

State Policy – State and Local Tax Returns

Background

- National policy for preparing state and local tax returns is set forth in the *Tax-Aide Policy and Procedures Manual (Manual)*. It requires the State Coordinator to approve preparation of state/local returns for other than a district's home state/location.
- The State Coordinator, in consultation with the State Management Team and the Regional Coordinator, has the authority to require additional state/local tax training materials and testing.
- Washington State Tax-Aide has adopted a policy allowing districts to optionally prepare state/local tax returns, subject to certain conditions.

Washington State Policy

The State Coordinator (SC), in consultation with the State Management Team and the Regional Coordinator, has determined the state policy to be:

1. Prior written approval from the SC is required before any district prepares state /local tax returns for other than the State of Washington. A district may request approval based on the prior year approved training plan by stating that the prior year plan has been reviewed and remains accurate and complete for the new tax year. If there are any changes a new request must be submitted and approved.

EXCEPTION #1: All WA1 Districts are required to and shall prepare, and when possible e-file, Washington Family Tax Credit (WFTC) returns for eligible taxpayers at all their sites. Further, they shall prepare and provide the taxpayer with a second copy to paper file when e-filing is not possible. District training programs shall include training and certification on the WFTC for the district's volunteers appropriate to the volunteer's assigned role(s). No notifications or approvals are required.

EXCEPTION #2: All WA1 Districts may participate in the State Tax Assistant Program (STAP) with no request, notification, or approval required. DCs who plan to use the STAP must ensure that those district volunteers who use it are trained in its requirements and procedures annually, and that their district meets all requirements of the program.

2. Requests for SC approval to renew the prior year training plan must be e-mailed to the SC and State Training Coordinator (TRS) no later than December 15th of each year.

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3. Requests for approval of a new/revised plan must be submitted to the SC and TRS no later than December 1st, and must include the following:
 - a. District name and number.
 - b. A list of state and local governments for which the district plans to prepare returns and whether the district plans to prepare Resident, Non-Resident, or Part-Year Resident returns for each.
 - c. A list of sites at which the District will prepare state and or local tax returns (or “All Sites” if all district sites will prepare them) and the specific state/local tax returns each site will prepare (or “All” if the site will prepare all state/local tax returns listed for the district).
 - d. A concise narrative explaining the training and certification process specific to each state and/or local government for which the district plans to certify counselors to prepare and quality review these returns. Include the qualifications of instructor(s) who will train tax law and return preparation for each state/local government for which the district plans to prepare tax returns.
 - e. Any other information, such as source and availability of reference and training materials, that will help explain the district’s training, certification, and preparation of tax returns for the states/local governments.
4. A minimum of two Counselors must be trained and certified for each state/ local government return approved: one to prepare the return and one to perform Quality Review.
5. Oregon State Tax Return Team. Districts preparing Oregon state tax returns must have a tax certified volunteer participate on the Oregon Tax Return Team and use the materials provided by the Team for Oregon tax return training and preparation. The name of each participating district’s team member must be submitted to the SC by October 1st of each year. The SC will appoint a Team Lead who will be responsible for coordinating the Team’s efforts and providing the resulting materials to the participating districts.
6. Districts preparing Idaho state tax returns must coordinate training with the closest Idaho Tax-Aide organization and use their training and tax return preparation resource materials.
7. District Coordinators shall ensure that all their volunteers are trained on this policy and the appropriate District policies and procedures.