

ProSeries Amended Returns – Form 1040X

If a client needs to correct a return that **was already submitted and processed by the IRS**, the client will need to prepare an **Amended Return**. Before doing anything else, make sure that the original return has been submitted by the client and processed. You can check on the processing status by going to: <https://www.irs.gov/refunds> and clicking in “Where’s My Refund” or by downloading the IRS2Go App to check refund status. **Please ask the client to call the office to make an appointment if they need an Amendment: (312) 588-6900**

In some cases, no Amendment is needed. The IRS may correct mathematical or clerical errors on a return and may accept returns without certain required forms or schedules. In these instances, there’s no need to amend a return.

Before beginning an Amended Return, ask the client why they need to amend the return and use this information to fill out the ProSeries TAP Amendment sheet (printed in orange and found on pads in the intake area). **Common reasons include:**

- The original return did not include all income documents
- The original return had errors (e.g. incorrect filing status)
- The original return did not include all dependents or claimed an individual who is not a dependent

In instances where there is a change to filing status, income, deductions or credits, the federal Form 1040X will need to be completed as a starting point and depending on the change(s) made on the federal return, the Illinois return may need to be amended as well, which will mean completing Form IL-1040-X.



Note: If the client did not have their return prepared initially by Ladder Up at a tax site that has ProSeries, the return must first be recreated before it can be amended. Ladder Up has limited capacity to provide service for clients in this situation. All clients who need an amendment (and did not have their return prepared initially at a Ladder Up ProSeries tax site) must **make an appointment**. Ladder Up does not typically take walk-ins for this client situation or provide service during the regular tax season.

For clients in this situation, you must first recreate the original return that needs to be amended, which is most often a time intensive process. Please advise clients in this situation to call 312-588-6900 to make an appointment during a special summer session. In order to be served, the client must have a copy of all tax documents that were included on the original return (and any additional documents that were left off) and also have a copy of the original return itself. If we do not have all of these materials, we cannot re-create the return accurately.

Tips for recreating the original return:

- The original return that you create must exactly mimic the one that was filed with the IRS. This means math errors, entries on incorrect lines, or other types of errors must still appear. Since the software will not allow such obvious errors it is sometimes necessary to use the override function. Use the override function on the Form 1040 to enter incorrect information.
- When finished, check very carefully that the return you prepared exactly matches what was filed in all respects, including the Illinois return if that was also incorrect. If you fail to do this, the form 1040X will not populate correctly when you open it, and the work will need to be re-done.
- When you are satisfied that you have exactly duplicated the return as filed, save it using the standard file name but with “_FORAMEND” added immediately after the last 4 digits of the file-name. This file should be stored in the “WILL RETURN” folder in case it is needed later. Do NOT close the file after saving it, because you will need it for the next step.
- Before you begin the amendment, please ask someone else to quickly review the return you have prepared to ensure that it matches the original return that the client has brought with them.

Completing Amended Returns in ProSeries

Form 1040X is designed to capture information about the changes being made to the taxpayer's original return. There are many different aspects of the tax return that may need to be corrected, from filing status to number of exemptions to additional income that was not originally reported.

1. Open the client's original return. You may need to run a search on your site's hard drive to locate the file. Also, be sure to ask the year of the return that needs to be amended, as it is possible that it may be from a prior year.
2. Once you have opened the client's original return (or saved a copy of the original return that you just prepared), go to the File menu and select "Save As".
3. Change the name of the client's file by adding "_AMEND" to the end of the file name. Example: ERIC3456_AMEND. **Be sure to save this new file in the current site and date location and not in the same folder location of the original return.**
4. Navigate to Form 1040X by locating it in the Miscellaneous section of the forms list at the left of the ProSeries screen or click Forms in the toolbar, then Select and then enter "X" in the Find box.
5. Once the Form 1040X opens, at the top of the form, select the year for which the amendment must be made. By checking the box for the year to be amended, ProSeries will track all changes that you make as you work to correct the original return. Once you click the box, you will see the client's personal information auto-fill.

Note: Although ProSeries makes it look like you can do amendments of prior year returns in the current year software, this is not the case and **you should always use the version of ProSeries for the year that you are amending.**

Check one of these boxes **before** making any other changes:

Form 1040X: Amended Tax Return

Form **1040X** Amended U.S. Individual Income Tax Return

Form 1040X Special Situations Smart Worksheet

If filing Form 1040X for one of the following reasons, check the related box:

1	Net operating loss (NOL) carryback included in adjusted gross income	<input type="checkbox"/>
2	General business credit carryback included in credits	<input type="checkbox"/>
3	Other carryback claim included in the return	<input type="checkbox"/>
4	Filing pursuant to section 301.9100-2	<input type="checkbox"/>
5	Combat injured veteran claiming a refund for incorrectly taxed disability compensation	<input type="checkbox"/>
6	Active duty reservists claiming a refund of the 10% additional tax paid on an early distribution from a qualified plan	<input type="checkbox"/>
7	Reimbursement for hurricane grant relief	<input type="checkbox"/>
8	Combat Zone benefits for services in the Sinai Peninsula of Egypt	<input type="checkbox"/>

Checking any of the above boxes will print text at the top of the 1040X, per the IRS instructions.

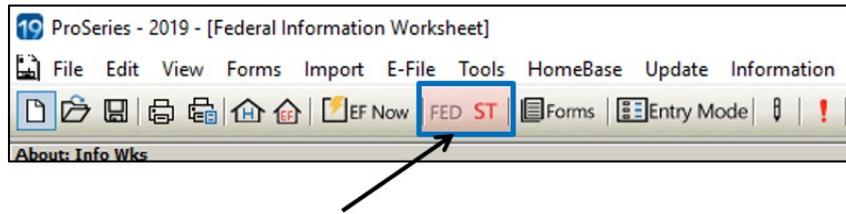
If the IRS instructs you to print some other text at the top of Form 1040X, enter that text here

Text at Top of Form 1040X:

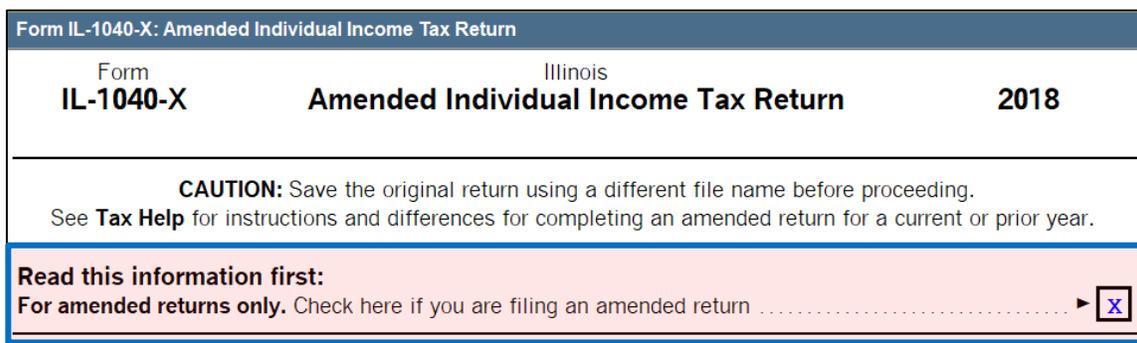
This return is for calendar year 2019 2018 2017 2016

Other year. Enter one: calendar year or fiscal year (month and year ended):

- Now that you have started the federal Form 1040X, click on the “ST” button in the top toolbar to switch to the Illinois return.



- In the Forms Bar on the left side of the screen, from the “Misc Tax Forms” category, select “IL-1040-X” (or type in “X”)
- Towards the top of the Form IL-1040-X, check the box to indicate that the client is filing an amended return.



- Click on the “FED” button in the top toolbar to switch back to the federal return. You may now start making the changes to correct the client’s return, and all changes that you make will show up in the amendment forms.
 - Your change(s) may include adding an income document, a dependent, or expenses.
 - Correcting the filing status: Change the client’s filing status in the Federal Information Worksheet. Check that the 1040X is showing the correct original filing status AND correct amended filing status.

Form 1040X: Amended Tax Return

Text at Top of Form 1040X:

This return is for calendar year 2019 2018 2017 2016
Other year. Enter one: calendar year or fiscal year (month and year ended):

Your First Name MI Last Name Your Social Security No.
JOHN **DOE** *****-**-1234**

If a Joint Return, Spouse's First Name MI Last Name Spouse's Social Security No.

Current Home Address (No. & Street). If you have a P.O. Box, see instructions. Apt No. Your Phone Number
123 MAIN STREET **7**

City, Town or P.O. If you have a foreign address, also complete spaces below. See instrs. State ZIP Code
CHICAGO **IL** **60601**

Foreign Country Name Foreign Province/County Foreign Postal Code

Amended return filing status. You **must** check one box even if you are not changing your filing status.
Caution: In general, you can't change your filing status from a joint return to separate returns after the due date.

Single Married filing jointly Married filing separately
 Qualifying widow(er) Head of household (If the qualifying person is a child but not your dependent, see instructions.)

These sections need to be completed for every amended return

Correcting the filing status, continued:

- If the taxpayer is changing from Married Filing Separately to Married Filing Jointly: Generally, if spouses file a joint return, they have joint and several liability, meaning they are both responsible for the tax and any interest or penalties due on the return, as well as any understatement of tax that may become due later. If one spouse fails to pay, the other spouse may have to pay the tax liability.
- If the taxpayer is changing to Head of Household status: If the qualifying person is a child but not the taxpayer's dependent, enter the child's name and "QND" in Part III.
- If the taxpayer is only providing additional information: If the taxpayer is not changing any of the dollar amounts that appeared on his original return, they should follow these steps:
 - Check the box for the calendar year the taxpayer is amending
 - Complete name, address and SSN
 - Check a box in Part II, if applicable, for the Presidential Election Campaign Fund
 - Complete Part III (Explanation of Changes)

As you make changes to the original return, you will see figures fill into the Form 1040X. There are 3 columns in the 1040X:

- Original amount
- Net change
- Correct amount

Form 1040X: Amended Tax Return			
Use Part III on page 2 to explain any changes	A Original amount reported or as previously adjusted (see instructions)	B Net change — amount of increase or (decrease) — explain in Part III	C Correct amount
Income and Deductions			
1 Adjusted gross income. If a net operating loss (NOL) carryback is included, check here <input type="checkbox"/>	10,000.	0.	10,000.
2 Itemized deductions or standard deduction	6,300.	2,950.	9,250.
3 Subtract line 2 from line 1	3,700.	-2,950.	750.
4a Exemptions (amended returns for years before 2018 only). If changing , complete Part I on page 2 and enter the amount from line 29			
4b Qualified business income deduction (2019 amended returns only)	8,000.		8,000.
5 Taxable income. Subtract line 4a or 4b from line 3. If the result is zero or less, enter -0-	-4,300.	-2,950.	-7,250.
Tax Liability			
6 Tax. Enter method(s) used to figure tax (see instr.):	0.	0.	0.
7 Credits. If a general business credit carryback is included, check here <input type="checkbox"/>	0.	0.	0.
8 Subtract line 7 from line 6. If the result is zero or less, enter -0-	0.	0.	0.
9 Health care: Individual responsibility (see instr.)	0.	0.	0.
10 Other taxes	0.	0.	0.

10. Once you have made all necessary corrections, return to the Form 1040X and scroll to Part III (Explanation of Changes). On every Form 1040X, you must complete Part III to provide the reason(s) why the taxpayer is amending his return. Type in the reason – sample answers include:

- “Received another Form W-2 after initial filing of tax return”
- “Did not list one of my qualified dependents on original return”

Form 1040X: Amended Tax Return	
Part III	Explanation of Changes. In the space provided below, tell us why you are filing Form 1040X.
<p>▶ Attach any supporting documents and new or changed forms and schedules.</p> <p>FILING STATUS WAS CHANGED TO HEAD OF HOUSEHOLD</p> <p>THREE ADDITIONAL W-2S ADDED TO TAX RETURN</p>	

Note: Only three items are addressed directly on the 1040X. (1) Marking the year to initiate the auto-filing of the Form 1040X by the software, (2) Indicating the reason for amending the return, and (3) correction of the original amount of return overpayment, if the client did not receive their initial refund amount.

To make any other changes you must go back to the old forms and add additional missing documents (W-2s, etc.) or modify the information directly. All changes will subsequently populate in the 1040X.

11. Review the Form 1040X to determine if the client now owes money or is due money. Scroll to the “Refund or Amount You Owe” section of the 1040X (lines 17-22).

Form 1040X: Amended Tax Return

Refund or Amount You Owe

Original 2019 Return Overpayment Smart Worksheet			
A	Overpayment, if any, as shown on original return or as previously adjusted by the IRS (not including penalties)		6,359.
18	Overpayment, if any, as shown on original return or as previously adjusted by the IRS	18	6,359.
19	Subtract line 18 from line 17. (If less than zero, see instructions.)	19	-6,359.
20	Amount you owe. If line 11, column C is more than line 19, enter the difference ...	20	
21	If line 11, column C is less than line 19, enter the difference. This is the amount overpaid on this return	21	
22	Amount of line 21 you want refunded to you	22	
23	Amount of line 21 you want applied to your (enter year): _____ estimated tax	23	

If the client never received their refund possibly due to the IRS holding the refund until they amend their return, override this figure and change to \$0.

12. The client **must sign and mail** in their Form 1040X and include all forms and schedules that were affected by the correction(s) made.

- a. All amended returns must be **paper filed**.
- b. Please make sure the client signs the completed Form 1040X.
- c. The IRS advises that affected schedules and forms be attached to the Form 1040X according to the “Attachment Sequence Number” shown in the upper right-hand corner of all schedules and forms. If the taxpayer has supporting statements, arrange them in the same order as the forms and schedules they support and attach them last.

SCHEDULE EIC
(Form 1040A or 1040)

Earned Income Credit
Qualifying Child Information

OMB No. 1545-0074

Attachment Sequence No. **43**

Your social security number

- d. Attach to the front of the Form 1040X:
 - A copy of any Forms W-2, W-2c (a corrected Form W-2), and 2439 that support changes made on the return
 - A copy of any Form W-2G and 1099-R that support changes made on the return, but only if tax was withheld
 - A copy of any Forms 1042S, SSA-1042S, RRB-1042S, and 8288-A that support changes made on the return
- e. If the client owes money: To avoid penalties and interest (or further penalties and interest), the client should mail in his payment along with his Form 1040X. Do not attach the payment to anything in the packet; simply enclose it in the envelope. Checks are payable to “United States Treasury” and the taxpayer should write their name, address, daytime phone number, and SSN/ITIN on their payment.

13. If the change(s) made to the taxpayer’s federal return affects the Illinois return, the taxpayer must complete form IL-1040-X. You will now print out the Illinois amendment for the client. Click on the “ST” button and navigate to the IL-1040-X.



Although you will complete most of the IL-1040-X for the taxpayer, make sure the client understands that if it results in a higher Illinois refund or lower Illinois payment that it cannot be mailed until the federal 1040X changes are accepted.

14. You will notice that the IL-1040-X has a number of errors flagging questions that must be answered:

- F: Check the box that identifies why you are making this change
 - Most clients file an IL-1040-X because of a change made on their federal returns.
 - The box for “Federal change accepted on MM/DD/YYYY” will need to be checked, although the taxpayer will have to write in the date at a later time if the amendment results in a higher Illinois refund or a lower amount due.
 - In that case the client will need to wait until he receives word from the IRS about the status of his amended return in order to fill in the date field. **Please highlight this date field on the printed IL-1040X and instruct the client that he must fill in the date his federal change was accepted.**

Form IL-1040-X: Amended Individual Income Tax Return

F Check the box that identifies why you are making this change.

Federal change accepted on Date: **Attach a copy of your federal finalization.**

**NOL accepted on Date:

State change

G On what date did you file your original Form IL-1040 or your latest Form IL-1040-X?

H Did you file a federal Form 1040X or Form 1045? If 'yes,' you must attach a copy to this form yes no

Check this box to transfer the federal explanation from the Federal amended form

Be aware that the federal and state tax forms may have different line numbers and page references, and please make changes accordingly.

I Explain, in detail, the reason(s) for filing this amended return. Attach a separate sheet if necessary.

Stop. If you are changing your Illinois return due to a change to your federal return that resulted in an overpayment, **do not file** this form until you receive notification that the Internal Revenue Service (IRS) accepted the changes.

*Instruct the client that he **must fill out this date field** after he hears back about his federal amendment if the Illinois amendment results in a higher refund or a lower amount owed.*

- G: On what date did you file your original Form IL-1040?
 - You can ask the client when his original return was prepared and then enter that date. If Ladder Up prepared the original return you can determine this from the date the client visited.
- H: Did you file a US Form 1040X? If yes, you must attach a copy to this form.
 - Check the “Yes” box and remember to print an extra copy of the federal Form 1040X to include with the IL-1040-X.
- I: Explain, in detail, the reason(s) for filing this amended return. If you want to transfer the explanation you wrote on the federal 1040X, check the box next to the question.

15. Once you have finished preparing the IL-1040-X, you can print the forms that the client needs to mail in to the Illinois Department of Revenue:

- Form IL-1040-X – make sure the taxpayer signs all necessary forms
- Any Illinois forms or schedules that were affected by the amendment. Attach the proper supporting documents according to the following list:

IF you corrected:	THEN attach:
Line 1 Federal adjusted gross income	US Form 1040 or 1040X US Form 1040 Schedules C, E, and F, if filed, for loss years US Schedule 1 (if included with Federal return) Proof of federal finalization
Line 3 Other additions	Schedule M with amended figures and any other required support listed on Schedule M
Line 5 Social Security benefits and certain retirement plan income	US Form 1040, Page 1, with amended figures Form W-2, if applicable Form SSA-100, 1099-R, or RRB-1099, if applicable
Line 6 Illinois Income Tax overpayment (included in US 1040, Schedule 1, Line 10)	US Form 1040, Page 1, with amended figures
Line 7 Other subtractions	Schedule M with amended figures and any other required support listed on Schedule M
Line 10 Exemption allowance	US Form 1040X Proof of federal finalization
Line 16 Property tax and K-12 education expense credit from Schedule ICR	Schedule ICR with amended figures and any other required support listed on Schedule ICR Receipts for K-12 expense claims (Public, Non-Public, or Home)
Line 25 Illinois Income Tax withheld	All W-2 and 1099 forms, Form IL-4852, or letter, on company letterhead, from employer

16. Please give the client the “Amended Return Instructions” sheet that Ladder Up has prepared (printed on lavender paper at the tax site) – the document reviews next steps for the client. Highlight pertinent information on the instruction sheet for the client to review when mailing their state return in the future.

Where to File Federal Form 1040X

Again, Form 1040X must be mailed in by the taxpayer – **Form 1040X cannot be e-filed.**

If the taxpayer is filing Form 1040X in response to a notice received from the IRS, the IRS notification will contain the correct mailing address for Form 1040X and its attachments.

Otherwise, if the taxpayer has not received a notice from the IRS, the mailing address for Form 1040X and its attachments is:

Department of the Treasury
Internal Revenue Service Center
Fresno, CA 93888-0422

How to File Form IL-1040-X

Filing the state amendment depends on whether additional taxes are owed or the client is due a refund.

If additional taxes are owed:

The client should mail the following items to the address below:

1. A copy of the Form 1040X submitted to the IRS
2. A copy of the check sent to the IRS to pay the tax due
 - a. If the client was not able to pay the federal tax due, they should still file the IL-1040-X
3. Any other documents listed in the table above as applicable

Note: The IRS and IL Department of Revenue (ILDOR) will send a separate letter with the amount of interest and penalties owed.

If a refund is due:

The client must file the Federal Form 1040X and wait to receive a federal finalization letter in the mail. When the IRS approval is received, the client must:

4. Fill in the date that the federal change was accepted in question F on page 1 of the IL-1040-X
5. Attach a copy of the federal finalization (e.g. refund check or notification letter from the IRS)
6. Attach a copy of the Form 1040X submitted to the IRS
7. Attach any other documents listed in the table above as applicable

The client will mail the Form IL-1040-X packet to:

Illinois Department of Revenue
P.O. Box 19007
Springfield, IL 62794-9007

Special Process for Certain Veterans

In July of 2018 the Department of Defense mailed letters to a number of veterans who had received lump sum payments due to disability discharge from the service. The letters describe a special process for filing a 1040X to receive a refund on taxes paid. If you see one of these, read the letter carefully and follow the instructions. Note that the 1040X is non-standard and typically involves only a few lines that can be completed by hand without regard to the original tax return (which may be from as far back as 1991). Also, taxpayers typically have a year from the date of the letter to file for a refund, even for very old returns.

ProSeries TAP Amendment Sheet

Every client who requires an amendment should have this sheet (printed on orange paper) included as part of their intake materials.

[STAPLE HERE]

ProSeries TAP AMENDMENT or Adding Form 1095-A

TAX SITE: _____ **DATE:** ____/____/____

Client's Photo ID Verified Interpreter Needed **Tax Year(s):** _____

Client's Social Security/ITIN Verified Language: _____ **Case Reviewer Name:** _____
(First name, Last Initial)

Ladder Up created the original return on file, no need to recreate

FOR TAX PREPARER ONLY

ProSeries File Name: _____ **Computer #:** _____
(Type '_AMEND' after the last four numbers of the client's SSN in the file name, e.g. SMIT1234_AMEND)

Tax Preparer Name: _____
(First name, Last Initial)

FOR QUALITY REVIEWER ONLY

Client Packet Order (front to back):

Completed Amendment Sheet (this)
 TAP Client Data Sheet
 Completed Consent & Disclosure
 Completed Supplemental Intake Form
 Form 13614-C (if recreating original return and amending)

Reason for Amendment:

Correcting filing status
 Adding or removing income
 Adding or removing dependent
 Updating healthcare coverage
 Other: _____

Computer #: _____

Quality Reviewer Name: _____
(First name, Last Initial)

Net Change in Total Income \$ _____
(Line 1, Column B of Form 1040X)

Federal Return

Amendment must be Paper File

Net Change in EITC \$ _____
(Line 14, Column B)

Net Change in Refund \$ _____
or
Net Change in Amount Owed \$ _____
(Line 22 of Form 1040x)

Illinois State Return

Amendment must be Paper File

Net Change in Refund \$ _____
or
Net Change in Amount Owed \$ _____
(Line 36)

_____ (Line 38)

Adding Form 1095-A

Only use this portion of the form if Ladder Up created the original return on file.

If recreating the original return to add the 1095-A, the client needs to complete all regular TAP site paperwork.

FOR TAX PREPARER ONLY

ProSeries File Name: _____ **Computer #:** _____
(Type '_1095A' after the last four numbers of the client's SSN in the file name, e.g. SMIT1234_1095A)

Tax Preparer Name: _____
(First name, Last Initial)

FOR QUALITY REVIEWER ONLY

Client Packet Order:

No other paperwork is required for this return if Ladder Up created the original return on file

Completed Adding Form 1095-A Section of this page

Computer #: _____

Quality Reviewer Name: _____
(First name, Last Initial)

Federal Return

Additional Refund \$ _____
or
Additional Amount Owed \$ _____
(net change in Line 19 or 76a)

_____ (net change in Line 22 or 78)

Illinois return will not be affected