

Free Tax Preparation Service

Provided
by the



**The Office of the State Auditor is once again offering help with basic tax returns to military members and their families.
February 8- March 31, 2010**

Families of guard and reserve units can receive free tax preparation and electronic filing through the OSA VITA program. This service is being provided for free as a partnership between the State Auditor's Office and the IRS VITA (Volunteer Income Tax Assistance) program.

Families in the local Pierre area can stop in or call the Office of the State Auditor to arrange an appointment. Families outside of the Pierre area can still participate via mail. The mail-in program can take 1-2 weeks for the return to be completed (including mailing time). All returns will be e-filed by OSA VITA and direct deposited into the taxpayer's account.

Information is kept confidential and returns are prepared by IRS certified volunteers. The volunteers have taken the extra steps to become certified to prepare Military returns in order to handle the special circumstances that arise with the Military members and deployment.

Can You Participate?

You **cannot** participate if in 2009 you had Farm Income (Schedule F); stock or mutual fund sales without the necessary cost basis information or had excessive trades, i.e. day trading, (Schedule D); or if you have a casualty loss (Form 4797)?

You **can** participate if you have a basic return, ordinary interest or dividends, itemize you deductions, dependent care expenses, unemployment benefits, or claim the Earned Income Credit.

What do I have to do to participate?

- Contact the Office of the State Auditor for an OSA VITA Tax Packet or download the information at www.sdauditor.gov
- **Provide photocopies of all tax documents**, photo id, and social security cards. Copies are destroyed as per IRS regulations once the return is finalized with the IRS.
- **Complete the intake sheet** (parts I, II, and III) to the best of your ability.
- Provide at least one (more if possible) telephone numbers and preferred time of contact by OSA VITA.
- Participate in all phone calls with OSA VITA (One prior to starting the return and at least one to review the completed return).
- **Sign the Form 8879** upon completion of the return and return it to OSA VITA (this form will be included with the copy of the return). The tax return cannot be e-filed until OSA VITA receives the signed Form 8879.
- Taxpayer will not have to mail anything to IRS. All returns will be e-filed by OSA VITA.

**Contact the Office of the State Auditor
State Social Security-IRS Division
(605) 773-3900 or visit www.sdauditor.gov
for more details or to obtain an OSA VITA Tax Packet.**

***OSA VITA is a partnership between the Office of the State Auditor,
Rich Sattgast, State Auditor, and the IRS Volunteer Income Tax Assistance
Program.***

Tax Preparation Process (Mail-in)

- A) Taxpayer receives OSA VITA packet.
 - a. Taxpayer completes the intake sheet parts I, II, and III..
 - b. Taxpayer photocopies all tax documents, photo id, social security cards for everyone listed on the tax return, and the prior year's tax return.
 - c. Taxpayer provides at least ONE phone number and preferred time of day to contact the taxpayer (at least two phone calls will be made by OSA VITA).
 - d. Taxpayer places all photocopies, **signed** intake sheet and checklist in the provided envelope.
 - e. Taxpayer mails envelope to OSA VITA.
- B) Tax Documents arrive at OSA VITA.
- C) OSA VITA will contact Taxpayer via telephone to verify information on the intake sheet and other tax information.
- D) OSA VITA will prepare the tax return (If OSA VITA has any questions, the taxpayer will be contacted via telephone for clarification).
- E) OSA VITA will mail completed tax return to the taxpayer.
 - Included with the tax return:
 - a) Letter explaining the remaining process and refund time frames.
 - b) Instructions for completing and signing the enclosed Form 8879.
 - c) Form 8879, to be returned to OSA VITA.
 - d) Return envelope addressed to OSA VITA.
- F) Upon receipt, OSA VITA will contact the taxpayer via telephone to review the return with the taxpayer. If necessary, changes will be made at this time and mailed to the taxpayer for review.
- G) Once the tax return is verified, the taxpayer will sign and mail the Form 8879 back to OSA VITA, in the self-address stamped envelope.
- H) Upon receipt of the signed 8879, OSA VITA will transmit the tax return.
- I) OSA VITA will follow IRS guidelines as to rejected returns.
- J) Refunds can be expected in 2-3 weeks for direct deposit, 3-4 weeks for paper checks.
- K) At the end of this process...OSA VITA will shred all tax documents (photocopies) still in our possession.

Even if the taxpayer appears to meet the guidelines, OSA VITA reserves the right to not complete the tax return. If this situation occurs, OSA VITA will contact the taxpayer and provide advice as to where or how the taxpayer can have his tax returns prepared.

Checklist

Items to be completed by the Taxpayer and sent with the photocopies and the intake sheet to OSA VITA:

- Intake sheet completed by taxpayer (parts I, II, III and IV).
- At least one daytime phone number and contact time for the taxpayer.
- All tax documents are photocopied:
 - copy of last year's tax return (Federal)
 - photo id of taxpayer
 - Social Security cards of
 - Taxpayer
 - Spouse (if filing Jointly)
 - All dependents claimed on the tax return
 - Any document related to 2009 taxes
 - W-2(s)
 - 1099s (Dividends, Interest, Miscellaneous)
 - SS-5 (Social Security Payments)
 - 1098 (Mortgage Interest Paid, College Tuition Paid)
 - Real Estate Taxes Paid (A portion can be deducted without itemizing!)**
 - Sales tax on vehicles purchased in 2009 (A portion of sales tax paid on NEW vehicle can be deducted without itemizing this year. USED vehicle sales tax is still claimed only if you itemize.)**
 - Sales tax paid on materials to build, add-on or perform a major renovation on your main home.
 - W-2G (Gambling Winnings)
 - Name, address, social security number for day care providers for Child and Dependent Care Credit.
 - Child care provider's information and expenses for each child to be claimed.
 - Copy of check for direct deposit (also a copy of savings deposit slip if depositing into a savings account).
 - Estimated tax payments made (if any)
 - Student loan interest paid. (You will receive a W2 if the National Guard paid on your loans.)

Reminders:

When in doubt, photocopy the document and send it to OSA VITA.

Verify phone number(s) and contact time for taxpayer on **Interview and Intake Sheet**.

Remember, if you can't read it, we can't read it.

Please mail all items to this address:

**Office of the State Auditor
ATTN: OSA VITA
500 E Capitol Avenue
Pierre, SD 57501**

OSA VITA Tax Packet 2009

Intake/Interview & Quality Review Sheet

Section A. Page 1 and Page 2 to be completed by Taxpayer

Thank you for allowing us to prepare your tax return. It is very important for you to provide the information on this form to help our certified volunteer preparer in completing your return. **If you have any questions please ask.**

You will need your:

- Tax information such as W-2s, 1099s, 1098s.
- Social security cards or ITIN letters for you and all persons on your tax return.
- Proof of Identity (such as drivers license or other picture ID).

Part I. Your Personal Information

1. Your First Name	M. I.	Last Name	Are you a U.S. Citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
2. Spouse's First Name	M. I.	Last Name	Is spouse a U.S. Citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing Address	Apt#	City	State Zip Code
4. E-mail		Phone	
5. Your Date of Birth	6. Your Occupation	7. Are you Legally Blind	<input type="checkbox"/> Yes <input type="checkbox"/> No
		8. Totally and Permanently Disabled	<input type="checkbox"/> Yes <input type="checkbox"/> No
9. Spouse's Date of Birth	10. Spouse's Occupation	11. Is Spouse Legally Blind	<input type="checkbox"/> Yes <input type="checkbox"/> No
		12. Totally and Permanently Disabled	<input type="checkbox"/> Yes <input type="checkbox"/> No
13. Can your parents or someone else claim you or your spouse on their tax return? <input type="checkbox"/> Yes <input type="checkbox"/> No			

Part II. Family and Dependent Information

1. As of December 31, 2009 your marital status was:

- Single
- Married: Did you live with your spouse during any part of the last six months of 2009? Yes No
- Divorced or Legally Separated: Date of final decree or separate maintenance agreement: _____
- Widowed: Date of spouse's death: _____

2. List the name of everyone below who lived in your home and outside your home that you supported during the year.

Name (first, last) Do not enter your name or Spouse's name below.	Date of Birth (mm/dd/yy)	Relationship to you (e.g. son, mother, sister)	Number of months lived in your home	US Citizen or resident of the US, Canada or Mexico (yes/no)	Married as of 12/31/09 (yes/no)	Full- time student (yes/no)	Received more than \$3650 in income (yes/no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)

If additional space is needed please use page 4 and check here

Paperwork Reduction Act Notice

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224

Please continue on Page 2

Section A. To be completed by Taxpayer (continued)

Part III. Life Events (Check Yes or No to all questions below)

- Yes No 1. If you are due a refund, would you like a direct deposit?
 Yes No 2. If you have a balance due, would you like a direct debit?
- During 2009 did you (or your spouse if filing a joint return):**
- Yes No 3. Buy a brand new vehicle? If yes, date of purchase: _____
 Yes No 4. Buy a home? If yes, closing date: _____
 Yes No 5. Have a foreclosure or did the bank cancel any part of your mortgage loan?
 Yes No 6. Receive an Economic Recovery Payment from Social Security Administration, Railroad Retirement Board, or Veterans Administration? If yes, how much? \$250 \$500
 Yes No 7. Are you or your spouse a government retiree?
 Yes No 8. Purchase and install energy efficient home items? (such as windows, furnace, insulation, etc.)
 Yes No 9. Live in an area that was affected by a natural disaster? If yes, where? _____
 Yes No 10. Pay college tuition for yourself, your spouse, or your dependents?
 Yes No 11. Have any student loans?
 Yes No 12. Make estimated tax payments or apply last year's refund to your 2009 tax?
If yes, amount _____

Part IV. Income – In 2009, did you (or your spouse) receive: (Check Yes or No to all questions below)

- Yes No 1. Wages or Salary
 Yes No 2. Tip Income
 Yes No 3. Scholarships
 Yes No 4. Interest/Dividends from: checking or savings accounts, bonds, CDs, brokerage, etc.
 Yes No 5. State Tax Refund: If yes, did you itemize your deductions last year? Yes No
 Yes No 6. Self-Employment Income (such as earnings from contract labor, small business, hobby, etc.)
 Yes No 7. Alimony Income
 Yes No 8. Proceeds (or loss) from the sale of Stocks, Bonds or Real Estate (including your home)
 Yes No 9. Disability Income
 Yes No 10. Pensions, Annuities, and/or IRA Distributions
 Yes No 11. Unemployment Compensation
 Yes No 12. Social Security or Railroad Retirement Benefits
 Yes No 13. Income from Rental Property
 Yes No 14. Other Income: (gambling, lottery, prizes, awards, jury duty, etc.) Identify: _____

Part V. Expenses – In 2009 Did you (or your spouse) pay: (Check Yes or No to all questions below)

- Yes No 1. Alimony: If yes, do you have the recipient's SSN? Yes No
 Yes No 2. Contributions to IRA, 401 k, or other retirement account, including employer retirement account
 Yes No 3. Educational expenses (such as a computer, books, etc.)
 Yes No 4. Classroom supplies if you are a teacher
 Yes No 5. Medical expenses
 Yes No 6. Home mortgage interest
 Yes No 7. Real estate taxes for your home
 Yes No 8. Charitable contributions
 Yes No 9. Child/dependent care expenses that allowed you and your spouse, to work or to look for work

STOP HERE!

Thank you for completing this form.

Please give this form to the certified volunteer preparer for use in preparing your return.

Section B. For Certified Volunteer Preparer Completion and Reminder

Remember: YOU are the link between the taxpayer's information and a correct tax return! Verify the taxpayer's information on pages 1 & 2. Consult Publications 4012 & 17 as well as other tools. Make notes on this form as needed, especially when the taxpayer's information is missing or incorrect.

Must be completed by Certified Volunteer Preparer

- Yes No N/A 1. Can anyone else claim any of the persons listed in Part II, question 2, as a dependent on their return? If yes, which ones:

- Yes No N/A 2. Were any of the persons listed in Part II, question 2, totally and permanently disabled? If yes, which ones:

- Yes No N/A 3. Did any of the persons listed in Part II, question 2 provide more than half of their own support? If yes, which ones:

- Yes No N/A 4. Did the taxpayer provide more than half the support for each of the persons in Part II, question 2? If no, which ones:

- Yes No N/A 5. Did the taxpayer pay over half the cost of maintaining a home for any of the persons in Part II, question 2? If yes, which ones:

- Yes No 6. Was the taxpayer's Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year _____
- Yes No 7. Does the taxpayer qualify for the first-time homebuyers credit?

Reminders

Use Publication 4012 & 17 in making tax law determination.

- Earned Income Credit (EIC) with children - the qualifying child cannot be older than the taxpayer.
- Qualifying Child/Qualifying Relatives - Rules have changed.
- There are special rules for children of divorced, separated, or never married parents.

New Tax Benefits and credits under ARRA 2009

- Vehicle Sales Tax
- Economic Recovery Payment
- First-time homebuyer Credit
- Energy Efficiency
- Education Expense
- Increase EITC & Child Tax Credit
- Unemployment benefits

Making Work Pay Tax Credit

- Does the taxpayer need to adjust their W-4/W-4P withholding?

Section C. To be completed by a Certified Quality Reviewer

Check each item after reviewing the tax return and verifying that it reflects correct tax law application to the information provided by the taxpayer.

- 1. **Section A & B** of this form are complete.
- 2. **Taxpayer's identity, address and phone number** was verified.
- 3. **Names, SSN or ITINs, and dates of birth of taxpayer, spouse and dependents** match the supporting documents.
- 4. **Filing Status** is correctly determined.
- 5. **Personal and Dependency Exemptions** are entered correctly on the return.
- 6. All **income** shown on source documents and noted in Sections A, part IV is included on the tax return.
- 7. Any **Adjustments to Income** are correctly reported.
- 8. **Standard, Additional or Itemized Deductions** are correct.
- 9. All **credits** are correctly reported.
- 10. Withholding shown on **Forms W-2, 1099 and Estimated Tax Payments** are correctly reported.
- 11. If **direct deposit or debit** was elected checking/saving account and routing information match the supporting documents.
- 12. Correct **SIDN** is shown on the return.

