Free Tax Preparation Service at the Library – the Who, What and When

Since 2005, the Estes Valley Library has hosted the AARP Foundation's Tax-Aide services, staffed by AARP volunteers from our community who train in tax law and certify with the IRS. Last year nearly 400 returns were completed. This year 21 individuals of various backgrounds are finishing their preparation to begin appointments on February 4th; and although not required, a few of them actually are CPA's and some have tax background. Six of them will be working in the Library's Wasson Room on each day of appointments to complete Federal and Colorado returns. The Library partners by taking appointments and providing information for those who wish to use this service.

What can Tax-Aide do for you?
There are special IRS rules for such volunteer sites. The Tax-Aide service's primary objective is to serve the elderly and low income; however, no one is turned away unless their return requires elements that fall outside the permitted scope defined by both the IRS and the AARP Foundation. Returns with most basic sources of income are permitted such as wages, interest, dividends, retirement income, capital gains and losses, unemployment income, rental income limited to vacant land, self-employment with no losses and limited expenses, royalties with no expenses, and a few other miscellaneous sources of income. We are not allowed to do residential rental income, any property depreciation, estate or trust returns, and any out of state returns. We do itemized deductions and most all credits, both those categorized as non-refundable and refundable. These include Earned Income Credit, Child tax Credit, Education Credits, Child and Dependent Care Credit, Foreign Tax Credit, and reconciliation of Premium Tax Credits received for healthcare insurance obtained from Connect For Health Colorado. As you can see, it is a comprehensive service for most people in our community.

How do you get this service?
Contact the Library by phone (970-586-8116) or go in person to the second floor desk to make an appointment. You will receive an intake packet which must be completed prior to the appointment. The white spaces on the first 3 pages are to be filled out by the taxpayer, the same as in past years. New this year are additional pages with consents to be decided. The second one is crucial in that if the taxpayer declines, their return cannot be e-filed but they will receive a paper version to be mailed. This is important for anyone expecting a refund as e-filing ensures receiving the refund much faster. Besides this completed packet, taxpayers should bring to their appointment photo IDs, all Social Security or ITIN cards (no Medicare cards this year), all tax forms received, and documentation to support deductions such as medical, tax, and mortgage expenses plus charitable contributions. An organized compilation and totaling of such expenses are appreciated.

What's new in taxes this year?
1. The 1040 form has been revised, and there is no longer a 1040A or 1040EZ. As the 1040 has been shortened, much of the previous information from the old 1040 has been moved to 6 new schedules.
2. The Standard Deductions have significantly increased but personal and dependent exemptions have been eliminated. This change balances out fairly close to the previous scheme for most taxpayers.
3. Self-employed taxpayers will see new benefits including a Qualified Business Expense Credit and the ability to lower income with Healthcare Premium adjustments rather than itemizing them.
4. The graduated tax brackets have changed resulting in lower rates for similar income as last year.

The Tax-Aide volunteers devote a large amount of time in preparation, but they do it not because they love taxes but because their service is so appreciated by the kind members of this wonderful mountain community. Consider joining the ranks of those who have their taxes done by our local Tax-Aide team, and maybe next year perhaps you will want to join the team yourself.