

# AARP Foundation Tax-Aide - Arizona

## Out of Scope

**AARP Foundation Tax-Aide** helps low-and moderate income taxpayers, with special attention to those 60 and older. Volunteers are trained to assist in filing tax forms and certain schedules, including Form 1040, and certain schedules and forms. Taxpayers with complex tax returns or the Counselor feels they do not have adequate training or knowledge are advised to seek paid tax assistance or from another counselor who is qualified to do the return. Under the Volunteer Protection Act, AARP Foundation Tax-Aide volunteers must stay in the scope of the program and do returns for which they have received training. Please see the list below for items that volunteers have been trained to do under the guidelines of the program.

### Can Prepare

#### FORMs and Schedules:

- 1040 with Schedules A, B, and D
- Schedule C up to \$10,000 expenses (Schedule C has same requirements for CEZ – no employees, no inventory, no losses or depreciation, etc)
- Schedule EIC and EIC Worksheets
- 1099 Misc (box 7 nonemployee compensation is reported on Schedule C/CEZ)
- 1099 Misc (box 1 or 2 - rents, royalties, reported on Schedule E with no expenses, depreciation)
- 1099 Misc (box 3 other income is reported on 1040 Line 21)
- 1040-ES (Estimated Payments)
- 2441 (Child & Dependent Care)
- 5405 (Repayment of FTHBC)
- 8283, Section A, Part 1 – non-cash contributions to charity exceed \$500 but less than \$5000
- 8379 (Injured Spouse)
- 8606 (Nondeductible IRA) Part 1
- 8880 (Qualified Savings Credit)
- 8812 (Additional Child Tax Credit)
- 8863 (Education Credits)
- 8949 (Sale or disposition of Assets)
- 9465 (Installment Agreement)
- 1040X (Amended Returns, if trained in the tax year being amended)
- Schedule K-1 only for interest, dividends, cap gain distr, & tax exempt interest; and royalties (Sch B, D, E)
- 1099-C (Cancellation of Debt) - Credit Card or Student Loan or other unsecured loan in Box 4 is reported on 1040 line 21
- Health Savings Accounts – Form 1099-SA and Form 8889 – if trained and certified\*

### Can NOT Prepare

#### Schedules:

- Schedule C (Business Profit and Loss) if a loss or expenses exceed \$10,000
- Complicated Schedule D without proper paperwork (Capital Gains and Losses)
- Schedule E (Rental Property) with expenses, including depreciation
- Schedule F (Farm Income)

#### FORMs:

- 982 (Discharge of Indebtedness Reductions)
- 1099-A (Acquisition or Abandonment of Secured Property)
- 1099-C (Cancellation of Debt) box 4 is Mortgage or Secured Loan
- 2106 (Employee Business Expense)
- 3903 (Moving Expenses)
- 8615 (Minor's Investment Income)

- Portions of Schedule A's and B's that are not included in our training

- Schedule K-1's that involve depreciation or deductible expenses

- Other rental income or business income

**We cannot prepare returns for Married filing Separate or Head of Household where the spouses lived together for part of the year.**

\*HSA: A separate on-line training module and certification test is provided for certification in handling HSA in our program. Only counselors who have been certified may prepare returns containing HSA.