

Date: January 18, 2013
To: All Volunteers for AARP Foundation Tax-Aide (with a valid email address in VMIS)
From: David Alexander, Program Manager, AARP Foundation Tax-Aide
Subject: CyberTax 2013-03: January 30 season opening and Forms 8949, 5695 and Link & Learn

First, a note that Cybertax 2013-02 incorrectly stated “There are a series of forms which will not be completed by January 30, but they are all “out of scope” for Tax-Aide.” This statement is in error. The 5695 Residential Energy Credit is listed by the IRS as not being available by January 30. The 5695 remains in scope under the same ground rules as last year and was included in the training. The IRS will advise when they are ready for Form 5695, which is expected in late February or early March. We apologize for the confusion.

The attached fact sheet from the IRS details the season-opening plans from the IRS perspective. Here are a few highlights:

- IRS will not accept returns until January 30
- CCH Small Firm Services (TaxWise) is scheduled to enable e-file capability on January 22 and will hold returns until IRS begins accepting them on January 30
- Sites preparing returns prior to the January 30 start date *must* inform taxpayer's of the January 30 processing date
- Returns prepared prior to January 30 are not considered stockpiling
- Taxpayers can check their refund on www.irs.gov (or by phone at 1-800-829-1954) after January 30
- The April 15, tax filing deadline, has not changed

Capital Gains Reporting

The IRS has notified us that it is not necessary to list each transaction in the 1099B section of a Brokerage Statement showing Capital Gains/Losses. The description field on the Capital Gains Worksheet can simply show the Brokerage Firm name. Individual security transaction or sub-totals by the A/B/C code and long or short term gains needs be entered on separate lines of the Capital Gains Worksheet. In either case the total proceeds reported to the IRS must be included on the Capital Gains Worksheet and the corresponding Form 8949(s). See attached Capital Gains flow chart.

The IRS has also said that it is not necessary to send the IRS a copy of the Schedule B section of the Brokerage Statement. when this procedure is followed. This year, when required, a Brokerage Statement can be sent either by mail with a Form 8453 or scanned and attached to the return in either TaxWise Desktop or TWO as a .pdf file.

Also a note on *Link & Learn*: Please take a moment to study the instructions on utilizing the Link and Learn training tool.

The IRS is receiving sporadic reports of volunteers getting "incorrect" messages on their test answers. The reason - they were putting answers such as \$500 or 500. or even 500.00 when the program is only looking for 500.

Reminder - as shown in the instructions for use of Link & Learn Taxes - do **not** use any characters such as dollar signs, decimals, or periods when entering answers to test questions. If used, the system will grade these answers as incorrect and may result in a failed test.

Attached with this message:
Fact Sheet Jan 30 Open Season (3).pdf
Capital Gains Entry Flow Chart.pdf