

February 17, 2009

To: CyberTax members

From: David Alexander, Business Process Specialist, AARP Tax-Aide

Subject: CyberTax 2009-012: TaxWise reject code 029, support, Power-of-attorney, 2210, Railroad Retirement

Below you will find some additional information from the IRS about TaxWise that may be helpful:

Error Reject Code 029: Some of our sites are receiving error reject code 029. This means the EFIN is not valid or has been dropped. When the partner or volunteer receives this reject code they should not call TaxWise. TaxWise cannot help them with this problem. They need to contact their IRS SPEC (Stakeholders, Partnership, Education, and Communication) Relationship Manager (RM) who should check the record in the Employee User Portal to validate the status. If it is invalid or has been dropped, then Andover needs to be contacted to assign a new EFIN. (Andover will not reactivate a dropped EFIN). The IRS SPEC Relationship Manager will provide additional instructions to resolve this error.

Experiencing long wait times when calling TaxWise Customer Support: We have been receiving complaints from our volunteers that they are experiencing long wait times when calling TaxWise Customer Support. I asked CCH to look into the complaints and to provide me a report of their findings. On 2/7/09 CCH provided the IRS with a report with their findings. The research revealed the following, 1) Some of our users were choosing technical support when all they really needed was help with "where's my acknowledgement" or "which form do I file for...". This automatically put them in a longer wait-time, tied up technical support, and they were transferred back to the front line for resolution. 2) One of the customer support phone lines was programmed incorrectly and routed our callers to "regular" customer support instead of the priority "IRS" customer support. This was fixed on 2/6/2009. 3) Some of our users were choosing "0" immediately after hearing the voice response. By pressing "0" they are not identified as an IRS licensee and are routed to "regular" customer support. 4) The help desk was getting a lot of "ADMIN password" resets which tied up the support line. Instead, all these requests should be made by email, customer.service@cchsfs.com or two@cchsfs.com.

Power-of-Attorney: When a Power-of-attorney is used to sign the taxpayer's return, the POA must be attached to Form 8453, Transmittal for IRS e-file, and sent to the appropriate IRS Processing Center. To load Form 8453 in TaxWise the preparer **must load Form 2848**, Power of Attorney and Declaration of Representative, and **check the box which states "check here if using this form."** This will automatically load Form 8453 and mark the box beside, "Form 2848, Power of Attorney and Declaration of Representative, (only for electronic

return signed by an agent). This process must be followed even when the taxpayer's agent is using a POA different than Form 2848. When the Form 2848 prints with the return it can be shredded and the POA provided by the taxpayer's agent can be attached to the Form 8453. Additional information provide below.

Per the Form 8453 instructions, an electronically transmitted return signed by an agent must have a power of attorney attached to Form 8453 that specifically authorizes the agent to sign the return. Also, per the Publication 17, if an agent is signing your return for you, a power of attorney (POA) must be filed. Attach the POA to Form 8453 and file it using that form's instructions.

Form 2210: Calculation of estimated tax penalties is out-of-scope for VITA/TCE volunteer program preparers. In an effort to ensure adherence to this policy, IRS asked CCH to set "\$0" as a default on page 1, line 9, Form 2210, Underpayment of Estimated Tax by Individuals, Estates & Trusts. IRS Publications 4555 and 4491(Process Based Instructor Guide and Student Guide) indicates this default was set, however, it was overlooked. Attached are instructions for our sites use in setting these defaults in TaxWise desktop and TaxWise Online if the partners or volunteers wish to set the default.

RRB-1099-R Tier 2 Railroad Retirement: Form 1099-R is used to input RRB-1099-R Tier 2 Railroad Retirement in TaxWise since RRB-1099-R is not an IRS form. TaxWise was updated in 2008 to require a distribution code in box 7 on Form 1099-R. Publication 4012 provides incomplete information on this topic. A Product Alert was issued by the IRS with pen and ink changes to update this publication. Per Publication 575, Pension and Annuity Income, page 7 which states "Generally, amounts shown on RRB-1099-R are considered a normal distribution. Use distribution code "7" if you are asked for a distribution code". Publication 4012 should have stated was that while a distribution code is not required, if you are asked for a distribution code, use code "7" for normal distribution.

Leaders, please share this information with volunteers who may not receive CyberTax.

**CyberTax messages will be available weekly on the Extranet (<http://www.aarp.org/tavolunteers>) in the "General Program Communication" section.

*** "2210 in Defaults.pdf" attached

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