

“THE LEGAL BRIEF”

Advice to the Guardians of the Great Lakes



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February 2009: TAX RETURN PREPARATION, VITA, REFUND ANTICIPATION LOANS

Members, you should receive your W-2's soon, if you have not already. Your W-2 info is also available in Direct Access, but not official for mailing to the IRS. This newsletter offers tips on where to go for tax preparation services, introduces you to D9's Volunteer Income Tax Assistance (VITA) program, and offers a warning about Refund Anticipation Loans.

Tax Preparation: When it comes to tax preparation services you have many choices. Among the options are Self preparation; Free File; VITA; and Professional Tax Preparers. Your starting point should be the IRS web site – www.irs.gov.

- **Self Preparation:** If you plan to self prepare, take a look at the following sources of info before you begin. First, get the appropriate instruction booklet (1040, 1040A, or 1040EZ) – they are arriving in the mail this month. Each booklet provides step-by-step instructions on how to complete your return, and includes charts that help you determine your tax liability. Second, get **IRS Publication 17** - <http://www.irs.gov/pub/irs-pdf/p17.pdf>. It provides detailed guidance on a variety of topics, including moving expenses, child and dependent care credit, and child tax credit. Third, get a copy of **IRS Publication 3 – Armed Forces Tax Guide**. It can also be found on the IRS web site, and provides detailed explanations of special rules applicable to members of the military. There are many online or commercial tax preparation programs that are both robust and have reasonable rates. (i.e. TaxSlayer; TaxAct; TurboTax; etc.)
- **IRS 'Free File' Tax Preparation:** If your adjusted gross income (AGI) is less than \$56,000, you qualify to use the IRS Free File service – meaning, you can file using commercial tax preparation software on-line for FREE. Are there catches? YES. The biggest catch is that you must file THROUGH the IRS web-site (www.irs.gov). If you try to file from the commercial tax software web site, you will be charged a fee. You may also be charged a fee if you choose to have the tax software company file a state return on your behalf. Our recommendation? If your AGI is less than \$56,000 check out the IRS web site for Free-File and read the instructions closely. Note that if your AGI exceeds \$56,000, you can still file electronically (see **E-FILE** below), but not with the advantage of free commercial software.
- **VITA:** The D9 Volunteer Income Tax Assistance Program is scheduling appointments from 04FEB09 thru 15APR09. Our program consists of volunteers who have been IRS certified to help prepare tax returns. The program is intended for Coast Guard personnel, their dependents and Coast Guard civilians. There is no cost and E-FILE service is available.
 - **Volunteers and Locations: Sector Sault Ste. Marie** - CWO Ricky Thornhill; **AIRSTA Detroit - LT Calderone** (beginning 03MAR09); **Sector Buffalo** - PO Timothy Moore; **D9** - PO David Fuentes. Each volunteer can prepare your taxes or put you in contact with a tax preparer, schedule an appointment, answer basic questions, and provide tax forms. Contact them directly.
 - **Sector Detroit:** CWO Mark Humphreys serves as liaison for the Detroit Army VITA program for Detroit.
 - **Sector Lake Michigan:** Tax preparation in the Milwaukee area is available through the Navy Legal Service Office Great Lakes who can be reached at (847) 688-4753 or <http://www.jag.navy.mil/html/NLSOGlakesbody.htm>.
- **Other Free Tax Preparation Opportunities:** Several other opportunities exist for free tax assistance. The attached page contains information on other offers for free tax preparation services. The attachment is for informational purposes only and is not an endorsement or guarantee of the quality of the services these entities are providing.
- **Professional Tax Preparation:** There are many commercial tax preparers and experience levels vary – proceed cautiously. Their services might be best suited for those with complicated returns. (i.e. H&R Block; Jackson-Hewitt; Liberty, etc.)

Refund Anticipation Loans: Effective October 1, 2007, a new federal law caps the annual percentage rate on refund anticipation loans at 36% for military personnel and dependents. For details try: www.federalreserve.gov/boarddocs/caletters/2007/0705/07-05_attachment.pdf or at: http://www.uscg.mil/d9/D9Legal/docs/2007OCTNewsletter_PaydayLoan.doc.

NEED MORE INFO? Contact PO David Fuentes, the D9 VITA rep at (216) 902-6015 or david.a.fuentes@uscg.mil for questions or if you would like to volunteer.

2009 Tax Preparation Announcement for Military Members

You have many choices when the time comes to file your 2008 tax return. We have highlighted 3 programs which offer free or discounted tax services. Each program has its own eligibility criteria.

Operation: CPA - CPAs from throughout Ohio have volunteered their time and expertise to prepare 2008 tax returns free of charge for deployed Ohio residents this filing season. Military personnel who are Ohio residents *currently deployed outside of the state*, (not necessarily deployed to combat theater) will qualify for free preparation of their 2008 individual or joint local, state and federal personal tax returns. To take part in *Operation CPA*, qualified service personnel or their spouse or family member may call The Ohio Society of CPAs toll-free at 888.959.1212 or e-mail cpanswers@ohio-cpa.com. Military personnel will be matched with a CPA volunteer from their area.

Military OneSource – Beginning January 19, 2009 Military OneSource will provide free tax-filing services to service members and their families, including free online tax-filing services (both state and federal) and free tax consultations by phone. Users can access these free services through the link that Military OneSource will post January 19, 2009 on the Military OneSource home-page at www.militaryonesource.com. Please don't try to register in advance by accessing the tax-filing service web site directly; **the only way to use our free customized version of the tax site is through the Military OneSource home-page.**

Keep in mind that Military OneSource can help tame your tax stress with expert advice on planning, on tax issues specific to service members, and sound ways to use your refund. Our expertly prepared articles, booklets, recordings and worksheets on tax filing and other financial matters can be accessed on the Military OneSource home-page at www.militaryonesource.com and click on "Money" in the left hand navigation menu under "Categories".

Collins & Associates Military Appreciation Drive – This tax season Collins & Associates will prepare 2008 tax returns free of charge for any Ohio or Michigan residents who are members of the armed forces (Active Duty as well as National Guard & Reserve Members), no matter their deployment status. They will also reduce their normal preparation fees by \$60 for all US Armed Services veterans. For each military return prepared, Collins & Associates will donate \$10 to one of the military & veteran friendly non-profit organizations, Heroes In Action or Vets, Inc. To take part in the *Military Appreciation Drive*, qualified service personnel, their spouse or family member may call Bill Huckaby at 734-854-2926 or email at WmFHuckaby@aol.com for more information.

	Operation: CPA	Military One Source	Collins & Assoc.
Currently Deployed	Free	Free	Free
Active Duty – Not Deployed	Free	Free	Free
National Guard or Reserves – Not Deployed		Free	Free
Veteran			\$60 off regular preparation fees.