

Policy CO1-08: Out-of-State Returns

Background. Preparers certified for Colorado returns can prepare resident, nonresident, and part-year Colorado state tax returns. In the case of the latter returns, taxpayers may have a second state for which they also need a tax return. Many state returns are complicated and require training and local knowledge to complete them correctly.

Volunteers are protected by the Volunteer Protection Act of 1997 (VPA) and, in Colorado, by the Volunteer Services Act (VSA) as long as they are trained for the tasks they perform and stay within scope. This policy is echoed in the *VITA/TCE Training Guide*.

Since Colorado volunteers are usually not trained to complete tax returns for states other than Colorado, volunteers who prepare an out of state tax return without training are working out of scope and willfully forego the protections of the VPA and VSA.

The State Tax Assistance Program (STAP) is an AARP Foundation Tax-Aide-sponsored program to allow taxpayers to have their out-of-state tax returns prepared by a Tax-Aide volunteer from that state.

Policy. Out-of-state tax returns are out of scope for Colorado Tax-Aide volunteers unless the tax preparer has been trained on tax returns for that state. There are two paths available to Colorado volunteers serving a client who wants them to prepare an out-of-state tax return:

1. State Tax Assistance Program (STAP)
2. Training and certification, if certification exists, on the second state return

If a preparer is unable or unwilling to use one of these two approaches, the out-of-state tax return cannot be prepared by Colorado Tax-Aide volunteers.

Implementation. Colorado Tax-Aide will participate in STAP each tax season. Counselors serving clients with state returns other than Colorado should familiarize themselves with the procedures for having the second state tax return done through STAP.

Volunteers who wish to train on the taxes for another state should refer to the Tax-Aide Training Specialist for that state to obtain training materials. If there is a certification process for tax preparers for that state, the volunteer must pass the certification. The training should be recorded in the Portal as one of the volunteer's certifications.

References.

AARP Foundation. *The Policy and Procedures Manual of Tax-Aide, 2019-2020*.

Internal Revenue Service. Form 13615 (rev. 10-2018), *Volunteer Standards of Conduct Agreement – VITA/TCE Programs*.

Internal Revenue Service. Publication 4491, *VITA/TCE Training Guide*.

State of Colorado. *Volunteer Service Act* (Colorado Revised Statutes 13-21-115.5).

US Government. *Volunteer Protection Act of 1997* (42 USC 14501).