

DABC Tips for Prior Year Returns



- **Make sure to use the right year of TaxWise software.**
 - For years that still have active refunds, use TaxWise Online so that we can e-file the tax return.
 - twonline.taxwise.com/13
 - twonline.taxwise.com/12
 - twonline.taxwise.com/11
 - For older years (where refunds have expired) use TaxWise Desktop with username Prep. These tax returns will be Paper, mailed by the client.
- To do any prior year return, a client should have all their documents for that year. Without them they will need to go online to irs.gov and request their tax documents for that year. If they want to file their Colorado return at the same time they will need to get a transcript from the Department of Revenue office to show the CO withholding.
- In **2008, 2009, & 2010** there were stimulus credits. Make sure to include them. **See page two of this guide for these and other prior year tax provisions.**

Helping the Client Mail Paper Returns:

STEP 1 Click **Print Return** at the top of the TaxWise window. Adjust the Copies to print **2** full copies. This will cause the printer to print 2 Federal copies and 2 State copies. Two are for the taxpayer's own records and two are for the taxpayer to mail in.

STEP 2 Staple the four tax returns separately. Put one copy of the Federal return and one copy of the State return in a Client Envelope.

STEP 3 Attach to the front of the remaining Federal return a copy of any taxpayer documents that show Withholding. Use the copy of the W-2 that says "For the Federal tax return." Have the taxpayers sign and date the 1040 page 2. Then put the complete return in an IRS envelope. **Instruct the client to address it and mail it with a stamp.**

STEP 4 Attach to the front of the remaining State return a copy of any documents that show Withholding. Use the copy of the W-2 that says "For the State/Local tax return." Have the taxpayers sign and date CO page 3. Then put the complete return in a Colorado envelope. **Instruct the client to address it and mail it with a stamp.**

- Complete the label on the EITC Folder by circling P for Paper or E for Electronic, then put the folder in the appropriate box for Paper or Electronic filing.

Expired Tax Provisions for Prior Year Returns

The following expired provisions may apply when preparing prior year tax returns. For further information, refer to prior year resource materials such as Publication 17.

Tax Year	Expired provisions
2013, 2012, 2011	None
2010	*First-time Homebuyer Credit, Making Work Pay Credit
2009	*First-time Homebuyer Credit, Economic Recovery Payment, Making Work Pay Credit & Government Retiree Credit, Deduction for Tax Paid on New Motor Vehicle Purchased in 2009
2008	*First-time Homebuyer Credit, Economic Stimulus Payment & Recovery Rebate Credit

* There are two different First-time Homebuyer Credits (FTHC) relative to 2008, 2009 and 2010.

- **Repaying the 2009 or 2010 FTHC:** Taxpayers are not required to repay the credit provided the home remained their main home for 36-months after the purchase date.

- **Repaying the 2008 FTHC:** If claimed in 2008, generally, re- payments of the credit must begin in 2010 and continue with equal yearly installments for 15 years. Additional research is required if the taxpayer sold the home and/or no longer lives in the home as their main home.

2010 Making Work Pay Credit: This credit applies to taxpayers who received earned income from working. It is based on income and the refundable credit can be up to \$400 (\$800 if married filing jointly).

2009 Economic Recovery Payment: \$250 payments were made to recipients of social security benefits, supplemental security insurance, railroad retirement benefits, or certain veterans' disability compensation or pension benefits. These payments reduce any Making Work Pay Credit or Government Retiree Credit.

2009 Making Work Pay Credit: Applies to taxpayers who received earned income from working. It is based on income and the refundable credit can be up to \$400 (\$800 if married filing jointly). However, it is reduced by any Economic Recovery Payment received and/or by any Government Retiree Credit.

2009 Government Retiree Credit: This credit applies to taxpayers who received a government pension or annuity, but it reduces any Making Work Pay Credit.