

Prepared remarks by Bob Smith  
Volunteer Coordinator | AARP Tax Aide – Henderson County | Hendersonville, NC  
April 4, 2016

Good evening! My name is Bob Smith and I am the local coordinator for the Hendersonville AARP-TaxAide site. We operate under the guidance of IRS and AARP's spec office and our charter is to prepare personal income taxes for low to middle income senior citizens. However, we do not turn anyone away as long as they fall within the scope and restrictions that have been placed on us by IRS and the spec office.

I have been with this group for nine years; but, before that I was a paid preparer for 17 years with a nationally known organization. We have 68 volunteers this year who do the greeting, interviews, tax preparation and electronic filing. All returns receive a quality review for accuracy by a second preparer in accordance with the guidance from IRS.

Last year, we were the largest TaxAide site in NC and I suspect the same applies this year. I read with interest the March 24<sup>th</sup> remarks to the Nation Press Club by the Commissioner of the IRS. He spent a great deal of time praising the work of his paid employees and I would be remiss if I did not do the same for our volunteer group – they do an outstanding job and do not get paid for it!

Ms. Olson asked in a recent conference call to list the needs and concerns of our clients in the tax preparation process. Two areas surface immediately:

- The Affordable Care Act and its tax implications for those without minimum essential coverage is the first. It is a heavy burden to place on volunteers to sort through all of the possible exemptions available to clients subject to a shared responsibility payment, with the affordability exemption being the worst. The instructions produced by IRS are not always the clearest and, had it not been for some smart volunteers at another site developing a series of flow charts and a decision matrix to follow, many of our preparers including me, would have been lost in the process. Most of our clients are confused about the entire procedure.
- Education credits and the possibility of scholarship income are also high on the list. Education institutions report information on a 1098-t, but it is only the tip of the iceberg when it comes to determining what are the qualified education expenses and whether the scholarships are restricted or unrestricted. We often send clients back home to get the details of their student accounts so we can determine types of education credits available or, in some cases, income that must be reported on a tax return. Clients with children enrolled in college are puzzled by the process and often question why they cannot get credit for nonqualifying expenses.

Ms. Olson also asked what IRS can do for us. One problem facing AARP-TaxAide sites next year is the possible loss of carryforward data due to a change in software from "taxwise" to "taxslayer". Using carryforward data is an important element in efficiently preparing quality returns, and it would be very useful if IRS or AARP could step in and enable the use of last year's basic information.

Thanks for allowing me to share my thoughts.