

January 28, 2009

To: Cybertax members

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

Subject: Cybertax 2009-08: TaxWise Major Update 23.06

The IRS apologizes for the confusion surrounding the processing of Recovery Rebate Credit returns. They are working to get the correct information out and will provide more information as it becomes available.

Additional information from the IRS:

TaxWise Major update 23.06 is now available. Release notes attached.

“Updated information: The information provided earlier regarding the impact of this update to the Recovery Rebate Credit (RRC) is being corrected as follows:

Effective with the download of version 23.06 - If the taxpayer received an economic stimulus payment in 2008 but is eligible for an additional amount, the preparer should complete question 28, worksheet 5. The amount of the RRC will be calculated and shown on the worksheet, line 29, but will not be included on Form 1040 line 70 (line 42 1040A, line 9 1040EZ), and will not be included with any refund/balance due on the return. The net RRC due to the taxpayer will be issued at a later date.

If the taxpayer did not receive an economic stimulus payment in 2008 but is eligible based on their 2008 return, the preparer should complete worksheet 5 and check the box on line 28, "check here if there was no payment received at all," to indicate no ESP was received. The amount of the RRC will be calculated and shown on the worksheet, line 29, and will be included on Form 1040 line 70 (line 42 1040A, line 9 1040EZ). Error reject code 269 will reject a return where the taxpayer is claiming a RRC but IRS records indicate the full amount of economic stimulus payment was made in 2008."

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.

***** "Release Notes Major Update 2306.pdf" attached.**

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