

Correcting Returns: Tips for Dealing with the Aftermath



TaxSlayer acknowledges that deficiencies in software ACA calculations have resulted in inaccurate returns being filed by some VITA/TCE and AARP Tax Aide sites. TaxSlayer has developed a report that identifies which returns (if any) were affected by inaccurate calculations.

Blogpost:

- [ACA – Instructions for identifying Potential Returns impacted by no ACA](#)
- [ACA – Instructions for identifying which Scenario your returns falls into](#)

TON is providing the following suggestions to help you navigate through the aftermath of any returns that have an error due to TaxSlayer miscalculations:

- **Contact the taxpayer:**

Be proactive. While it may not be an easy conversation, we encourage you to go ahead and reach out to those taxpayers who have been identified as being affected by this unfortunate situation. (*Make sure to include an apology in this conversation.*)

- Advise them of the refund they were told.
- Advise them of the recalculated refund / balance due.
- State the reason why there is a change:
 - Taxpayer was subject to repayment of the advance premium tax credit (APTC) or qualifies to receive additional premium tax credit (PTC).
 - Taxpayer was subject to shared responsibility payment (SRP) due to lack of full year coverage, and did not qualify for an exemption. (*Be sure to verify that the taxpayer did not qualify for an exemption.*)
- **APTC:** Inform the taxpayer that if they haven't already, they may likely receive a letter from the IRS requesting Form 8962 and the 1095-A (or page 2 of the 1040).
- **SRP:** Inform the taxpayer that IRS may follow up with the taxpayer (via letter) later in the year. If the taxpayer qualifies for an exemption, offer to prepare Form 8965, Health Coverage Exemptions. If the result is a balance due, as opposed to a reduction in a refund, point them to the various methods of payment on www.irs.gov.

- **Explain the alternatives:**

Remember that *all taxpayers who received a 1095-A are required to include that information on their tax returns*. Returns where the information resulting from Form 1095-A (additional PTC or repayment of APTC) was not accurately calculated, will most likely have the refund held until a correct Form 8962 is provided to the IRS.

Taxpayers should understand that the following two options only represent a difference in a matter of timing for when corrected information is provided to the IRS.

- **Option 1 – be proactive:** If they haven't received a letter yet, invite them back to your site to amend (1040 X) their return during this tax season
- **Option 2 – wait and see:** Wait until they receive a letter from the IRS to come back to get the corrected documents. If a taxpayer elects this option, you may want to go ahead and mail the 8962 and page 2 of the 1040 (they should already have the 1095-A) to them so they have it when the letter arrives and can respond quickly.

Correcting Returns: Tips for Dealing with the Aftermath



Notes:

- As a site manager, you may want to suggest the alternative that best meets the needs and staffing structure for your organization. For example, if you don't operate year-round, and can't help them in the off season, you might encourage taxpayers to come back sooner, rather than later.
- Remember that the response to this situation is the taxpayer's decision. It is our job to inform the taxpayer that an error was made, to provide advice regarding recommended remedies, and offer our assistance. It is up to the taxpayer to decide what – if anything – to do.
- Provide taxpayers with contact information for local Low Income Taxpayer Clinics ([LITCs](#)) in case further assistance is needed after your VITA operation is closed for the season.
- **Keep track:**
 - ***Document your conversation:*** Make a note in the software of the conversation with the taxpayer, and whatever action was taken/option selected.
 - ***Document any additional return preparation:*** Correction of returns, including Form 8962, and any amended returns should count towards overall number of returns prepared / taxpayers assisted this tax season.