Teachers

- Expenses paid or incurred by an eligible educator for use in the classroom is **\$300** (\$50 increase)
- Qualified expenses include amounts paid or incurred after March 12, 2021, for personal protective equipment, disinfectant, and other supplies used for the prevention of the spread of coronavirus




Tax Law Changes




Mileage rates


\$.58.5 (first half of year) & \$.62.5 (second half of year) for Business
\$.22 for Medical and Moving
\$.14 for Charitable



Foreign Earned Income Exclusion is \$112,000



Maximum IRA deduction or Roth contribution is \$6,000 (\$7,000 if age 50 or older)



Health Savings Account (HAS) Deduction

Self-only coverage is \$3,650 (increase of \$50)
Family coverage is \$7,300 (increase of \$100)
Age 55 or older and additional \$1,000 can be contributed

Tax Law Changes

Expect more tax law changes as Congress returns to session.

Filing Requirements

- Must file when gross income is over a certain limit-see chart in *Pub 4012, Tab A-Who Must File*
- Other situations when people **HAVE TO** file
 - Owe any special taxes
 - Received an HSA distribution
 - Have self-employment earnings of at least \$400
 - You had advanced payments of the premium tax credit (1095-A)
 - Received advanced Child Tax Credit

Chart A-For Most People Who Must File

If your filing status is...	AND at the end of 2022 you were...*	THEN file a return if your gross income was at least...**
Single	under 65	\$12,950
	65 or older	\$14,700
Married filing jointly***	under 65 (both spouses)	\$25,900
	65 or older (one spouse)	\$27,300
	65 or older (both spouses)	\$28,700
Married filing separately (see the Instructions for Form 1040)	any age	\$5
Head of household (see the Instructions for Form 1040)	under 65	\$19,400
	65 or older	\$21,150
Qualifying Surviving Spouse (see the Instructions for Form 1040)	under 65	\$25,900
	65 or older	\$27,300

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.*

Filing Requirements

Situations when people who are not required to file may want to:

- Have income tax withholdings
- Made estimated tax payments
- Qualify for Earned Income Credit
- Qualify for Child Tax Credit even if did not take advanced payments
- Qualify for Child and Dependent care credit
- Qualify for Premium Tax Credit
- Qualify for the Recovery Rebate Credit
- Qualify for Sick and Family Leave credit for self-employed
- If you are filing a state return
- If you want to file to receive other forms of assistance (eg. FAFSA, Loans, etc.)



Chart B-For Children and Other Dependents

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 your unearned and earned income.

Taxable scholarships and fellowship grants are considered as earned income for the purpose of determining if a dependent must file a tax return and for calculating the standard deduction for dependents.

Taxable scholarships and fellowship grants not reported on Form W-2, are considered to be unearned income for the purpose of calculating kiddie tax.

Single Dependents	
Either 65 or over or blind	You must file a return if any of the following apply. 1. Your unearned income was over \$2,900 (\$4,650 if 65 or older and blind). 2. Your earned income was over \$14,700 (\$16,450 if 65 or older and blind). 3. Your gross income was more than the larger of — a. \$2,900 (\$4,650 if 65 or older and blind) or b. our earned income (up to \$12,550 plus \$2,150 (\$3,900 if 65 or older and blind)).
Under 65 and not blind	You must file a return if any of the following apply. 1. Your unearned income was over \$1,150. 2. Your earned income was over \$12,950. 3. Your gross income was more than the larger of — a. \$1,150, or b. Your earned income (up to \$12,550 plus \$400).
Married Dependents	
Either age 65 or older or blind	You must file a return if any of the following apply. 1. Your unearned income was over \$2,550 (\$3,950 if 65 or older and blind). 2. Your earned income was over \$14,350 (\$15,750 if 65 or older and blind). 3. Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions. 4. Your gross income was more than the larger of — a. \$2,550 (\$3,950 if 65 or older and blind), or b. Your earned income (up to \$12,550 plus \$1,800 (\$3,200 if 65 or older and blind)).
Under age 65 and not blind	You must file a return if any of the following apply. 1. Your unearned income was over \$1,150. 2. Your earned income was over \$12,950. 3. Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions. 4. Your gross income was more than the larger of — a. \$1,150, or b. Your earned income (up to \$12,550 plus \$400).

Tax for Certain Children who have Unearned Income (Kiddie Tax)

Children under age 18 and certain older children who are required to file a tax return and have unearned income over \$2,300 must file *Form 8615*.

For this purpose, “**unearned income**” includes all taxable income other than earned income, such as taxable interest, ordinary dividends, capital gains, rents, royalties, etc. It also includes taxable social security benefits, pension and annuity income, taxable scholarship and fellowship grants not reported on Form W-2, unemployment compensation, alimony, and income received as the beneficiary of a trust.

Form 8615 is in scope for Native Americans receiving per capita payments and Alaska residents receiving permanent fund dividends. For all other purposes, Form 8615 remains **Out of Scope**.

To determine if Form 8615 must be filed, see page H-3.

Chart C- Other Situations When You Must File

1. You owe any special taxes, including any of the following.
 - a. Alternative minimum tax (**Out of Scope**).
 - b. Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if you are filing a return only because you owe this tax, you can file Form 5329 by itself.
 - c. Household employment taxes. But if you are filing a return only because you owe this tax, you can file Schedule H by itself (**Out of Scope**).
 - d. Social security and Medicare tax on tips you did not report to your employer or on wages you received from an employer who did not withhold these taxes.
 - e. Recapture of first-time homebuyer credit. See Instructions for Form 1040, Schedule 2.
 - f. Write-in taxes, including uncollected social security and Medicare or RRTA tax on tips you reported to your employer or on group-term life insurance and additional taxes on health savings accounts. See the Instructions for Form 1040.
 - g. Recapture taxes. See the Instructions for Form 1040 (**Out of Scope**).
2. You (or your spouse, if filing jointly) received HSA distributions (**in scope**), Archer MSA distributions (**Out of Scope**), or Medicare Advantage MSA distributions (**Out of Scope**).
3. You had net earnings from self-employment of at least \$400. Net earnings are SCH C profit x 92.35%. There is no self-employment tax on SCH C profit of less than \$433.
4. You had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes (**Out of Scope**).
5. Advance payments of the premium tax credit were made for you, your spouse, or a dependent who enrolled in coverage through the Marketplace. You or whoever enrolled you should have received Form(s) 1095-A showing the amount of the advance payments.
6. Advance payments of the health coverage tax credit were made for you, your spouse, or a dependent. You or whoever enrolled you should have received Form(s) 1099-H showing the amount of the advance payments (**Out of Scope**).
7. You are required to include amounts in income under section 965 or you have a net tax liability under section 965 that you are paying in installments under section 965(h) or deferred by making an election under 965(i) (**Out of Scope**).

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 the instructions for Schedule 8812.
5. You qualify for a refundable American Opportunity Credit.
6. You qualify for the Premium Tax 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 are required to file a state return.
10. You want to file a \$0 AGI return (such as to prevent tax identity theft, to claim a state credit, or for other assistance).
 - a. Returns with zero AGI, no refund, and no balance due need to be paper filed. In certain situations, taxpayers may e-file these returns.
 - b. To e-file, enter \$1 as other income or as interest.
11. 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**).
12. You qualify for the Credit for Federal Tax Paid on Fuels, Form 4136 (**Out of Scope**).

Questions or Comments