Course Review

Use the information provided to complete an amended current year return for Clarence Bortelli.

- Clarence Bortelli (05-12-1981, 400-00-1902), single, programmer
- 66 East High Street, Your City, YS and ZIP Code

Two months after filing his current-year tax return, Clarence received a Form 1099-INT, *Interest Income*, that he did *not* include on his original return. He took the form to his tax preparer, who also discovered that he had received a Form 8332, *Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent*, for his daughter, Kimberly Velmo (03-24-2004, 401-00-1902), who lives with her mother.

Clarence's additional 1099-INT, Form 8332, and original Form 1040 are shown. He wants any overpayment on his Form 1040X refunded to him. Clarence maintained private policy health care coverage all year for himself and Kimberly.

☐ CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.	Payer's RTN (optional)	OMB No. 1545-0112	**Interest Income**
Verity Bank and Trust 1045 Hyde Park Avenue Your City, YS ZIP Code	**1** Interest income $ 98.10	**2017** Form **1099-INT**	
	2 Early withdrawal penalty $		**Copy B** **For Recipient**
PAYER'S federal identification number: 00-1902000 / RECIPIENT'S identification number: 400-00-1902	**3** Interest on U.S. Savings Bonds and Treas. obligations $		
RECIPIENT'S name: Clarence Bortelli Street address (including apt. no.): 66 E High Street City or town, state or province, country, and ZIP or foreign postal code: Your City, YS ZIP Code	**4** Federal income tax withheld $	**5** Investment expenses $	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.
	6 Foreign tax paid $	**7** Foreign country or U.S. possession	
	8 Tax-exempt interest $	**9** Specified private activity bond interest $	
	10 Market discount $	**11** Bond premium $	
FATCA filing requirement ☐	**12** Bond premium on Treasury obligations $	**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 **1099-INT** (keep for your records) www.irs.gov/form1099int Department of the Treasury - Internal Revenue Service

Form **8332**
(Rev. January 2010)
Department of the Treasury
Internal Revenue Service

Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent

► **Attach a separate form for each child.**

OMB No. 1545-0074

Attachment Sequence No. **115**

Name of noncustodial parent: Clarence Bortelli

Noncustodial parent's social security number (SSN) ► 400 ¦ 00 ¦ 1902

Part I Release of Claim to Exemption for Current Year

I agree not to claim an exemption for Kimberly Velmo
Name of child

for the tax year 20 17 .

Signature of custodial parent releasing claim to exemption	Custodial parent's SSN	Date
Katherine Velmo	410 ¦ 00 ¦ 1902	12/28/2017

Note. If you choose not to claim an exemption for this child for future tax years, also complete Part II.

Part II Release of Claim to Exemption for Future Years (If completed, see **Noncustodial Parent** on page 2.)

I agree not to claim an exemption for _____
Name of child

for the tax year(s) _____ .
(Specify. See instructions.)

Signature of custodial parent releasing claim to exemption	Custodial parent's SSN	Date
	¦ ¦	

Part III Revocation of Release of Claim to Exemption for Future Year(s)

I revoke the release of claim to an exemption for _____
Name of child

for the tax year(s) _____ .
(Specify. See instructions.)

Signature of custodial parent revoking the release of claim to exemption	Custodial parent's SSN	Date
	¦ ¦	

Form **1040** Department of the Treasury - Internal Revenue Service (99) **U.S. Individual Income Tax Return** **2017** OMB No. 1545-0074 IRS Use Only - Do not write or staple in this space.

For the year Jan. 1 - Dec. 31, 2017, or other tax year beginning , 2017, ending , 20 See separate instructions.

Your first name and initial	Last name	Your social security number
CLARENCE	BORTELLI	400-00-1902
If a joint return, spouse's first name and initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.
66 E HIGH STREET

▲ Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).
YOUR CITY, NE 68116

Foreign country name | Foreign province/state/county | Foreign postal code

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

Filing Status

Check only one box.

1 ☒ Single
2 ☐ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶
4 ☐ Head of household (with qualifying person). (See instr.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) (see instructions)

Exemptions

6a ☒ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a
b ☐ **Spouse**

Boxes checked on 6a and 6b 1

No. of children on 6c who:
- **lived with you**
- **did not live with you due to divorce or separation (see instructions)**

Dependents on 6c not entered above

Add numbers on lines above ▶ 1

c **Dependents:**

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if child under age 17 qualifying for child tax credit (see instructions)
			☐
			☐
			☐
			☐

If more than four dependents, see instructions and check here ▶ ☐

d Total number of exemptions claimed

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	24,200
8a	**Taxable** interest. Attach Schedule B if required	8a	
b	**Tax-exempt** interest. **Do not** include on line 8a (8b)		
9a	Ordinary dividends. Attach Schedule B if required	9a	
b	Qualified dividends (9b)		
10	Taxable refunds, credits, or offsets of state and local income taxes	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions (15a) b Taxable amount	15b	
16a	Pensions and annuities (16a) b Taxable amount	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits (20a) b Taxable amount	20b	
21	Other income. List type and amount	21	
22	Combine the amounts in the far right column for lines 7 - 21. This is your **total income** ▶	22	24,200

Adjusted Gross Income

23	Educator expenses	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	Deductible part of self-employment tax. Attach Schedule SE	27	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid b Recipient's SSN ▶	31a	
32	IRA deduction	32	
33	Student loan interest deduction	33	
34	Tuition and fees. Attach Form 8917	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 35	36	NONE
37	Subtract line 36 from line 22. This is your **adjusted gross income** ▶	37	24,200

MXA **For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.** F 1/15/18 Form **1040** (2017)

Tax and Credits	38	Amount from line 37 (adjusted gross income)		38	24,200
	39 a	Check if: ☐ **You** were born before January 2, 1953, ☐ Blind. ☐ **Spouse** was born before January 2, 1953, ☐ Blind. **Total boxes checked** ▶ 39a			
	b	If your spouse itemizes on a separate return or you were a dual-status alien, check here ▶ 39b ☐			
Standard Deduction for - ● People who check any box on line 39a or 39b **or** who can be claimed as a dependent, see instructions. ● All others: Single or Married filing separately, $6,350 Married filing jointly or Qualifying widow(er), $12,700 Head of household, $9,350	40	**Itemized deductions** (from Schedule A) **or** your **standard deduction** (see left margin)		40	6,350
	41	Subtract line 40 from line 38		41	17,850
	42	**Exemptions.** If line 38 is $156,900 or less, multiply $4,050 by the number on line 6d. Otherwise, see instructions		42	4,050
	43	**Taxable income.** Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-		43	13,800
	44	**Tax** (see instr). Check if any from: a ☐ Form(s) 8814 b ☐ Form 4972 c ☐		44	1,608
	45	**Alternative minimum tax** (see instructions). Attach Form 6251		45	
	46	Excess advance premium tax credit repayment. Attach Form 8962		46	
	47	Add lines 44, 45 and 46 ▶		47	1,608
	48	Foreign tax credit. Attach Form 1116 if required	48		
	49	Credit for child and dependent care expenses. Attach Form 2441	49		
	50	Education credits from Form 8863, line 19	50		
	51	Retirement savings contributions credit. Attach Form 8880	51		
	52	Child tax credit. Attach Schedule 8812, if required	52		
	53	Residential energy credits. Attach Form 5695	53		
	54	Other credits from Form: a ☐ 3800 b ☐ 8801 c ☐	54		
	55	Add lines 48 through 54. These are your **total credits**		55	
	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- ▶		56	1,608
Other Taxes	57	Self-employment tax. Attach Schedule SE		57	
	58	Unreported social security and Medicare tax from Form: a ☐ 4137 b ☐ 8919		58	
	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required		59	
	60 a	Household employment taxes from Schedule H		60a	
	b	First-time homebuyer credit repayment. Attach Form 5405 if required		60b	
	61	Health care: individual responsibility (see instructions) Full-year coverage ☒		61	
	62	Taxes from: a ☐ Form 8959 b ☐ Form 8960 c ☐ Instructions; enter code(s)		62	
	63	Add lines 56 through 62. This is your **total tax** ▶		63	1,608
Payments	64	Federal income tax withheld from Forms W-2 and 1099	64 2,994		
	65	2017 estimated tax payments and amount applied from 2016 return	65		
If you have a qualifying child, attach Schedule EIC.	66 a	**Earned income credit (EIC)**	66a		
	b	Nontaxable combat pay election 66b			
	67	Additional child tax credit. Attach Schedule 8812	67		
	68	American opportunity credit from Form 8863, line 8	68		
	69	Net premium tax credit. Attach Form 8962	69		
	70	Amount paid with request for extension to file	70		
	71	Excess social security and tier 1 RRTA tax withheld	71		
	72	Credit for federal tax on fuels. Attach Form 4136	72		
	73	Credits from Form: a ☐ 2439 b ☐ Reserved c ☐ 8885 d ☐	73		
	74	Add lines 64, 65, 66a, and 67 through 73. These are your **total payments** ▶		74	2,994
Refund	75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you **overpaid**		75	1,386
	76 a	Amount of line 75 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐		76a	1,386
▶	b	Routing number ▶ c Type: ☐ Checking ☐ Savings			
Direct deposit? See instructions ▶	d	Account number			
	77	Amount of line 75 you want **applied to your 2018 estimated tax** ▶	77		
Amount You Owe	78	**Amount you owe.** Subtract line 74 from line 63. For details on how to pay, see instructions ▶		78	
	79	Estimated tax penalty (see instructions)	79 NONE		

Third Party Designee Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ **Yes.** Complete below. ☒ **No**

Designee's name ▶ | Phone no. ▶ | Personal identification number (PIN) ▶

Sign Here Joint return? See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
		PROGRAMMER	
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection Pin, Enter it here

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Sharon Brucker				P01045028

Firm's name ▶ Jackson Hewitt Tax Service Firm's EIN ▶ 12-3456780

Firm's address ▶ 501 N. CATTLEMEN RD SARASOTA FL 34232 Phone no. (800) 234-1040

COURSE REVIEW ANSWER KEY

Review Clarence Bortelli's completed Form 1040X. He must send a copy of the Form 8332 he received to the IRS.

Form **1040X** (Rev. January 2018)

Department of the Treasury - Internal Revenue Service

Amended U.S. Individual Income Tax Return

▶ **Go to *www.irs.gov/Form1040X* for instructions and the latest information**

OMB No. 1545-0074

This return is for calendar year ☒ 2017 ☐ 2016 ☐ 2015 ☐ 2014

Other year. Enter one: calendar year **or** fiscal year (month and year ended):

Your first name and initial	Last name	Your social security number
CLARENCE BORTELLI		400-00-1902
If a joint return, spouse's first name and initial	Last name	Spouse's social security number

Current home address (number and street). If you have a P.O. box, see instructions.	Apt. no.	Your phone number
66 EAST HIGH STREET		

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).

YOUR CITY, NE 68116

Foreign country name	Foreign province/state/county	Foreign postal code

Amended return filing status. You **must** check one box even if you are not changing your filing status. **Caution:** In general, you can't change your filing status from a joint return to separate returns after the due date.

☒ Single
☐ Married filing jointly
☐ Married filing separately
☐ Head of household (If the qualifying person is a child but not your dependent, see instructions.)
☐ Qualifying widow(er)

Full-year coverage.
If all members of your household have full-year minimal essential health care coverage, check "Yes." Otherwise, check "No." (See instructions.)
☒ Yes ☐ No

Use Part III on page 2 to explain any changes

		A. Original amount or as previously adjusted (see instructions)	B. Net Change - amount of increase or (decrease) - explain in Part III	C. Correct Amount
Income and Deductions				
1 Adjusted gross income. If a net operating loss (NOL) carryback is included, check here ▶ ☐	1	24,200	98	24,298
2 Itemized deductions or standard deduction	2	6,350		6,350
3 Subtract line 2 from line 1	3	17,850	98	17,948
4 Exemptions. **If changing, complete Part I on page 2 and enter the amount from line 29**	4	4,050	4,050	8,100
5 Taxable income. Subtract line 4 from line 3	5	13,800	-3,952	9,848
Tax Liability				
6 Tax. Enter method(s) used to figure tax (see instructions): TABLES	6	1,608	-600	1,008
7 Credits. If general business credit carryback is included, check here ▶ ☐	7	0	1,000	1,000
8 Subtract line 7 from line 6. If the result is zero or less, enter -0-	8	1,608	-1,600	8
9 Health care: individual responsibility (see instructions)	9			
10 Other taxes	10			
11 Total tax. Add lines 8, 9, and 10	11	1,608	-1,600	8
Payments				
12 Federal income tax withheld and excess social security and tier 1 RRTA tax withheld (**if changing,** see instructions)	12	2,994		2,994
13 Estimated tax payments, including amount applied from prior year's return	13			
14 Earned income credit (EIC)	14			
15 Refundable credits from: ☐ Schedule 8812 Form(s) ☐ 2439 ☐ 4136 ☐ 8801 ☐ 8863 ☐ 8885 ☐ 8962 or ☐ other (specify):	15			
16 Total amount paid with request for extension of time to file, tax paid with original return, and additional tax paid after return was filed	16			
17 Total payments. Add lines 12 through 15, column C, and line 16	17			2,994
Refund or Amount You Owe				
18 Overpayment, if any, as shown on original return or as previously adjusted by the IRS	18			1,386
19 Subtract line 18 from line 17 (If less than zero, see instructions)	19			1,608
20 **Amount you owe.** If line 11, column C, is more than line 19, enter the difference	20			
21 If line 11, column C, is less than line 19, enter the difference. This is the amount **overpaid** on this return	21			1,600
22 Amount of line 21 you want **refunded to you**	22			1,600
23 Amount of line 21 you want **applied to your (enter year):** **estimated tax**	23			

Complete and sign this form on Page 2.

For Paperwork Reduction Act Notice, see instructions. Form **1040X** (Rev. 1-2018)

Part I Exemptions

Complete this part **only** if any information relating to exemptions has changed from what you reported on the return you are amending. This would include a change in the number of exemptions, either personal exemptions or dependents.

See Form 1040 or Form 1040A instructions and Form 1040X instructions.

		A. Original number of exemptions or amount reported or as previously adjusted	B. Net change	C. Correct number or amount
24 Yourself and spouse. **Caution:** *If someone can claim you as a dependent, you can't claim an exemption for yourself.*	24	1		1
25 Your dependent children who lived with you	25			
26 Your dependent children who didn't live with you due to divorce or separation	26	0	1	1
27 Other dependents	27			
28 Total number of exemptions. Add lines 24 through 27	28	1	1	2
29 Multiply the number of exemptions claimed on line 28 by the exemption amount shown in the instructions for line 29 for the year you are amending. Enter the result here and on line 4 on page 1 of this form.	29	4,050	4,050	8,100

30 List **ALL** dependents (children and others) claimed on this amended return. If more than 4 dependents, see instructions.

(a) First name Last name	(b) Dependent's social security number	(c) Dependent's relationship to you	(d) Check box if qualifying child for child tax credit (see instructions)
KIMBERLY VELMO	401-00-1902	DAUGHTER	☒
			☐
			☐
			☐

Part II Presidential Election Campaign Fund

Checking below won't increase your tax or reduce your refund.

☐ Check here if you didn't previously want $3 to go to the fund, but now do.

☐ Check here if this is a joint return and your spouse did not previously want $3 to go to the fund, but now does.

Part III Explanation of changes. In the space provided below, tell us why you are filing Form 1040X.

▶ Attach any supporting documents and new or changed forms and schedules.

LINE 1 AGI — RECEIVED 1099-INT AFTER FILING ORIGINAL RETURN
LINE 4 EXEMPTIONS — RECEIVED FORM 8332 FROM FORMER SPOUSE
LINE 7 CREDITS — CHILD TAX CREDIT FOR CHILD UNDER AGE 17

Remember to keep a copy of this form for your records.

Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information about which the preparer has any knowledge.

Sign Here

▶ _____ PROGRAMMER

Your signature Date Your occupation

▶ _____

Spouse's signature. If a joint return, **both** must sign. Date Spouse's occupation

Paid Preparer Use Only

▶ _____ 02/15/2018 Jackson Hewitt Tax Service

Preparer's signature Date Firm's name (or yours if self-employed)

501 N. CATTLEMEN RD
SARASOTA FL 34232

Print/type preparer's name Firm's address and ZIP code

_____ ☐ Check if self-employed (800) 234-1040 12-3456780

PTIN Phone number EIN

Form **8867**

Department of the Treasury
Internal Revenue Service

Paid Preparer's Due Diligence Checklist

Earned Income Credit (EIC), American Opportunity Tax Credit (AOTC), Child Tax Credit (CTC), and Additional Child Tax Credit (ACTC)

▶ **To be completed by preparer and filed with Form 1040, 1040A, 1040EZ, 1040NR, 1040SS or 1040PR.**
▶ **Go to *www.irs.gov/form8867* for instructions and the latest information.**

OMB No. 1545-1629

2017

Attachment Sequence No. **70**

Taxpayer name(s) shown on return: CLARENCE BORTELLI

Taxpayer identification number: 400-00-1902

Enter preparer's name and PTIN: Sharon Brucker P01045028

Part I **Due Diligence Requirements**

	Please check the appropriate box for the credit(s) claimed on this return and complete the related Parts I - IV for the credit(s) claimed (check all that apply).	EIC ☐	CTC/ACTC ☒	AOTC ☐
1	Did you complete the return based on information for tax year 2017 provided by the taxpayer or reasonably obtained by you?		☒ Yes ☐ No	
2	Did you complete the applicable EIC and/or CTC/ACTC worksheets found in the Form 1040, 1040A, 1040EZ, 1040SS, 1040PR, or 1040NR instructions, and/or the AOTC worksheet found in the Form 8863 instructions, or your own worksheet(s) that provides the same information, and all related forms and schedules for each credit claimed?		☒ Yes ☐ No	
3	Did you satisfy the knowledge requirement? To meet the knowledge requirement, you must do both of the following: ● Interview the taxpayer, ask questions, and document the taxpayer's responses to determine that the taxpayer is eligible to claim the credit(s) ● Review information to determine that the taxpayer is eligible to claim the credit(s) and for what amount		☒ Yes ☐ No	
4	Did any information provided by the taxpayer, a third party, or reasonably known to you, in connection with preparing the return, appear to be incorrect, incomplete, or inconsistent? (If "yes," answer questions 4a and 4b. If "no," go to question 5.)		☐ Yes ☒ No	
a	Did you make reasonable inquiries to determine the correct, complete and consistent information?		☐ Yes ☐ No	
b	Did you document your inquiries? (Documentation should include the questions you asked, whom you asked, when you asked, the information that was provided, and the impact the information had on your preparation of the return.)		☐ Yes ☐ No	
5	Did you satisfy the record retention requirement? To meet the record retention requirement, you must keep a copy of your documentation referenced in 4b, a copy of this Form 8867, a copy of the applicable worksheets, a record of how, when, and from whom the information used to prepare Form 8867 and worksheet(s) was obtained, and a copy of any document(s) provided by the taxpayer that you relied on to determine eligibility or to compute the amount of the credit(s)?		☒ Yes ☐ No	
	List those documents, if any, that you relied on. FORM 8332 EXECUTED BY FORMER SPOUSE FOR DAUGHTER			
6	Did you ask the taxpayer whether he/she could provide documentation to substantiate eligibility for and the amount of the credit(s) claimed on the return if his/her return is selected for audit?		☒ Yes ☐ No	
7	Did you ask the taxpayer if any of these credits were disallowed or reduced in a previous year? (If credits were disallowed or reduced, go to question 7a; if not, go to question 8.)		☒ Yes ☐ No	
a	Did you complete the required recertification Form 8862?		☐ Yes ☐ No	☒ N/A
8	If the taxpayer is reporting self-employment income, did you ask questions to prepare a complete and correct Form 1040, Schedule C?		☐ Yes ☐ No	☒ N/A

For Paperwork Reduction Act Notice, see separate instructions. F 12/21/17 Form **8867** (2017)

Part II **Due Diligence Questions for Returns Claiming EIC** (If the return does not claim EIC, go to Part III.)

		EIC	CTC/ACTC	AOTC
9a	Have you determined that this taxpayer is, in fact, eligible to claim the EIC for the number of children for whom the EIC is claimed, or to claim EIC if the taxpayer has no qualifying child? (Skip 9b and 9c if the taxpayer is claiming EIC and does not have a qualifying child.)	☐ Yes ☐ No		
b	Did you explain to the taxpayer that he/she may not claim EIC if the taxpayer has not lived with the child for over half the year, even if the taxpayer has supported the child?	☐ Yes ☐ No		
c	Did you explain to the taxpayer the rules about claiming the EIC when a child is the qualifying child of more than one person (tie-breaker rules)?	☐ Yes ☐ No ☐ N /A		

Part III **Due Diligence Questions for Returns Claiming CTC and/or additional CTC** (if the return does not claim CTC or Additional CTC, go to Part IV.)

10a	Did all children for whom the taxpayer is claiming the CTC/ACTC reside with the taxpayer? (If "Yes," go to question 10c; If "No," go to question 10b.)		☐ Yes ☒ No	
b	Did you ask if there is an active Form 8332, Release/Revocation of Claim to Exemption for Child by Custodial Parent, or a similar statement in place and, if applicable, did you attach it to the return?		☒ Yes ☐ No ☐ N /A	
c	Have you determined that the taxpayer has not released the claim to another person?		☐ Yes ☐ No ☒ N /A	

Part IV **Due Diligence Questions for Returns Claiming AOTC** (If return does not claim AOTC, go to Part V.)

11	Did the taxpayer provide substantiation such as Form 1098-T and/or receipts for the qualified tuition and related expenses for the claimed AOTC? .			☐ Yes ☐ No

Part V **Credit Eligibilty Certification**

You have complied with all due diligence requirments with respect to the credits claimed on the return of the
▶ **taxpayer identified above if you:**

A. Interview the taxpayer, ask adequate questions, document the taxpayer's responses on the return or in your notes, review adequate information to determine if the taxpayer is eligible to claim the credit(s) and in what amount(s);
B. Complete this Form 8867 truthfully and accurately and complete the actions described in this checklist for all credits claimed:
C. Submit Form 8867 in the manner required; **and**
D. Keep all five of the following records for 3 years from the latest dates specified in the Form 8867 instructions under *Document Retention*
1. A copy of Form 8867,
2. The applicable worksheet(s) or your own worksheet(s) for any credits claimed,
3. Copies of any taxpayer documents you may have relied upon to determine eligibility for and the amount of the credit(s),
4. A record of how, when and from whom the information used to prepare this form and worksheet(s) was obtained, and
5. A record of any additional questions you may have asked to determine eligibilty for and amount of the credits, and the taxpayer's answers.

▶ **If you have not complied with all due diligence requirements for all credits claimed, you may have to pay a $510 penalty for each credit for which you have failed to comply.**

12	Do you certify that all of the answers on this Form 8867 are, to the best of your knowledge, true, correct and complete?	☒ Yes ☐ No

F 12/21/17 Form **8867** (2017)

Complete the *Child Tax Credit Worksheet* to calculate the amount of Child Tax Credit, but the worksheet is not filed with Form 1040X.

CLARENCE BORTELLI 400-00-1902

Form 1040 - Child Tax Credit

1.	Enter the number of qualifying children 1. Multiply by $1,000 and enter the result	1	1,000
2.	Adjusted gross income from Form 1040 or Form 1040A	2	24,298
3.	Enter the total of any, Form 1040 filers only: Exclusion of income from Puerto Rico, Foreign earned income exclusion, housing exclusion and housing deduction from Form 2555/2555-EZ, and Exclusion of income for bona fide residents of American Samoa from Form 4563	3	
4.	Add lines 2 and 3	4	24,298
5.	Enter: $110,000 if married filing jointly; $75,000 if single, head of household, or qualifying widow(er); $55,000 if married filing separately	5	75,000
6.	Is line 4 above more than line 5? ☒ No. Leave line 6 blank. Enter -0- on line 7. ☐ Yes. Subtract line 5 from line 4	6	
	If the result is not a multiple of $1,000, increase it to the next multiple of $1,000. For example, increase $425 to $1,000, increase $1,025 to $2,000 etc.		
7.	Multiply line 6 by 5% (.05)	7	0
8.	If line 7 is more than the amount on line 1, stop here. You cannot take this credit or the additional child tax credit, Form 8812. Otherwise, subtract line 7 from line 1	8	1,000
9.	Enter the amount from Form 1040, line 47 or Form 1040A, line 30	9	1,008
10.	Enter the amounts from Form 1040, Lines 48, 49, 50, and 51; Form 5695, line 30, Form 8910, line15; Form 8936, line 23 and Schedule R, line 22.	10	
11.	Are you claiming the Form 8839 Adoption Credit, or Form 8396 mortgage interest credit, or Form 8859 District of Columbia first-time homebuyer credit or Form 5695, Part I residential energy efficient property credit? ☒ No. Enter the amount from line 10. ☐ Yes. If you are filing Form 2555 or 2555-EZ, enter the amount from line 10. Otherwise, complete the Line 11 Worksheet, later, to figure the amount to enter here	11	
12.	Subtract line 11 above from line 9	12	1,008
13.	Enter the smaller of line 8 or line 12 here and on Form 1040 or Form 1040A	13	1,000

D 8/30/16

Note the following about Clarence's amended tax return:

The additional information Clarence located provides an increase of $98 to his income and an extra exemption amount for his daughter combined with an additional $1,000 Child Tax Credit resulting in a net additional tax refund.

Form 8867, *Paid Preparer's Due Diligence Checklist*, is required to be filed with the amended return because the Child Tax Credit was not included in the original return. A paid preparer must exercise due diligence for credits or items newly added in an amended return.