



**Wage & Investment**

# **Designing a Pro Bono Project for Your Firm: Military VITA Adopt-A-Base Program**

**American Bar Association Section of Taxation  
Pro Bono Week Webinar  
October 28, 2015**

**Moderator: C. Wells Hall III,  
Nelson Mullins Riley & Scarborough, LLP, Charlotte, NC**

**Panelists: Mel Hardy,  
Chief of National Partnerships (Stakeholders Partnership Education  
and Communication Division), IRS, Landover, MD**

**Derek B. Wagner  
Pro Bono Counsel, ABA Section of Taxation, Washington, DC**



# Adopt-A-Base FY 2016

## Overview

- Adopt-A-Base
  - Collaboration between the IRS' Stakeholder Partnerships, Education and Communication (SPEC), the Section of Taxation of the American Bar Association (ABA), and the Armed Forces Tax Council (military installations), to instruct tax law to military personnel who will prepare or assist in preparing returns for other military personnel and their dependents
  - The Adopt-A-Base program augments SPEC's Military VITA Program by supplementing SPEC training resources



# Adopt-A-Base FY 2016 (Continued)

## Overview

- Past Participation
  - FY 2013
    - 2 military bases, 2 law firms participated
  - FY 2014
    - 9 military bases, 15 law firms participated
  - FY 2015\*
    - 32 military bases, 23 law firms participated

\*All military bases in North and South Carolina participated in the program



# Adopt-A-Base FY 2016 (Continued)

## Overview

- Instructor Recruitment
  - ABA will recruit local law and accounting firms to participate as VITA instructors
  - SPEC will encourage local military bases to utilize ABA instructors
- Classroom Training
  - Instructors teach tax law only
  - ABA instructors will teach tax law a maximum of three days



# Adopt-A-Base FY 2016 – (SPEC)

## Considerations for SPEC TC

- VITA training materials (See slide 7)
- Instructors' certification
- Number of instructors needed per class
- Delivery/presentation of military tax law training
- Schedule for training at installations (December and January)
- Access to base
- Instructors' evaluation
- Military One Source site (FSA)
- Attorney's previous experience as a VITA instructor



# Adopt-A-Base FY 2016

## Timeline

- July - August
  - Instructor recruitment (ABA)
  - Follow-up with prospective instructors (SPEC and ABA Pro Bono Counsel and ABA Vice Chair - Pro Bono)
  - Conference call between SPEC Headquarters and Military Area Analysts
- August - September
  - Preliminary conference call for volunteer instructors (SPEC) – Provide VITA certification links to prospective instructors (SPEC)
  - Secure military contacts at host installations (SPEC)



# Adopt-A-Base FY 2016

## Timeline (continued)

- October - November
  - Confirm instructor participation (ABA)
  - Confirm military VITA training dates (SPEC, Military)
  - Schedule conference call with instructors and military (SPEC, ABA)
  - Hard copy training material distributed and available online (SPEC)
- December - January
  - Conduct classes at military installations on dates as scheduled by Officer-in-Charge (OIC) and/or VITA Site Coordinator (ABA, SPEC)
  - Secure instructor evaluations (SPEC) and instructor feedback (ABA)



# Adopt-A-Base FY 2016 – (SPEC)

## VITA Training Material

- Provide the following training materials in electronic (all) or hard copy (\*) format:
  - Publication 4480, VITA/TCE Link & Learn Taxes Training Kit -contains Pub 4012 (Volunteer Resource Guide); Form 6744 (VITA/TCE Volunteer Assistor's Test/Retest)\*
  - Publication 4491, VITA/TCE Training Guide, including ACA Training\*
  - Publication 4491W, VITA/TCE Training Guide Workbook
  - Publication 4555e, VITA/TCE Instructor Manual
  - Form 1040\*
  - Publication 17, Your Federal Income Tax
  - Form 13614-C, Intake/Interview & Quality Review Sheet\*





# Adopt-A-Base FY 2016 – (ABA)

## Suggested Tax Law Teaching Schedule

### Day 1

- Course Introduction - Getting Starting, Tax Wise Software (handled by SPEC and Site Coordinator) (Max 1 hour)
  - Core topics (Filing Basic & Filing Season)
    - Personal & Dependency Exemptions
    - Unique Filing Status & Exemption Situations
    - Income – Wages
    - Business income
    - Capital Gains or Loss
    - Retirement income
  - Note: Refer to Publication 4491, VITA/TCE Training Guide
- ABA Instructors facilitate all classes with the exception of Course Introduction topics.



# Adopt-A-Base FY 2016 – (ABA)

## Suggested Tax Law Teaching Schedule (Continued)

### Day 2

- Income – Rental & Schedule K-1
  - Unemployment
  - Social Security
  - Other income
  - Adjustments to income
- Standard Deduction
- Itemized Deductions
- Affordable Care Act (ACA) Training Awareness



# Adopt-A-Base FY 2016 – (ABA)

## Suggested Tax Law Teaching Schedule (Continued)

### Day 3

- Military: Income, Moving Expenses & Employee Business Expenses
- Credit for Child & Dependent Care Expenses
- Education Credits
- Foreign Tax Credit (Awareness)
- Child Tax Credit
- Miscellaneous Credits
- Other Taxes
- Payments
- Earned Income Credit (EIC)
- Refund/Amount



# Adopt-A-Base FY 2016 – (ABA)

## VITA Certification Process (SPEC)

- Instructors are required to certify through the Basic, Advanced, and Military level in Link & Learn Taxes  
<https://www.linklearncertification.com/d/>
- Forward Form 13615, Volunteer Standard of Conduct Agreement, SPEC Territory for signature/approval
- Certification should be completed one week prior to teaching the class

Note: must be completed by December 31 of each year.



# Adopt-A-Base FY 2016

## Instructor Recruitment – ABA Preferred Instructor Requirements

- Tax law instructors should have an understanding of general federal income tax principles required for tax return preparation
- Preferably, minimum of two instructors to teach tax law
- Recruit backup instructors as needed in case of an emergency
- Encourage mixed level of experience and background for instructors



# Adopt-A-Base FY2016 – (ABA)

## Delivery/Presentation of Classroom Training

### Do's and Don'ts

- Do not **read** from the training book
- Do use examples/scenarios as outlined in the training materials or discuss “real-life” scenarios
- Do engage the class with completing/answering the practice exercises provided in the training material as well
- Do invite the Officer-in-Charge (OIC) and/or VITA Site Coordinator to interject and address any specific issues if necessary
- Do take questions at frequent intervals
- Do utilize visual aides such as audio/video equipment and handouts, etc.
- Do allow 10-15 minute breaks at one hour intervals
- Do stay on schedule
- Do observe class “body” language



# Adopt-A-Base FY 2016

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# Adopt-A-Base FY 2016

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# Designing a Pro Bono Project for Your Firm – VITA and Law Firm Participation

American Bar Association Section of Taxation  
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Moderators:

C. Wells Hall, Nelson Mullins Riley & Scarborough (Charlotte, NC)

Derek B. Wagner, Pro Bono Counsel, ABA Section of Taxation (Washington, DC)

Panelists:

Andrew R. Roberson, McDermott Will & Emery (Chicago, IL)

Tamara A. Borland, Iowa Legal Aid (Iowa City, IA)

**VITA**

Tamara Borland

# My VITA Experience (Tamara Borland)

- VITA volunteer since 2004.
- Site Coordinator, Volunteer Preparer, Quality Reviewer in Washington, IA located inside a bank.
- Open a small site for three days during the season in a smaller community.
- Support another rural site in Perry, IA technical assistance, grant management, planning and publicity.

# My Day Job

- Low-Income Taxpayer Clinic- (LITC)
  - Project Manager since 2002
- What is it?
  - IRS funded program requiring 100% match funding
    - Controversy Representation
    - Taxpayer Education and Outreach
- Rely heavily on VITA for client tax preparation
- Work with VITAs to help with Rejects, Audits, and Collection issues

# Tax Time Hurdles

- Inadequate knowledge about tax rights and responsibilities
- Not knowing criteria to choose a quality preparer
- No funds to pay for professional tax preparation

# How VITA and TCE Eliminate Hurdles

- Tax Knowledge
  - Taxpayer is integrated into the process
    - Often is with preparer during the preparation
    - Available to answer questions
    - Required review of return with client
    - Opportunity for tax education
      - Withholding strategies
      - Saving strategies
- Qualified Preparers
  - Certified Volunteers
  - Tax Preparer and Quality Reviewer are separate

# It is Free

- Target Population
  - Generally, Taxpayers with income up to EIC threshold
  - Rural and underserved communities
- Focus on certain types of returns
  - W-2 income
  - Child-based Credits and Exemptions
  - Less Complex Schedule A, Schedule B, Schedule C, Schedule D
- Direct Deposit
  - Faster and Safer than checks
  - Cheaper than other refund products

# How VITA and TCE Makes Us Better Tax Professionals

## New Attorneys

- Client interviewing skills
- Building Client Rapport
- Dealing with difficult or tough conversations

## Experienced Attorneys

- Yearly tax law refresher course
- Always something new to learn
- Insight into everyday impact of tax law provisions on a variety of different individuals and families



# Gaps that Remain

- Too much Demand, Too Few Volunteers
- Out-of-Scope
  - Self-employed taxpayers
  - Taxpayers with one item that makes them ineligible

# How Can You Help fill the Gaps

- Your special skill set can help VITAs meet the great need
- Different Program models
  - Traditional set schedule with preparation in front of tax client
  - Drop off site –Preparers don't have to be on site so can work preparation into schedule more readily.
  - Taxpayer Guided preparation

# The other Eight Months...

- Tax Season not doable? What about “off-season”?
  - Extensions or late filers
  - Past years or amended returns
- What about volunteering for an LITC? There is need year round.
  - Currently not collectible status
  - Payment plans
  - Offers
  - Innocent spouse relief; and
  - Non-filers/past due returns.

# Who Are VITA Volunteers?

- Christine Luzzie- Litigation Director, Iowa Legal Aid
  - 40 years of legal practice
  - Preparer and Quality Reviewer
- Mark Rosenbury- Retired Executive, Terra Industries, Iowa Legal Aid Foundation President, CPA
  - Preparer
- Owen Piette- Lead Automation Engineer, Integrated DNA Technology
  - Preparer and Quality Reviewer
- Nancy Adrian-Administrative Assistant for Washington County, ISU Extension Office
  - Scheduler and Greeter
- George Eldridge- Retired Computer Engineer and Member of Perry Ministerial
  - Preparer, Site Coordinator, Handles E-filing, Technical Support
- University of Iowa, College of Law Students

# Partnering with Local Organizations

- Legal & compliance concerns
- Handling the logistics
- Program and site leadership
- Marketing to the communities
- Drive engagement and recognition
- Making it fun!

# Driving Corporate Involvement

- Executive and influential support
- Market throughout corporate campus
- Kickoff event
- On-site training
- Group volunteer dates
- Begin with an end in mind

# Handling a Pro Bono Tax Controversy Matter

# Handling a Pro Bono Tax Controversy Matter

- Referral from low-income taxpayer clinic or other tax organization
- Initial meeting with client to gather facts and documents
- Preparation of argument
- Negotiations with IRS personnel
- Opportunities for associates or partners to act in a first-chair capacity
- Opportunities for partners to supervise matter



# Types of Tax Controversy Matters

- IRS Examination, Appeals, and Collections
- Tax Court
  - Adoption credit
  - Child tax credit
  - Charitable contributions
  - Earned income credit
  - Dependency deductions / filing status
  - Innocent spouse
  - Medical expenses
  - Penalties
  - Substantiation issues
- Appellate Court
  - Represents clients in Courts of Appeal
  - Act as amicus brief on behalf of low-income taxpayer clinics on issues of nationwide importance

# IRS Examination and Appeals

- Assist clients with gathering documentation to support tax return position in response to IRS correspondence
- Prepare Protest to submit to IRS Appeals
- Negotiate matter with IRS Appeals Officer

# Tax Court

- Gather information and prepare Tax Court petition
- Prepare stipulations of fact
- Negotiate with IRS counsel
- Negotiate with IRS Appeals for cases not previously considered by Appeals during administrative phase
- Try case in Tax Court
- File briefs

# Appellate Courts

- File briefs with Court of Appeals
- Work with taxpayer's counsel in other cases
- File *amicus* briefs in cases of nationwide importance to low-income taxpayers

# Recent Tax Court Experiences

- Tax Court opinion holding that IRS improperly asserted penalties against taxpayers that improperly claimed refundable tax credits; favorable decision led IRS to change litigating position and saves low-income taxpayers nationwide millions of dollars in improperly asserted penalties
- Court opinion providing additional protections for taxpayers seeking innocent spouse relief
- IRS concession that taxpayer entitled to complete innocent spouse relief for multi-year period
- IRS concession that taxpayer was entitled to refund for claimed adoption credit
- IRS concession that taxpayer entitled to claimed dependency deductions and refundable credits
- IRS concession that disabled taxpayer entitled to all claimed medical expenses
- IRS concession that taxpayer substantiated all business deductions and was entitled to additional refund
- IRS concession that teenage client was entitled to claim deductions and refundable credit related to support of family, plus additional refund
- IRS concession that taxpayer entitled to claimed deductions and refundable credits
- conducted trial on substantiation, charitable contribution, and penalty issues (decision pending)
- Assisted as *amicus* in Tenth Circuit appeal on attorney fees issue

# Benefits

- Opportunities to assist low-income taxpayers in matters that are of substantial financial and economic importance to them – ability to make a difference in these taxpayers' lives.
- Opportunities to develop the tax law in areas where counsel normally is not involved and taxpayers are unable to present the best possible arguments
- Enhance law firm's name within the local community and nationwide on pro bono tax matters

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