

# Amended Return Preparation Procedures

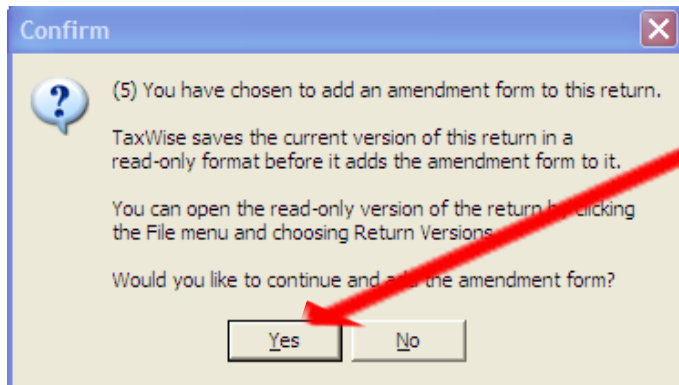
If a taxpayer has filed an original return that is incorrect, they must amend the return using Form 1040X (104X for the State of Colorado) to change any of the original information.

- Amended returns can only be filed on paper and cannot be electronically filed. The customer will need to mail the return to be processed which may take 10-12 weeks.
- If filing an amended return, you may never change the filing status from Married Filing Joint to Married Filing Separate after April 15 in the year the return was due.
- Refunds generally may only be claimed for amended returns up to 3 years late.

**Please Note:** We cannot amend a tax return for any customer without the original copy that the IRS and state have on file. If the taxpayer does not have a copy of their Federal and State of Colorado return, they must call the IRS (1-800-829-1040) and State of Colorado (303-238-7378) or order a transcript online to obtain a copy before we can amend the return.

**To prepare an amended return in TaxWise where the DABC already has the original return in our database:**

1. Open the original return in TaxWise. On the customer's folder write **Amended Return** anywhere on the front.
2. Click on "Add Form" and type 1040X. Add this form to your forms tree.
3. If amending a return that includes the State of Colorado, click on "Add Form" and type CO 104X. Add this form to your forms tree.
4. If you get the following when adding forms, answer "YES."



5. Make sure that the original return matches the taxpayers copy that they provide to you. Once you are sure that everything matches, open the Form 1040X and "Freeze" the return by checking the box below.

**Income and Deductions**

Check  to override all original entries in column A and original refund and balance due (line 17 and line 19) before making any changes to any forms.

	A Original amount or as previously adjusted	B Net change - amount of increase or decrease	C Correct amount
1 Adjusted gross income .....	73,883.	0.	73,883.
2 Itemized deductions or standard deduction .....	14,549.	0.	14,549.
3 Subtract line 2 from line 1 .....	59,334.	0.	59,334.
4 Exemptions .....	13,200.	0.	13,200.
5 Taxable income .....	46,134.	0.	46,134.

6. You will also open the Colorado 104X form and check the same box on that form to "Freeze" the state return.

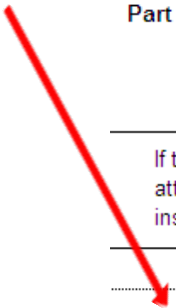
7. Now you are ready to make any changes to the original return. Just add or remove income and deductions to the Form 1040 as if you were preparing an original return. The software will automatically adjust the 1040X and 104X accordingly.
8. On page 2 of the Form 1040X, you must describe in detail what you are amending. The text fields do not run into each other, so be careful and use Tab to type on the next line when the first line is full.

**Part II: Explanation of Changes to Income, Deductions, and Credits**

Enter the line number from page 1 for each item you are changing and give the reason for each change. Attach **ONLY** the supporting forms and schedules for the items changed. Be sure to include your name and social security number on any attachments.

If the change relates to a net operating loss carryback or a general business credit carryback, attach the schedule or form that shows the year in which the loss or credit occurred. See instructions. Also check here .....

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9. The State of Colorado requires that you also attach an explanation of what is being amended (you will check the box that says "Other" on page 1 of CO 104X). Because there is no field to actually type this information, it is recommended that when you print these returns to be mailed, that you print and attach a copy of Page 2 of the 1040X to the State of Colorado amended return. This will show the explanation you are providing the IRS.
10. **Printing the Amended Return(s):** *You cannot print an amended return like you normally do in TaxWise. Please follow the procedures below for printing:*
  - After quality reviewing the return, click "Print Return." When the print manager opens, indicate you want to print the entire return twice. Do this so that the taxpayer has a copy for their records.
  - Then print an extra copy of the form 1040X pg 2. This will be attached to the State of Colorado amended return to be mailed. It provides the state an explanation of what is being amended.
  - You will need to make sure that you have attached a copy of any forms or schedules utilized by the amended return. For instance, if the taxpayer was adding a new W-2, be sure to attach a copy of the W-2 (or an IRS transcript) to the amended federal and state returns.

Once you have printed the copies, you will need to assemble the return(s) for the customer. One copy will be for the customer to retain and one copy for them to mail. Remember to attach any documents amended to the 1040X for mailing (such as a copy of a Form W-2). The customer(s) must sign the return before mailing. Provide an envelope for the IRS and State of Colorado to mail the returns. The customer must also include a check or money order in the envelope if a balance is owed. The DABC will not retain anything in the customer folder other than the Intake Sheet.

## ***To prepare an amended return in TaxWise where the DABC does not have the original return in our database:***

Open the appropriate year of TaxWise and input a full copy of the original return (if amending 2011, open the 2011 software). You must make sure that the return matches the copy that the customer provides to you, **identically**. The 1040 page1 and page2 should match the original. Once you are sure that the return is identical to the original, go to step 1 and begin the process of amending the return.