

20__ American Opportunity Tax Credit Due Diligence Form

Required Due Diligence Questions for Certain Income Tax Positions



- The IRS now requires tax return preparers to complete a due diligence checklist with all income tax returns that contain certain credits and deductions, with steep penalties for noncompliance. Your return qualifies for the following special credits/deductions; therefore, it is imperative you read and understand this entire document. **YOUR RETURN WILL NOT BE FINALIZED UNTIL YOU ANSWER EACH QUESTION BELOW AND SIGN AND RETURN THIS DOCUMENT TO US.**

AMERICAN OPPORTUNITY TAX CREDIT:

The American Opportunity Tax Credit is a credit for qualified education expenses paid for an eligible student for the first four years of higher education. To be eligible for this credit, a student must meet ALL OF the following requirements:

- Be pursuing a degree or other recognized education credential.
- Be enrolled at least half time for at least one academic period beginning in the tax year.
- Not have finished the first four years of higher education at the beginning of the tax year.
- Not have claimed this credit or the former Hope credit for more than four tax years.
- Not have a felony drug conviction at the end of the tax year.

Additionally, in order to claim this credit, the taxpayer, spouse, and the qualifying student must all have a valid taxpayer identification number issued or applied for on or before the due date of the tax return.

By signing below, you indicate that you and your spouse, if applicable, have read, understand, acknowledge and agreed to all the answers on the applicable American Opportunity Tax Credit and Education Credit Form. By signing below, you acknowledge that all information on this form is true to the best knowledge and that you have not willfully or intentionally provided false information to Tasha's Taxes in order to defraud the Federal Government or any part of its entity thereof.

First Name and Last Name

Date

Signature

Clients Initials _____

PLEASE ANSWER THE FOLLOWING QUESTIONS:

- Did you purchase any material for higher educational purposes, such as computers, laptops, books, writing supplies, required uniform, lab materials, study materials, etc. YES ___ NO ___
- One or more of the following individuals on your tax return i.e., taxpayer, spouse, or dependent attended either a Public or Private University, Community College, Junior College or an Accredited Educational Environment for whom you paid tuition for in 20___and who met every one of the above criteria. YES ___ NO ___
- List each person included on your tax return (taxpayer, spouse, or dependent) for whom you paid tuition in 20___and who met every one of the above criteria.

Name (First and Last)	Relationships to You (i.e., self, daughter, niece, nephew, adopted)	Date of Birth
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1. _____

- If your tax return was to be audited by the IRS, you would need to provide documentation to prove that you qualify for this credit. Would you be able to provide them with such documentation if requested?
Yes ___ No ___
- Have you ever been notified by the IRS that this credit was disallowed or reduced in a previous year?
Yes ___ No ___

By signing below, you indicate that you and your spouse, if applicable, have read and agreed to all the above answers.

First and Last Name

Date

Signature

Preparer:

B.1: To the best of your knowledge does the client meet the requirements above?

Yes _____ No _____

Date: _____

Preparers Note:

What information did you use to determine that the client qualifies for the credits listed on this form?

Did any of the documentation appeared to be alternated or fraudulent in anyway?

Has the individual given you any reason to suspect fraudulent activity?
