

## 31a Amended and Prior Year Returns

This lesson is a comprehensive level and will help you determine how to amend a federal income tax return regardless of where the original return was prepared. In addition, this lesson provides guidance on preparing prior year returns for the previous three years, provided the taxpayer has the applicable required information.

### Learning Objectives

- Identify when it is appropriate to prepare an amended return, Form 1040X
- Determine the time limits for filing Form 1040X
- Identify how to assemble and submit Form 1040X
- Provide guidance when preparing prior year returns
- Identify when it is appropriate to file a prior year return

If a taxpayer requests your help in filing an **amended return**:

1. Confirm the original return is within the scope of AARP Foundation Tax-Aide regarding amendments
2. Ask the taxpayer what errors or omissions they wish to correct
3. Examine the return carefully to determine if the original return is, in fact, incorrect
4. Use TaxSlayer to amend a return and complete Form 1040X, Amended U.S. Individual Income Tax

### Getting Started:



**Study** the associated Pub 4491 VITA/TCE Training Guide  
Chapter 33



Open Volunteer Resource Guide, Tab M

**Tax-Aide Hint:** Be careful when amending state returns. If you are following the Volunteer Resource Guide, Tab M1, to **Step 12**, you will create the state 1040X equivalent after the Federal corrections are made on Steps 7, 8, and 9. TaxSlayer may cause the original state return information to change with the new the Federal changes. You need to verify the “original amount” and manually restore if necessary. Make sure you have a hard copy of the original accepted state return. For example, this may happen if your state has specific deductions to social security.

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### Practice Lab

Mary Elliott from Self-Study Lesson 24 (Education Credits) comes back to the Tax-Aide site and has a Form 1099-INT that she just got in the mail. Her earlier return has already been e-Filed so she asked if she can file an amended return.

<input type="checkbox"/> CORRECTED (if checked)						
PAYER'S name, address, city, state, ZIP code PAYTON FINANCIAL BANK 1200 TENTH ST HARTFORD CT 06101-0054		Payer's RTN (optional)		<b>20 18</b> Form 1099-INT	<b>Interest Income</b>  <b>Copy B</b>  <b>For Recipient</b>  This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported	
		1 Interest income \$12,532.62				
		2 Early withdrawal penalty				
PAYER'S Federal identification number 12-1123456	RECIPIENT'S identification number 572-00-7140	3 Interest on US Savings Bonds and Treas. obligations \$265.00				
RECIPIENT'S name, address, city, state, and ZIP code MARY ELLIOTT 143 CONCORD LANE YC, YS, YZIP		4 Federal income tax withheld \$1,250.00		5 Investment expenses		
		6 Foreign Tax Paid		7 Foreign Country or US possession		
		8 Tax exempt interest		9 Specified private activity bond interest		
		10 Market Discount		11 Bond Premium		
		12 Bond		13 Bond Premium on tax-exempt bond		
Account number (see instructions)		14 Tax-exempt and tax credit bond CUSIP no.		15 State	16 State Identification no.	17 State tax withheld
Form <b>1099-INT</b>						

Prepare Mary's Form 1040X.

Find answers in the file: *Answers to Self-Study Exercises- 2018* in the Portal Libraries

### Learning Review

1: John e-filed his 2015 Form 1040 on March 29, 2016. John found an error on the 2015 return and mailed an amended 2015 return on April 15, 2019. Is this too late to qualify for the refund?	Yes or No
2: Brenda discovers an error on her timely-filed 2015 tax return. Correction of this error would result in a refund. She mails an amended return on May 6, 2019. Is this too late for Brenda to claim a refund?	Yes or No

#### Feedback:

Please email: [selfstudy@aarpfdntaxaide.org](mailto:selfstudy@aarpfdntaxaide.org). Appreciate suggestions and comments.

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### Answers to Learning Review

1: No, it is not too late. Returns filed before the due date are considered filed on the due date of the return. Therefore, John's amended return was filed within the three-year period allowed for refunds.

2: Yes, it is too late. The postmark must be three years from the due date of the return. The IRS will disallow Brenda's amended return requesting a refund because it was filed more than three years after the due date of the original return.