

# TAP MINI MANUAL

2024 TAX SEASON  
(TAX YEAR 2023)



LADDER UP<sup>®</sup>



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# TRAINING ACCOUNTS

All volunteers must complete a certification each year. To view all the training resources, go to the Volunteer Resource Page: [www.goladderup.org/volunteer/volunteer-resources/](http://www.goladderup.org/volunteer/volunteer-resources/)

You should have **3 accounts** in total. See below for more details.

## 1. VITA CENTRAL ACCOUNT

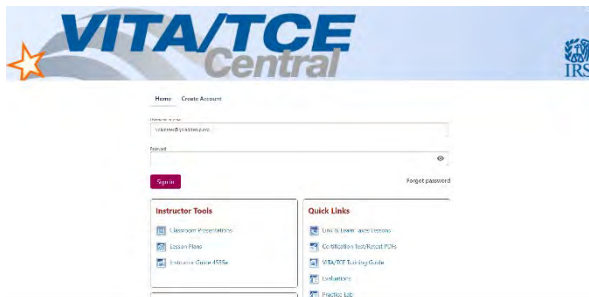
VITA Central: <https://www.linklearntaxescertification.com>

Username: \_\_\_\_\_ Password: \_\_\_\_\_

### Creating a VITA Central Account

If you are a returning volunteer from last year, you may be able to use your existing login information.

This is a new URL; include your email and select “forgot password.”  
(Password must not contain any special symbols.)



A few tips on creating your account:

- SEID: leave blank (For IRS employees Only)
- Professional Status: ONLY select this if you are a CPA, Attorney, or Enrolled Agent.
- If you have a PTIN number, enter it; otherwise, leave this blank.

## 2. PRACTICE LAB

Practice Lab: <https://vita.taxslayerpro.com/IRStraining>

Universal Access password: TRAINPROWEB

Username: \_\_\_\_\_ Password: \_\_\_\_\_

This site is where you will practice using the preparation software (TaxSlayer). You will also use this site to “prepare” the tax returns required for your certification test.

1. Enter the universal password: TRAINPROWEB  
Hint: This is a generic password that you will have to enter every time you access the Practice Lab
2. Select CREATE ACCOUNT

- a. Program Type= VITA
- b. SIDN: leave this BLANK

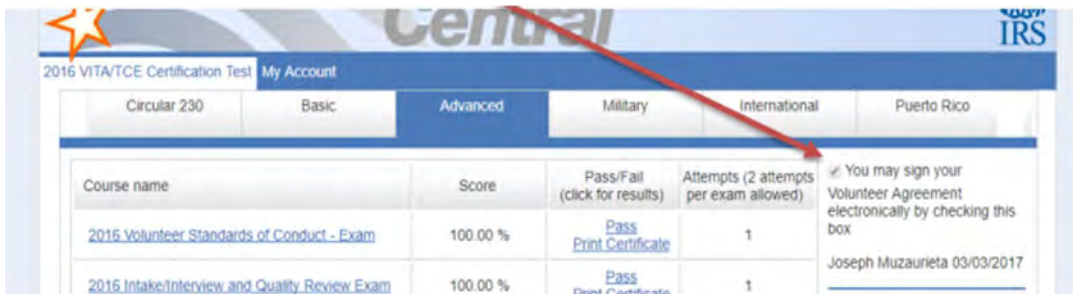
### 3. VOLUNTEERHUB – UPLOADING CERTIFICATION

VolunteerHub: <https://goladderup.volunteerhub.com>

Username: \_\_\_\_\_ Password: \_\_\_\_\_

Once you have completed the certification tests, you have a few more steps to complete:

1. Login to VITA Central (certification center).
2. In the right corner, you'll see "You may sign your Volunteer Agreement electronically by checking this box."
3. Click the box.



4. Save your Volunteer Agreement.
5. Login to your VolunteerHub account (<https://goladderup.volunteerhub.com>).
6. Under your name, select "Edit Profile."
7. Upload these three items:
  - a. Volunteer Agreement
  - b. Photo ID
  - c. Recent Photo

**Note:** Once you have uploaded all three items, please allow 48 hours for Ladder Up staff to review the uploads. Custom TaxSlayer accounts for the tax season will be created for you, and shared before the start of the tax season.

# LADDER UP OVERVIEW

## Mission

Ladder Up is committed to helping hardworking families and individuals access the financial resources and tools they need to move up the economic ladder. Ladder Up provides free financial services to help Chicago-area families and individuals improve their quality of life, by helping clients to obtain the tax refunds they deserve, secure the financial aid that makes higher education affordable, or gain the knowledge necessary to make sound financial decisions.

Ladder Up's volunteer corps is one of the largest volunteer workforces in the Midwest. Partnering companies represent various sectors, including accounting, banking, consulting, law, and financial services. By utilizing the donated service of its volunteers, along with donated office space, legal counsel, and service locations, **Ladder Up can return \$56 in benefits to clients for every \$1 invested in the organization.**



### *What is a VITA program?*

- Our **Tax Assistance Program (TAP)** falls under the **Volunteer Income Tax Assistance (VITA)** program, which has been an IRS initiative since 1969.
- VITA programs provide free tax preparation to low-income individuals and families with earned income and tax credit eligibility. Our VITA program serves individuals with disabilities, those with limited English proficiency, and the elderly.
- Ladder Up proudly operates one of the largest VITA programs in the country!



## LADDER UP PROGRAMS:

### **TAX ASSISTANCE PROGRAM (TAP)**

Ladder Up offers free tax preparation and electronic filing to help low- to moderate-income taxpayers secure valuable tax refunds. By engaging over 700 volunteers each year, Ladder Up provides free tax help to clients at 13 service locations, mostly in the Chicagoland area.



## **FINANCIAL CAPABILITY**

The Financial Capability program focuses on two programs:

### **College Success Track Program**

Ladder Up helps low-income, minority, and first-generation students to secure financial aid for postsecondary education by helping them complete the Free Application for Federal Student Aid (FAFSA) and the Alternative Application. Ladder Up also leads informational workshops to educate students and parents on the financial aid process and provides follow-up workshops after students have submitted their applications.

### **Adult Financial Literacy Track Program**

Ladder Up helps host workshops about budgeting, banking and savings, credit building, onboarding for employees, understanding taxes, and consultations to build financial goals.

*If a client is interested in financial aid services or financial coaching, please ask them to call and leave a message at (312) 409-1555 or e-mail [info@goladderup.org](mailto:info@goladderup.org).*

## **TAX CLINIC**

The Tax Clinic provides legal counsel and representation to clients in tax disputes with the IRS and Illinois Department of Revenue (IDOR). The clinic assists clients with the following types of matters:

- Audits
- Collections and Collection Alternatives (including “Offer in Compromise” debt settlement)
- Tax-related Identity Theft
- Family Status Issues
- Earned Income Credit and Child Tax Credit Disputes
- Unreported and Underreported Income
- Misclassified Worker Disputes
- Injured and Innocent Spouse Relief
- Other issues arising from disputes with IRS or IDOR

Any Illinois taxpayer who meets our tax-preparation income guidelines is eligible for free services from the Tax Clinic.

*If a client needs to contact the Tax Clinic, please ask them to call (312) 630-0242 or e-mail Susana Ramirez at [sramirez@goladderup.org](mailto:sramirez@goladderup.org).*



## SITE PROCESS

Each tax site has unique qualities, but general operations are the same. Here are some of the standard activities and procedures which all volunteers should follow:

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**Site Support** Volunteers welcome clients, and assure that a client has documents and identification, before giving the client paperwork to complete.

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**Case Reviewer** Volunteers meet with clients to conduct intake interviews to ensure eligibility for service, and help clients organize documents and complete intake forms.

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**Tax Preparer** Volunteers work one-on-one with clients to complete federal and Illinois returns, using professional tax software (TaxSlayer).

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**Quality Reviewer** Volunteers check prepared returns for errors, review returns with clients, and prepare clients for e-file or paper filing.

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## CLIENT ELIGIBILITY

Review the Intake Sheet (IRS Form 13614-C) carefully to ensure the client's answers to the questions are clear. If anything is unclear, consult with your Site Leader.

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Social Security Cards & Photo ID	A client must bring <b>original</b> Social Security cards (or ITIN letters) for all individuals on the tax return.  A client must bring photo ID for themselves and spouse (if applicable).  If Married Filing Jointly, <b>BOTH</b> spouses must be present.
Income Guidelines	Households earning up to \$64,000 annually. Individuals earning up to \$32,000 annually.
Income Documents	A client needs to bring <b>all</b> W-2s and 1099s for jobs they and/or their spouse worked during the tax year, as well as documentation for Social Security payments, unemployment, interest income, and any pensions or retirement income.
Supporting Information	Clients must bring documentation of expenses related to self-employment; also mortgage-interest statements, property tax bills, student loan interest statements, tuition statements, college-expense documentation, etc.
Child Care Expenses	An EIN (Employer Identification Number) or SSN (Social Security Number) for the childcare provider is necessary to claim the Child and Dependent Care Expenses Credit.
E-Filing Tax Returns	The client and spouse (if applicable) must sign IRS Form 8879 (IRS e-file Signature Authorization) and IL-8453 (Illinois e-file Signature Authorization) to file their tax return electronically.

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## LADDER UP OUT-OF-SCOPE

- 1040-NR (Foreign Student VISA, Refugees, other VISA holders)
- Rental Income
- Crypto Currency & Bitcoin
- 1098-T (if Box 4 & 6 are filled)
- Kiddie Tax – When scholarships exceed tuition expenses over \$2,500
- 1099-C - Cancellation of debt, Bankruptcy (other than credit card)

### Business Income

- Cost of goods sold (inventory)
- Online payment transactions for goods and services. (Ex: Ebay, Paypal, Cash App)
- Expenses for employees
- Business use of home
- Car rental or lease more than 30 days
- Method of accounting other than cash

### Retirement Income: Form 1099-R Box 7 Distribution Codes – Out-of-Scope:

- Box 7 Codes 5, 6, 8, 9, A, E, J, K, N, P, R, T, U, W
- Box 7 codes 2 and 7, ***IF the IRA/SEP/SIMPLE box is checked AND there are no refundable contributions.***

### Limited Scope

#### Premium Tax Credit (1095-A) (In-Scope refer to page 21)

- Only one Form 8962, Premium Tax Credit, may be submitted with the tax return. *Everyone* on form 1095-A, Health Insurance Marketplace Statement, *must* also be on the tax return.
- If not, this may require the taxpayer to allocate policy amounts with another taxpayer, which makes this return Out-of-Scope.

Please reference Pub. 4012 for the full Out-of-Scope list.

# CHANGES FOR Tax Year 2023

## Due Date of Tax Return

- The due date for tax year 2023 returns is Monday, April 15, 2024.
- Expiring tax year 2020: Eligibility to file a tax refund claim (where no return was previously filed) expires on April 15, 2024.

## Standard Deduction Increases

The standard deduction for taxpayers who do not itemize deductions on Schedule A has increased. The standard deduction amounts for 2023 are:

- \$13,850 – Single or Married Filing Separately (increase of \$900)
- \$20,800 – Head of Household (increase of \$1,400)
- \$27,700 – Married Filing Jointly or Qualifying Surviving Spouse (increase of \$1,800)

**Note:** Taxpayers who are at least 65 years old or blind can claim an additional 2023 standard deduction of \$1,500 (\$1,850 if using the single or head-of-household filing status).

## Child Tax Credit

Taxpayers with dependents under the age of 17 may qualify for a credit up to **\$2,000 per qualifying dependent**, and up to **\$1,600 of that** credit may be **refundable** with the **additional child tax credit**.

## ITIN updates

An ITIN (Individual Taxpayer Identification Number) allows undocumented taxpayers to file a tax return and be compliant with the IRS. All ITIN numbers start with number 9, for example, 9XX-XX-XXXX.

Check the ITIN letter at the top right corner to see the date the letter was issued. If issued before 2013, and the client has not renewed, the ITIN is expired.

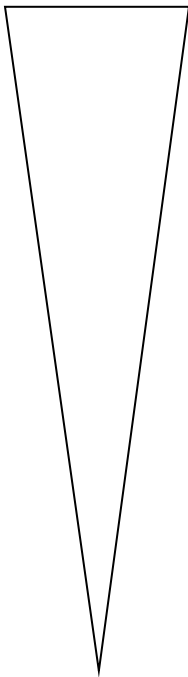
Any ITIN that has not been used on a federal tax return for at least **three** consecutive tax years will expire.

Contact us at [ITIN@goladderup.org](mailto:ITIN@goladderup.org) or call (312) 409-1555 ext.5.

# FILING STATUS

Taxpayers must use one of five filing statuses. Filing status impacts the calculation of income tax, affects the amount of the standard deduction, and determines allowance or limitation of certain credits and deductions. More than one filing status can apply to a taxpayer; use the one that will result in the highest standard deduction.

## Highest Deduction



### **Married Filing Jointly (MFJ): \$27,700**

Married, living together with or apart from his/her spouse, or if his/her spouse died during the tax year

### **Qualifying Surviving Spouse (QSS): \$27,700**

Widowed because his/her spouse died during 2021 or 2022, *and with a qualifying child*

### **Head of Household (HOH): \$20,800**

Unmarried (or considered unmarried\*) and pays more than half the cost of maintaining a home with at least one qualifying person

### **Single: \$13,850**

Unmarried, divorced, widowed, or legally separated, according to his/her state of law

### **Married Filing Separately (MFS): \$13,850**

Married and living with, or apart from, his/her spouse

## Lowest Deduction

\*Spouse did not live-in home for last 6 months of the year; qualifying person must be your child who lived in your home >½ year, and for whom you can claim an exemption.

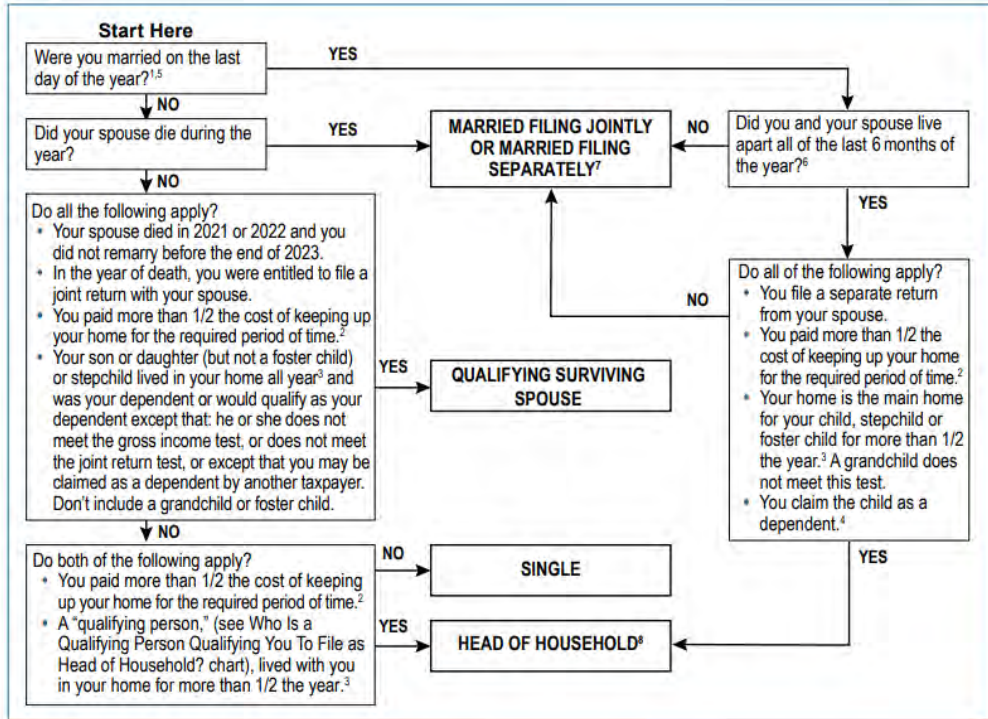
Additional information and charts on Filing Status and Dependents are included in the IRS Publication 4012.

# DETERMINATION OF FILING STATUS

## INTERVIEW TIPS

Use these interview tips and additional tables in Pub4012, *page B-12 to B-14*, to determine the Qualifying Person for Head of Household.

## DECISION TREE – Pub4012 page B-12



## DETERMINING DEPENDENCY

Each dependent must be entered as a “Dependent/ Qualifying Person”. Claiming dependents is very important for several tax benefits. Dependents are classified as either a qualifying child or a qualifying relative. Spouses are not dependents.

There are several tests for determining dependency:

### 1. **Dependent Taxpayer Test**

To claim a dependent, the taxpayer and/or spouse cannot be claimed on someone else’s return.

### 2. **Joint Return Test**

You cannot claim a married person who files a joint return as a dependent unless that joint return is only to claim a refund of income tax withheld or estimated tax paid.

### 3. **Citizen or Resident Test**

The dependent must be one of the following:

- U.S. citizen
- U.S. resident alien (for tax purposes, i.e. ITIN holders)
- U.S. permanent resident

*Exception: For a taxpayer who is a U.S. citizen or U.S. national and has legally adopted a child who is not a U.S. citizen, U.S. resident alien, or U.S. national, this test is met if the child lived with the taxpayer as a member of his household all year. This exception also applies if the child was lawfully placed with the taxpayer for legal adoption.*

A dependent is determined to be one of the following based on Relationship, Age, Residency, Support, and other specific tests:

- A qualifying child
- A qualifying relative

Additional tables are printed in the IRS *Publication 4012* Tab C: Dependents



## Summary of Dependency Requirements

Tax Benefit	Age	Relationship	Residency <sup>1</sup>	Support	Other
Dependent - Qualifying Child	<19 (or <24 if a full-time student) and must be younger than the taxpayer; or any age if disabled	Child, stepchild, adopted or foster child, sibling, stepsibling, or descendant of any of these.	Lived > 1/2 year with the taxpayer <sup>3</sup>	Child did not provide over 1/2 of their own support for the year.	Child cannot be claimed by another taxpayer as a dependent
Dependent - Qualifying Relative (QR)	Any age	If unrelated, then must have lived with the taxpayer for the entire year.		Taxpayer provided >1/2 the person's total support for the year	Qualifying Relative's gross income cannot exceed \$4,700 <sup>2</sup>
Child Tax Credit	At the end of the tax year, the child must be <17 and also younger than the taxpayer. There is no exception for students or the disabled.	Child, stepchild, adopted or foster child, sibling, stepsibling, or descendant of any of these.	Lived > 1/2 year with the taxpayer <sup>3</sup>	Child did not provide over 1/2 of their own support for the year.	Child cannot be claimed by another taxpayer as a dependent; Taxpayers with ITINs can claim this credit, but child must be a U.S. citizen, U.S. national or resident alien of the U.S. with a valid SSN
Credit for Other Dependents	All dependents that do not qualify for the Child Tax Credit provided that they are U. S. citizens, U. S. nationals or resident aliens of the U.S. and does not require a SSN (ITIN is accepted).				
Earned Income Tax Credit (EITC/EIC)	At the end of the tax year, the child must be <19 (or <24 if a full-time student) and must be younger than the taxpayer; or any age if disabled	Child, stepchild, adopted or foster child, sibling, stepsibling, or descendant of any of these.	Lived > 1/2 year with the taxpayer	No support test.	Taxpayer must have lived in the US for at least half of the year and have a SSN. Qualifying child must have a SSN. Cannot be filing MFS.
Child Care Credit	Child must be <13 at the time of the childcare; or any age if disabled	Child, stepchild, adopted or foster child, sibling, stepsibling, or descendant of any of these.	Lived > 1/2 year with the taxpayer	Child did not provide over 1/2 of their own support for the year.	Child care costs must be work-related (paying for costs that enable the taxpayer to work or look for work).

<sup>1</sup>Special rules for temporary absence, such as illness, education, business, vacation or military service

<sup>2</sup>Does not include Social Security Income or, for disabled persons, income from a sheltered workshop

<sup>3</sup>Special Rules for children of divorced or separated parents

# TAX CREDITS

## Refundable vs. Non-refundable

Tax credits reduce a client's tax liability. Some tax credits are refundable, but many are non-refundable. A **refundable credit** is given to clients even if they do not owe any tax. A **non-refundable credit** is given to a client up to the amount of income tax owed. Note that non-refundable credits may not offset other taxes, such as self-employment tax.

## Child Tax Credit (see page 13 chart for "Summary of Dependency Requirements")

Clients may qualify for a **non-refundable** child tax credit of up to \$2,000 per qualifying child. Parents with either a Social Security Number (SSN) or an Individual Taxpayer Identification Number (ITIN) may claim the child tax credit; however, their dependents must have an SSN that is valid for employment and issued before the due date of the return.

## Additional Child Tax Credit

Certain taxpayers who get less than the full amount of the child tax credit may be entitled to the Additional Child Tax Credit, which is **refundable** and up to \$1,600 per child.

## Child and Dependent Care Credit

This **non-refundable** credit is for childcare costs (for children under age 13) that enable the parent to work, look for work, or attend school. This credit can range from up to \$1,050 for one qualifying child to up to \$2,100 for two or more qualifying children.

## Credit for Other Dependents

There is a \$500 **non-refundable** credit available for dependents who don't qualify for the child tax credit, such as children who are age 17 or above, children with an ITIN, or qualifying relatives.

## Retirement Savings Credit

If clients contributed to a retirement plan, such as 401K plan or an IRA or Roth IRA, they may be entitled to a **non-refundable** credit of up to \$1,000 if single or up to \$2,000 if married filing jointly.

## Energy Efficient Home Improvement Credit

This credit, which is **non-refundable**, can be up to \$1,200 annually. The credit is equal to 30% of qualified improvements such as insulation, doors, windows (including skylights), air conditioners, water heaters, electrical panel upgrades and home energy audits.

## EARNED INCOME TAX CREDIT (EITC).

Earned income and adjusted gross income (AGI) must be less than:

If filing	Qualifying Children Claimed			
	Zero	One	Two	Three or more
Single, HOH, QSS	\$17,640	\$46,560	\$52,918	\$56,838
Married Filing Jointly (MFJ)	\$24,210	\$53,120	\$59,478	\$63,698

### Maximum credit for tax year 2024:

- \$600 with no qualifying children
- \$3,995 with one qualifying child
- \$6,604 with two qualifying children
- \$7,430 with three or more qualifying children

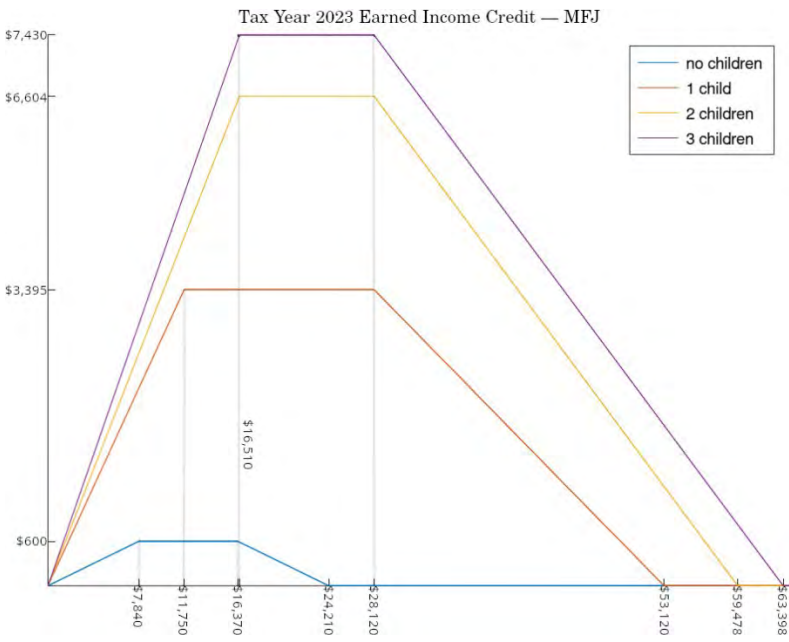
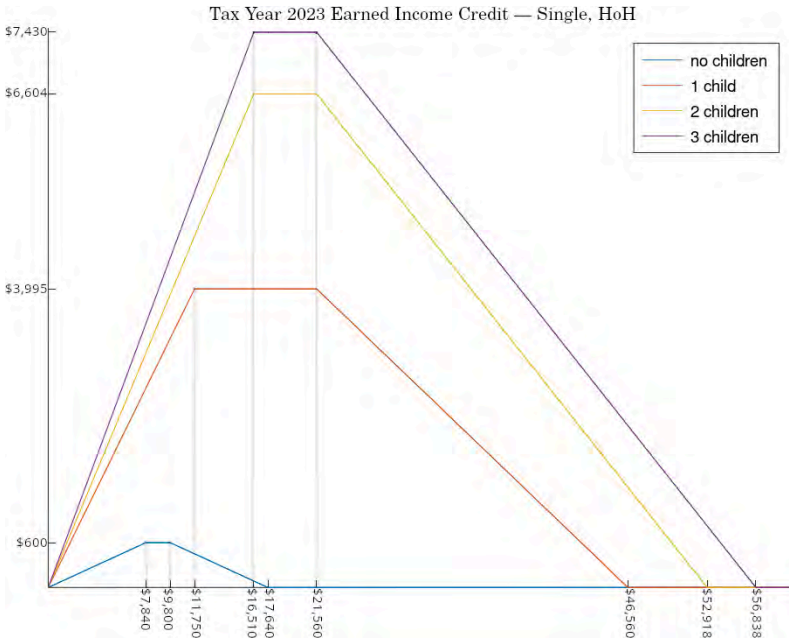
There are restrictions on EIC claims by taxpayers for whom a previous EIC claim was denied or reduced due to any reason other than a math or clerical error. For example, a taxpayer who was determined to have claimed the EIC due to reckless or intentional disregard of the EIC rules may have a ban imposed for two years. If the error was due to fraud, then the taxpayer cannot claim the EIC for 10 tax years.

**What to do?** Ask taxpayers if they have ever been denied the EIC. If so, you must file **Form 8862, Information to Claim Certain Credits After Disallowance**, with the tax return, the first time that the taxpayer claims the credit after being disallowed. (*Note:* This same form is also used if the AOTC, CTC, ACTC, or ODC were disallowed in a previous year.)

### Note:

- Individual Taxpayer Identification Numbers (ITINs) and Adoption Taxpayer Identification Numbers (ATINs) cannot be used when claiming the EITC.
- If a couple is filing a joint return, both spouses and all qualifying children must have valid Social Security Numbers to qualify for the EITC.

# EARNED INCOME TAX CREDIT TABLES



# POSTSECONDARY EDUCATION BENEFITS

## College Credits and Student Loan Interest Deduction

Clients who may have returned to school, started college themselves, or have a child who recently started college may be eligible for certain education tax credits and deductions that can reduce their tax liability. **While most education tax credits are taken by parents, college students who pay their own expenses, file their own tax returns, and are not claimed as dependents on anyone else's return may claim these credits on their return.**

### The American Opportunity Credit (AOTC)

The AOTC is one of two credits available to clients who took college courses during the tax year. The maximum annual credit is \$2,500 per student and may be used toward required course materials (books, supplies and equipment) as well as tuition and fees. If the credit brings the amount of income tax you owe to zero, up to 40% (\$1,000) may be treated as a refundable credit. This credit is only available for expenses incurred by students who are in their first four years of higher education.

### The Lifetime Learning Credit (LLC)

The LLC is the other available credit, and it is **non-refundable**. The maximum annual credit is \$2,000. Unlike the AOTC, there is no limit on the number of years of higher education for which the LLC may be claimed. As a result, the LLC can be particularly helpful in reducing costs for graduate students or students who are taking post-secondary courses, but not pursuing a degree.

### Student Loan Interest Deduction

Clients who have made payments towards student loans can also benefit from the student loan interest deduction. Clients can deduct up to \$2,500 of interest on student loans through the end of the 2023 tax year.

### What Information is Required

Eligible educational institutions are required to file and send Form 1098-T for each student with eligible expenses. Clients should bring a copy of the Form 1098-T to claim this credit.

Clients who paid more than \$600 in student loan interest will receive Form 1098-E at tax time and should bring this form to claim a student loan interest deduction.

## Helpful Charts

Below are two helpful charts. The first is a Guide to Reporting the Information Reported on Form 1098-T. The second is a Summary of the rules related to the AOTC, LLC and student loan interest deduction.

### GUIDE TO FORM 1098-T – WHAT TO REPORT

Guide to Form 1098-T Information Reporting	
✓ Report	X Do Not Report
Payments for tuition and fees required for enrollment, payments to the institution for books and supplies.	The following payments are generally not mandatory for enrollment and/or cover personal expenses.
Books, equipment, supplies (if required to be purchased from institution)*	Tuition or other payments for courses related to sports, games, or hobbies (unless they count toward a degree).
Tuition	Dining/meal plan payments
Course or program fees (e.g., lab, art, music)	Health or disability insurance fees (even if required; excluded by statute)
Distance learning fees	Housing payments
Enrollment confirmation fees	Late payment fees
Exam fees (for placement, testing out of credit courses, or if required for degree program)	Library fees
Information & technology fees	Loan processing fees
Malpractice insurance (if required for clinical courses)	Orientation fees (portion that covers expenses for overnight stays)
Records fees	Parking permits
Student athletics fees (if required, no personal benefit provided)	Parking fines
Student life/activity/association fees	Student health fees
Other mandatory fees (no personal benefit provided)	Transportation fees (if providing individual benefit)
*Comprehensive fees (covering tuition, fees, room, board) must be allocated between QTRE/non-QTRE	

**POSTSECONDARY EDUCATION BENEFIT TABLE**

	American Opportunity Credit	Lifetime Learning Credit	Student Loan Interest
Maximum credit or benefit	Up to \$2,500 credit per eligible student	Up to \$2,000 credit per eligible student	Up to \$2,500 adjustment to income per tax return
Refundable or nonrefundable	Up to 40% can be refundable <sup>1</sup>	Not refundable.	Does not apply. Student Loan Interest Deduction
Number of tax years credit is available	Available ONLY for 4 tax years per eligible student (including any year(s) Hope credit was claimed.	Available for an unlimited number of tax years	Available for an unlimited number of tax years
Number of years of postsecondary education	Available ONLY if the student had not completed the first 4 years of postsecondary education before 2022	Available for all years of postsecondary education and for courses to acquire or improve job skills	Was enrolled at least half time in a program leading to a degree, certificate or other recognized credential
Qualified Expenses	Tuition, required enrollment fees, books, and course materials needed for course of study	Tuition and fees required for enrollment or attendance	The loan must have been used to pay tuition, fees, books, course materials, room & board, transportation
Required to attend at least half time?	Yes, for at least one semester or quarter	No	Yes
Felony drug conviction?	No felony drug conviction	Does not apply	Does not apply
if you are the taxpayer.	You, your spouse, or the student is someone you claim as a dependent on your return		The taxpayer must be legally liable for the loan, which must have been taken out by the taxpayer
if you are a dependent student.	You cannot claim the credit if you are claimed as a dependent on someone else's return However, if a student can be claimed, but is not, the student can claim the benefit		A person claimed as someone else's dependent cannot claim the deduction for that tax year
Who can claim this tax benefit?	If you are filing Married Filing Separately, you cannot claim this tax benefit		

<sup>1</sup> Special rules apply for students who could have been claimed as a dependent but were not.



## **PREMIUM TAX CREDIT (1095-A)**

If a client has received Advanced Premium Tax Credit (APTC) it will be reported on **Form 1095-A**. Information entered on the Form 1095-A worksheet will automatically flow into Form 8962.

Form 8962 reconciles the amount of Premium Tax Credit (PTC) that the client is eligible to receive with the Advanced Premium Tax Credit (APTC) received throughout the year. If the APTC is more than the eligible amount, the difference will appear in the payments section of Form 1040, Schedule 3, Line 9.

If APTC payments were greater than the PTC calculated on Form 8962, the client must repay all or part of the excess advanced premium tax credit, and the repayment amount will appear in Form 1040, Schedule 2, Line 2.

***If a person receives APTC, they must file a tax return!***

**Reasons that the client may have to pay back part of their Advanced Premium Tax Credit:**

- Errors in estimating a dependent's income
- Incorrect Form 1095-A
- Change in filing status
- Change in household size

*Remind and encourage taxpayers to report their changes to Marketplace mid-year!*







# SELF-EMPLOYMENT (SCHEDULE-C)

Schedule C reports income from a business or profession operated as a sole proprietor or independent contractor. Taxpayers with a 1099-NEC and 1099-K must complete Schedule C to report cash income and calculate possible self-employment taxes.

Use the Self-Employment worksheet to calculate all appropriate expenses.





























### TOTAL RIDESHARE EXPENSES

**(Common Expenses + Vehicle Expenses)**

 Wireless Plans*	 Passenger Treats	 Parking, Tolls
 Phone, Accessories*	 Memberships	 Fees

+

**VEHICLE EXPENSES**  
(Use Actual or Standard Method)

<p><b>IN-SCOPE FOR LADDER UP</b></p> <div style="border: 1px solid black; padding: 5px; margin: 5px;"> <p style="text-align: center; font-weight: bold;">Standard Mileage</p>  <p><b>Tax Year 2023:</b> 65.5 cents per mile</p> <p><b>Tax Year 2022:</b> Jan - June: 58.5 cents per mile July - Dec: 62.5 cents per mile</p> <p><b>Tax Year 2021:</b> 56 cents per mile <b>Tax Year 2020:</b> 57.5 cents per mile</p> </div>	<p><b>OUT-OF-SCOPE FOR LADDER UP</b></p> <div style="border: 1px solid black; padding: 5px; margin: 5px;"> <p style="text-align: center; font-weight: bold;">Actual Mileage</p> <table style="width: 100%;"> <tr> <td style="text-align: center;"> Gas</td> <td style="text-align: center;"> Repairs</td> </tr> <tr> <td style="text-align: center;"> Depreciation</td> <td style="text-align: center;"> Oil</td> </tr> <tr> <td style="text-align: center;"> Insurance</td> <td style="text-align: center;"> Tires</td> </tr> <tr> <td style="text-align: center;"> Lease Payments</td> <td style="text-align: center;"> Washes</td> </tr> <tr> <td></td> <td style="text-align: center;"> Registration</td> </tr> </table> </div>	 Gas	 Repairs	 Depreciation	 Oil	 Insurance	 Tires	 Lease Payments	 Washes		 Registration
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 Depreciation	 Oil										
 Insurance	 Tires										
 Lease Payments	 Washes										
	 Registration										

\*Business-Use %

**VITA/TCE sites (including Ladder Up) are only allowed to process returns using Standard Mileage.** If the actual expenses were used in any prior year for this vehicle or if the taxpayer wishes to use actual expenses this year, he must be referred to a paid preparer. **The taxpayer is not allowed to alternate expense methods.**

## STATE OF ILLINOIS UPDATES

- Income received from Social Security benefits and certain retirement plans are not taxable in Illinois. In general, TaxSlayer automatically subtracts social security, but requires certain retirement plans to be subtracted from the Federal Adjusted Gross Income in determining Illinois Taxable Income.
- The personal exemption amount is increased to \$2,425.
- Illinois has a flat tax rate of 4.95%.
- Illinois provides a **refundable** EITC, generally equal to 20% of the federal EITC amount.
- Illinois provides **nonrefundable** credits:
  - *Property Tax Credit*, generally equal to 5% of the property taxes paid on a home the taxpayer lives in. To claim the credit, the Property Index Number (PIN) must be entered on Schedule ICR, Illinois Credits. The PIN may be found on the property tax bill or online via the county assessor's website in which the property is located.
  - *K-12 Education expenses* for dependents in school (tuition, book, and fees). Must be over \$250 for the credit to apply.
  - *Educator Expenses* are also available for educators teaching in Illinois, up to \$500.
- Illinois residents are now required to provide their county of residence.
- Estimated tax payment threshold has increased from \$500 to \$1,000.

If **e-filing a state return**, the taxpayer and spouse must provide ONE of three items: Driver's License/State ID information, State AGI from prior year, or IL Signature PIN (Retrieving IL-PIN instructions in Tax Preparer Checklist).

# ECONOMIC IMPACT PAYMENTS

**Tax Year 2020:** eligible taxpayers may claim the additional amount (Recovery Rebate Credit) if they did not receive the full amounts of the 1st and 2nd Economic Impact Payment.

## **EIP 1:**

- \$1,200 for an eligible individual (\$2,400 for married couples filing a joint return if both spouses have a valid Social Security Number)
- \$500 for each qualifying child under the age of 17 in 2020
- IRS began sending EIP 1 payments March 2020.

## **EIP 2:**

- \$600 for an eligible individual (\$1,200 for married couples filing a joint return)
- \$600 for each qualifying child under the age of 17 in 2020
- IRS began sending EIP 2 payments January 2021.
- While EIP 2 payments were received in 2021, they are reconciled on the 2020 Tax Return.

**Tax Year 2021:** eligible taxpayers may claim the additional amount (Recovery Rebate Credit) if they did not receive the full amount of the 3<sup>rd</sup> Economic Impact Payment (EIP 3).

## **EIP 3:**

- \$1,400 for an eligible individual with a valid Social Security Number (\$2,800 for married couples filing a joint return if both spouses have a valid Social Security Number)
- \$1,400 for each qualifying dependent (no age limit) with a valid Social Security Number or Adoption Taxpayer Identification number issued by the IRS
- IRS began sending EIP 3 payments March 2021.

## BANK ROUTING NUMBERS

Bank	Routing Number	Location
American Metro Bank	071025646	Chicago, IL
Associated Bank	071925855	Illinois
Banco Popular	071924458	Illinois
Bank of America	081904808	Illinois
BMO Bank, N.A.	071025661	Illinois
Byline Bank	071001533	Chicago, IL
Chase Bank	071000013	Chicago, IL
Citibank	271070801	Illinois
Community Savings Bank	271070681	Chicago, IL
Consumers Credit Union	271989950	Gurnee, IL
Credit Union One	271188081	Illinois
DuPage Credit Union	271990198	Naperville, IL
Earthmover Credit Union	271975566	Aurora, IL
Fifth Third Bank	071923909	Illinois
First American Bank	071922777	Elk Grove Village, IL
Great Lakes Federal Credit Union	271984832	Illinois
Hoyne Savings Bank	271070908	Chicago, IL
Huntington Bank	044000024	Illinois
GN Bank	271070924	Chicago, IL
Lakeside Bank	071001504	Illinois
Marquette Bank	071004284	Chicago, IL
North Shore Trust and Savings	271973762	Waukegan, IL
Northbrook Bank and Trust Co.	071926184	Northbrook, IL
Old National Bank	086300012	Illinois
Old Second National Bank	071900760	Aurora, IL
Pan American Bank	071006868	Chicago, IL
Parkway Bank and Trust Co.	071908160	Harwood Heights, IL
PNC Bank	071921891	Illinois
Beverly Bank & Trust Company, N.A.	071026356	Chicago, IL
Self-Help FCU Chicago Division	271071279	Cicero, IL
South Side Community FCU	071093295	Chicago, IL
United Credit Union	271081502	Chicago, IL
US Bank	071904779	Northern Illinois
USAA Federal Credit Union	314074269	Illinois
Wintrust Bank, N.A.	071925444	Chicago, IL







