

## **Policy: Discovering During Preparation that Taxpayer's Income Exceeds FC Eligibility Threshold**

Part of the Intake interview process is to add up income documents presented by the taxpayer and determine if the taxpayer meets the FC income eligibility requirements.

The income eligibility limits are currently :

- Household size of 1: \$50,000
- Household size of 2 to 4: \$75,000
- Household size of 5+: \$75,000 + \$5,000 for each additional member

**Note:** Certain groups and individuals are exempted from the income limits. See **Income Eligibility & Exceptions** on CTC Resources.

If the taxpayer has been honest and forthcoming and we do not realize that a taxpayer is over the income limit (and not exempt) until the return is past the Intake process and is being prepared or QRed, we will prepare the return.

In these circumstances, FC policy is to:

1. gently notify intake staff/volunteers of the mistake to raise awareness for the future;
2. gently notify the taxpayer that we will not be able to prepare their return in future years if they are again over our income limits; and
3. make a note in TaxSlayer explaining that we waived the income requirement for this return because it was our error and we did not catch it until the taxpayer had entered the tax prep phase.

### **If an Amendment to an FC-prepared Return Exceeds Income Eligibility Limits**

If a taxpayer requests that we prepare an amendment for a tax return that FC prepared in order to correct a mistake on the return or add missing information, we will make an exception to our income limit if the amended return results in the taxpayer(s) being over our income eligibility limit. In these circumstances, make a note in TaxSlayer that the original return was within scope and that the amended return was prepared specifically to correct the return or add missing information. Notify the taxpayer that we will not be able to prepare their return in future years if they are over our income limits.