



Out of Scope: What you need to know

What is out of scope?

The IRS limits the scope of returns that Community Tax Center volunteers are trained and certified to prepare. If there is an issue on your tax return that the IRS says we cannot prepare, your tax return is out of scope.

What are my options?

- **Hire a CPA.** The Austin Chapter of Texas Society of Certified Public Accountants has a referral service and directory and can provide additional information on selecting a CPA: <http://cpascount.org/directory/>
- **Hire an Enrolled Agent.** An EA specializes in income tax, although many of them also do other accounting/bookkeeping tasks. EAs often charge less than CPAs. See www.captxea.org for a local directory.
- **Hire a paid preparer you trust.** For guidance, visit www.irs.gov "Choosing a Preparer."
- **Schedule an appointment through our *Out-of-Scope* program:** If your return is out of the scope for the Community Tax Centers, we have a program called *Out-of-Scope* that may be able to prepare your return. We will submit an online referral form for eligible, interested taxpayers to the *Out-of-Scope* program. Taxpayers receive a response within 1 week. Please note that our *Out-of-Scope* program is small, and there is no guarantee we will be able to accommodate your request.

Criteria for the *Out-of-Scope* program:

- Your household income must be below \$55,000 annually.
- *Out-of-Scope* prepares ONLY individual tax returns – no S corporations, no C corporations, no partnerships.
- *Out-of-Scope* will NOT prepare Married Filing Separately (MFS) community property splits. If a MFS return is out of scope for the Community Tax Centers, it will also not be prepared by the *Out-of-Scope* team.

What do I bring?

- Valid photo identification for you and your spouse
- Social security card or ITIN letter for everyone on the return.
- Applicable forms and documentation according to your income, expenses, and other life events
- Last year's tax return (if you have it)
- Bank information (routing and account numbers for direct deposit)
- Any relevant IRS correspondence you have received

Please make sure the reason you are referred to the *Out-of-Scope* program is checked below. Beneath each reason is a list of additional documentation you must bring to your appointment.

- Business use of home for self-employment
 - Annual cost of utilities
 - Property taxes
 - Homeowners/renters insurance
 - Square footage of home
 - Mortgage interest
 - Amount paid for rent
 - HOA fees
 - Square footage of space used for business
- Business loss
- Business expenses over \$25,000
- You paid a helper/worker
- 1098-Ts that require recapture of Education Credit
 - Prior year return
 - 1098-T and student's account summary for tax year and prior year
 - Education worksheet for prior year return if applicable and available
- PY returns** requiring Form 8615, Tax for Certain Children Who Have Unearned Income
 - Copy of page 1 and 2 of parents Form 1040 for **prior year return**
- Self-employed health insurance deduction (for taxpayers with a net profit and 1095-A)
 - 1095-A for Marketplace insurance
- Cancellation of debt -- other than credit card and home foreclosure, including interest in box 3 of Form 1099-C
 - Autos – make, model, year
- ACA shared policy allocation
 - All 1095-As
- Rental income if Military-certified volunteers not available
 - Rental income
 - Rental expenses
 - Homeowner's insurance
- Royalties with expenses
- Roth distribution with codes J, K or T
 - Amount of client's contribution to Roth account
- K-1s with entries that are outside the scope of the Community Tax Centers
- Adoption credit
- Mortgage interest credit certificate
 - Copy/original mortgage certificate
- Casualty losses from natural disasters
 - To the best of your ability a list of what was lost in the disaster
 - For tax years 2018 and forward, only eligible if federally declared disaster area
- Complex capital gain transactions, including sale of rental property
- 1099-Qs where portion of distribution is taxable
 - Education expenses
- Residential Energy credit – solar panels – solar water heater
 - Copy of contract for purchase of solar panels

If you do not bring all necessary documents to your appointment, we may not be able to prepare your tax return.