

# Federal Tax Guide for U.S. Residents: Graduate Students

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## Tax Year 2021



# Agenda

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- > IRS Info & Resources
- > Gross Income & Income Thresholds
- > Deductions & Credits
- > Lifetime Learning Credit
- > Qualified & Non-Qualified Education Expenses
- > Departmental Scholarships, Fellowships and Grants for U.S. Resident students
- > Prepaying your Taxes to the IRS
- > Form 1098T
- > Deductible Student loan interest
- > Information Tax Forms & Resources



# Important Information

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- > Tax due date is **04-18-2022**
- > Standard deduction is \$12,550 for single and \$25,100 for married joint return
- > Covid-19 Emergency aid or CARES Act payment is not reported in Box 5 on the 1098T form. This money is non-taxable
- > Only use 1040 tax form to file. Form 1040A or 1040EZ have been discontinued



# What is the IRS?

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- > The Internal Revenue Service
- > The tax collection agency of the United States
- > Administers the Internal Revenue Code enacted by Congress
- > **Mission Statement:**
  - Provide top quality service
  - Help taxpayers understand and meet tax responsibilities
  - Apply the tax law with integrity and fairness



# IRS Resources

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## Great source for:

- Information about tax return preparation
- Tax forms and instructions
- IRS Publications



**[www.irs.gov](http://www.irs.gov)**

IRS Publication 970



**Individual Tax Help**

1-800-829-1040

## Help by phone:

- Hotline available to answer questions
- Helps with tax return preparation
- Most documents are easy to print



**IRS Seattle Office**

915 Second Ave (Downtown Seattle)  
32nd Floor, Federal Building

Call 206-946-3400 for more info.

**Hours:**

Monday - Friday

8:30 am to 4:30 pm by appointment



# At Your Service

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## **Taxpayer Advocate Service**

[www.irs.gov/advocate](http://www.irs.gov/advocate)

(206) 946-3707

- > Serves taxpayers in Washington State
- > Helps if you have tried unsuccessfully to resolve a problem with the IRS
- > Offers special help to taxpayers experiencing a significant hardship due to their tax problems



# At Your Service

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## **UW Federal Tax Clinic**

(206) 685-6805

- > Staffed by second-year, third-year, and post-graduate law students and volunteer attorneys
- > Helps taxpayers who do not already have tax representation in a current dispute and cannot afford representation
- > Assists taxpayers with IRS audits and other federal tax controversies
- > Services provided only to those whose income falls at or below a certain level (e.g., \$27,075 for a single person in 2021)
- > The LITC does not prepare tax returns



# Your Rights & Responsibilities

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## **As a U.S. taxpayer you have the right to:**

- > Know that your rights are protected
- > Privacy and confidentiality
- > Professional and courteous service
- > Representation
- > Pay only the correct amount of tax
- > Help with unresolved tax problems
- > Appeals and judicial review
- > Relief from certain penalties and interest





# Your Rights & Responsibilities

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## **As a U.S. taxpayer you are responsible for:**

- > Filing your federal income taxes every year
- > Filing your taxes on time
- > Completing the form accurately and signing it
- > Attaching required documents and mailing it by April 18<sup>th</sup>,2022
- > Paying the taxes due or making a payment plan arrangement with the IRS to pay over time
- > Participating in an audit if necessary

If you can't pay, failure to file your return only makes the situation **worse!**



# Who Has to File Taxes?

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## **You must file a federal tax return if you:**

- > Worked in the United States or received United States source income, and
- > The amount of gross income meets a certain threshold amount

If you have a Social Security Number (SSN), file using your SSN

If you do not have a Social Security Number, get an Individual Taxpayer Identification Number (ITIN) from the IRS and file using your ITIN



# What is United States Source Income

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**Residents** of the United States get taxed on **ALL** worldwide income regardless of its source

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**Non-Residents** get taxed **ONLY** on United States source income

Source depends on type of income:

- > Wages are sourced where they are earned
- > Scholarships and grants are sourced where the payer of the funds resides



# What is NOT Included in Gross Income?

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Scholarships, Fellowships, and Grants are not included in gross income if:

- > You are a degree candidate
- > Your money is for tuition, books, and supplies

**AND**

- > The amounts you received were not payments to you for performance of services (for example, a wage for a part-time job)



# What is Included in Gross Income?

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Amounts received for living expenses are taxable

Amounts received as payment for services are taxable

- > Most stipends for services performed as an ASE (Academic Student Employee), regardless of the purpose for which these stipends are awarded, are fully taxable



# What is Included in Gross Income?

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## Other common forms of gross income

- > Interest and dividend income from savings and investments
- > Gambling winnings
- > Summer job abroad (if you are a U.S. resident)
- > Discharge of debt (there are exceptions)
- > Unemployment

**Beware! Just because the payer does not withhold taxes does not mean the income is not taxable**



# What is the Threshold Amount?

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You must file a federal tax return if:

- > You are a dependent of someone else, and you earned:
  - \$1,100 unearned income (e.g. interest, dividends)
  - \$12,550 of earned income (e.g. wages, compensation)
- > You are **not** a dependent, Single Filing Status, and you earned
  - \$12,550 **any** type of income (\$25,100 if Married Filing Joint)
  - \$400 of self-employed income

Whether you are a dependent relies on several factors:

- Who is claiming you (parent, other relative, non-relative)
- Age and whether in school
- Support provided by you or the person claiming you as a dependent
- Best to consult directions to 1040



# 2021 Standard Deduction is \$12,550

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- > An amount you will subtract from your gross income before you calculate your taxes.
- > Taxpayers can do itemized deductions if they have more expenses, like mortgage interest or property tax.
- > If you cannot do the itemized deduction, the IRS gives you a standard deduction amount.

✓ **You can use the standard deduction whether you are a dependent or not!**





# Tax Credit or Deduction

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A **tax credit** reduces the amount of income tax you may have to pay.

A **deduction** reduces the amount of income subject to tax.



# Tax Credit or Deduction

## Example of a Deduction:

Wages	3,000
Gambling Winnings!	<u>1,000</u>
Gross Income	4,000
<b>(Less Deduction)</b>	<b><u>250</u></b>
Taxable Income	3,750
Tax Percentage	<u>10%</u>
Tax	375

***Tax Owed***                      ***\$375***

## Example of a Credit:

Wages	3,000
Gambling Winnings!	<u>1,000</u>
Gross Income	4,000
Taxable Income	4,000
Tax Percentage	<u>10%</u>
Tax	400

**(Less Credit)**                      **250**  
***Tax Owed***                      ***\$150***

**Note that the \$250 Credit is far more valuable to this student!**



# Lifetime Learning Tax Credit

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- \* For students enroll in a graduate program or fee base program
- \* For **any type of post-secondary education**, including classes taken to improve or acquire job skills
- \* For an unlimited number of years
- \* Credit is calculated by 20% of the first \$10,000 you paid for the qualified education expenses.
- \* **Maximum \$2,000** in tax year 2021



# When you CAN claim a Tax Credit

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- > You pay qualified education expenses
- > MAGI (Modified Adjusted Gross Income) is under **\$69,000** for single or under **\$138,000** for married filing jointly.
- > The Lifetime Learning Credit is incrementally decreased if your MAGI is between **\$59,000 – \$69,000** for single filers and **\$118,000 – \$138,000** for joint filers.
- > To claim a credit, use **tax form 1040**
- > To calculate the tax credit, use **form 8863**



# You CANNOT claim the Earned Income or Lifetime Learning Tax Credit

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- > If your filing status is married filing separately
- > You are listed as a dependent in the exemptions section on another person's tax return
- > For the Lifetime Learning: your income is over **\$69,000** for single and over **\$138,000** for married filing jointly
- > You or your spouse was a non-resident alien for any part of 2021 and the non-resident did not elect to be treated as a resident for tax purposes



# Qualified Education Expenses – Lifetime Learning Credit

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> Per IRS regulations, qualified education expenses are:

- 1) Tuition and fees required for enrollment
- 2) Course related books
- 3) Supplies
- 4) Equipment needed for a course of study

*\*\*Only if paid for an eligible student that is required for enrollment or attendance at an eligible institution\*\**



# Qualified Education Expenses

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## **Do NOT include:**

- > Insurance
- > Medical Expenses (including student health fees)
- > Transportation (U-pass)
- > Room & Board
- > Athletic Fees



# Departmental Scholarships, Fellowships and Grants

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**A scholarship or fellowship is tax free when:**

the money is paying for **qualified education expenses**

**AND**

the student is working towards a degree





# Prizes, Awards and Stipends to U.S. Citizens & Resident Students

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1. The money will affect a student's financial aid status and can affect a student's tax credit
  - When departments award money onto the student tuition account, the UW does not withhold tax
2. When departments award money in the student account system, the Financial Aid Office will receive all payment information to determine the needs of students when they apply for financial aid
3. Prizes, awards, and stipends are taxable income



# Paying Taxes on Stipend Payments

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- > Stipend payment from your department is a taxable income.
- > The payroll office does not withhold FICA taxes, or income taxes from a stipend payment.
- > For taxable income but taxes not withheld from your pay checks, you should prepay taxes to the IRS quarterly. This will help you reduce the tax due amount when you file your tax return later.



# How to Prepay Your Taxes

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- > Visit: [irs.gov/payments](https://irs.gov/payments)
- > Go to make a payment section:

## Pay Your Taxes Now

Pay with your bank account for free or choose an approved payment processor to pay by credit or debit card for a fee.

**Bank Account  
(Direct Pay)**

**Debit Card or  
Credit Card**

## Other Ways You Can Pay

- [Electronic Federal Tax Payment System](#) (best option for businesses or large payments; enrollment required)
- [Electronic Funds Withdrawal](#) (during e-filing)
- [Same-day wire](#) (bank fees may apply)
- [Check or money order](#)
- [Cash](#)

- > Pay by your SS# with the amount
- > You need to select the year and this is a prepay taxes
- > Print a payment receipt after you pay



# 1098T Form (prepared by UW)

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## For the Lifetime Learning Credit:


- > UW generates a 1098T form to all UW and PCE students. On-line printing available from website:

<http://finance.uw.edu/sfs/tax>

- > Summarizes all tuition and fee charges in **Box 1**
- > Summarizes scholarship, fellowship and financial aid in **Box 5**
- > Helps students determine if they qualify for tax credit or if the scholarship and grant aid money is taxable
- > Non Resident Alien Students do not qualify and will not receive the 1098T form



# 1098T Form – Tax Credits



**UNIVERSITY OF WASHINGTON**  
 Educational Tax Credits Report  
 IRS Form 1098-T and UW Information Statement – Tax Year 2021

1/20/22

If you have any questions regarding this report, please contact Student Fiscal Services via email at taxquest@u.washington.edu or call 206-221-2609, 9-5 Pacific Time Monday through Friday. See reverse page for additional information.

University of Washington  
 Student Fiscal Services  
 Box 355871, Seattle WA 98195

UW IRS Identification Number: 91-6001537

SOC SEC NUMBER:  
 Student Number:

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**INFORMATION SUBMITTED TO THE IRS**  
 The following information is being sent to the IRS. Box numbers correspond to IRS form 1098-T, also called the "Tuition Statement". Any box number not listed should be considered to have a zero dollar amount.

Box 1 : Payments for qualified tuition & related expenses...	\$7,070.00
Box 5 : Scholarships or grants .....	\$2,490.00
Box 7 : Expense include an amount for 2022.....	No
Box 8 : Student is at least half-time.....	Yes
Box 9 : Student is a graduate student.....	No

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**DETAIL OF CHARGES AND FINANCIAL ASSISTANCE RECEIVED**  
 The following itemized information is NOT being sent to the IRS.

**QUALIFIED TUITION and RELATED EXPENSES PAID IN 2021**

Charged	Transaction	Expense	Paid
12/29/20	WINTER 2021 TUITION	3,829.00	3,829.00
	REGULAR COURSE FEES	100.00	100.00
3/24/21	SPRING 2021 TUITION	3,791.00	3,791.00
	REGULAR COURSE FEES	100.00	100.00
	REGULAR COURSE FEES	50.00	50.00
	<b>TOTAL:</b>	<b>7,870.00</b>	<b>7,870.00</b>

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**SCHOLARSHIPS OR GRANTS RECEIVED IN 2021**

Date	Transaction	Grant Aid	Total
12/29/20	SIMPSON ARCHITECTURE	1,000.00	
2/12/21	CAUP DEAN'S AWARD	230.00	
3/24/21	SIMPSON ARCHITECTURE	1,000.00	
4/23/21	CAUP DEAN'S AWARD	260.00	2,490.00

Box 1           \$    7,870.00

Box 5           - \$    2,490.00


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Difference:       \$    5,380.00

you can only claim **one** of the credits:  
 American Opportunity is **\$2,500**  
 Lifetime Learning is **\$2,000**



# 1098T Form – Scholarship Income

 **UNIVERSITY OF WASHINGTON**  
 Educational Tax Credits Report  
 IRS Form 1098-T and UW Information Statement – Tax Year 2021

1/20/22

If you have any questions regarding this report, please contact Student Fiscal Services via email at [taxquest@u.washington.edu](mailto:taxquest@u.washington.edu) or call 206-221-2609, 8-5 Pacific Time Monday through Friday. See reverse page for additional information.

University of Washington  
 Student Fiscal Services  
 Box 355871, Seattle WA 98195

UN IRS Identification Number:  
 SOC SEC NUMBER:  
 Student Number:

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**INFORMATION SUBMITTED TO THE IRS**  
The following information is being sent to the IRS. Box numbers correspond to IRS form 1098-T, also called the "Tuition Statement". Any box number not listed should be considered to have a zero dollar amount.

Box 1 : Payments for qualified tuition & related expenses... \$11,863.00  
 Box 5 : Scholarships or grants... \$16,115.00  
 Box 7 : Expenses include an amount for 2022... No  
 Box 8 : Student is at least half-time... Yes  
 Box 9 : Student is a graduate student... No

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**DETAIL OF CHARGES AND FINANCIAL ASSISTANCE RECEIVED**  
The following itemized information is NOT being sent to the IRS.

**QUALIFIED TUITION and RELATED EXPENSES PAID IN 2021**

Charged	Transaction	Expense	Paid
12/29/20	WINTER 2021 TUITION	3,921.00	3,921.00
3/28/21	SPRING 2021 TUITION	3,921.00	3,921.00
9/01/21	AUTUMN 2021 TUITION	3,841.00	3,841.00
	UNIVERSITY Y TACOMA	180.00	180.00
	<b>TOTAL:</b>	<b>11,863.00</b>	<b>11,863.00</b>

**SCHOLARSHIPS OR GRANTS RECEIVED IN 2021**

Date	Transaction	Grant Aid	Total
12/29/20	WASHINGTON COLLEGE GRANT	3,680.00	
	FEDERAL PELL GRANT	241.00	
3/28/21	WASHINGTON COLLEGE GRANT	3,680.00	
	FEDERAL PELL GRANT	241.00	
3/29/21	FEDERAL PELL GRANT	924.00	
9/22/21	UNDERGRAD TUITY EXEMPT TACOMA	1,195.00	
	WASHINGTON COLLEGE GRANT	3,780.00	
	FEDERAL SUPPLEMENTAL GRANT	100.00	
	FEDERAL PELL GRANT	1,150.00	
	FEDERAL PELL GRANT	199.00	16,115.00

**Box 1:** \$ 11,863.00  
**Box 5:** ~~-\$~~ 16,115.00  
**Difference:** \$ - 4,252.00

Extra scholarship funds to report as  
 income: \$ 4,252.00



# 1098T Form – Stipend



**UNIVERSITY OF WASHINGTON**  
**Educational Tax Credits Report**  
 IRS Form 1098-T and UW Information Statement – Tax Year 2021

2/02/22

**Box 1:** \$ 10,212.00  
**Box 5:** - \$ 18,398.00  
**Difference:** - **8,186.00**

If you have any questions regarding this report, please contact Student Fiscal Services via email at taxquest@u.washington.edu or call 206-221-2609, 9-5 Pacific Time Monday through Friday. See reverse page for additional information.

University of Washington  
 Student Fiscal Services  
 Box 355871, Seattle WA 98195

UW IRS Identification Number: 91-6001537

SOC SEC NUMBER:  
 Student Number:

Additional scholarship payments should be reported as additional income:  
 \$8,186.00

**\*Stipend Paid via Payroll:\***

No taxes are withheld by the payroll office – stipends are reported on the 1098T form as a scholarship. This may increase tax liability

## INFORMATION SUBMITTED TO THE IRS

The following information is being sent to the IRS. Box numbers correspond to IRS form 1098-T, also called the "Tuition Statement". Any box number not listed should be considered to have a zero dollar amount.

Box 1 : Payments for qualified tuition & related expenses... \$10,212.00  
 Box 5 : Scholarships or grants... \$18,398.00  
 Box 7 : Expenses include an amount for 2022... No  
 Box 8 : Student is at least half-time... Yes  
 Box 9 : Student is a graduate student... Yes

## DETAIL OF CHARGES AND FINANCIAL ASSISTANCE RECEIVED

The following itemized information is NOT being sent to the IRS.

### QUALIFIED TUITION and RELATED EXPENSES PAID IN 2021

Charged	Transaction	Expense	Paid
9/16/21	AUTUMN 2021 TUITION	10,212.00	10,212.00

### SCHOLARSHIPS OR GRANTS RECEIVED IN 2021

Date	Transaction	Grant Aid	Total
10/06/21	ASE TA/RA U-PASS WAIVER	92.00	
	TARA SERV APPTMNT NONRES EXMPT	4,386.00	
	UW FUNDS TECH FEE	38.00	
10/07/21	1% MERIT-GRADUATE/F EXEMPT	5,788.00	
12/31/21	SUM OF AMTS PAID THRU WORKDAY	8,094.00	18,398.00

← stipend payment



# Deductible Student Loan Interest

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- > Your student loan interest may be deductible up to \$2,500 per year
- > Some restrictions apply:
  - > You are not claimed as a dependent by someone else
  - > Your AGI does not exceed \$85,000 (\$170,000 for married filing jointly)
  - > Deduction is reduced when income exceeds \$70,000 (\$140,000 for married filing jointly)
  - > You are legally liable for the loan





# Earned Income Credit

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## **“Refundable” Credit**

- > You may receive a refund even if you did not pay taxes!

## **How to qualify**

- > Must have Earned Income
- > Must be a U.S. Resident
- > Must either have one or more qualifying children or be 25 years of age
- > Meet the income threshold. Cannot have investment income of more than \$3,650



# Earned Income Credit

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## Earned income includes:

- > Wages from employment
- > Scholarship or fellowship reported on a W-2

**Amount of credit varies depending upon your filing status, income and number of kids**

## Income ceilings for Married filing Joint

- > More than Two Qualifying Children - \$57,414
- > Two Qualifying Children - \$53,865
- > Only One Qualifying Child - \$48,108
- > No Qualifying Child & over age 25 - \$27,380



# Additional Dependent Issues

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Issues can arise with divorced parents with dependent children

Generally, the parent who has custody of the child can claim the Dependent Deduction

“Custodial parent” may give up that right by signing a Form 8332



# IRS Form 1040

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2021** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

**Filing Status**  Single  Married filing jointly  Married filing separately (MFS)  Head of household (HOH)  Qualifying widow(er) (QW)  
 Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial: **S** Last name: \_\_\_\_\_ Your social security number: \_\_\_\_\_  
 If joint return, spouse's first name and middle initial: \_\_\_\_\_ Last name: \_\_\_\_\_ Spouse's social security number: \_\_\_\_\_

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. \_\_\_\_\_ **Presidential Election Campaign**  
 Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  
 You  Spouse

City, town, or post office. If you have a foreign address, also complete spaces below. State: \_\_\_\_\_ ZIP code: \_\_\_\_\_  
 Foreign country name: \_\_\_\_\_ Foreign province/state/county: \_\_\_\_\_ Foreign postal code: \_\_\_\_\_

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency?  Yes  No

**Standard Deduction** **Someone can claim:**  You as a dependent  Your spouse as a dependent  
 Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1957  Are blind Spouse:  Was born before January 2, 1957  Is blind

**Dependents** (see instructions):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

1 Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . . 1  
 2a Tax-exempt interest . . . . . 2a  
 b Taxable interest . . . . . 2b  
 3a Qualified dividends . . . . . 3a  
 b Ordinary dividends . . . . . 3b  
 4a IRA distributions . . . . . 4a  
 b Taxable amount . . . . . 4b  
 5a Pensions and annuities . . . . . 5a  
 b Taxable amount . . . . . 5b  
 6a Social security benefits . . . . . 6a  
 b Taxable amount . . . . . 6b  
 7 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶  7  
 8 Other income from Schedule 1, line 10 . . . . . 8  
 9 Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your **total income** . . . . . 9  
 10 Adjustments to income from Schedule 1, line 26 . . . . . 10  
 11 Subtract line 10 from line 9. This is your **adjusted gross income** . . . . . 11  
 12a **Standard deduction or itemized deductions** (from Schedule A) . . . . . 12a  
 b Charitable contributions if you take the standard deduction (see instructions) . . . . . 12b  
 c Add lines 12a and 12b . . . . . 12c  
 13 Qualified business income deduction from Form 8995 or Form 8995-A . . . . . 13  
 14 Add lines 12c and 13 . . . . . 14  
 15 **Taxable income.** Subtract line 14 from line 11. If zero or less, enter -0- . . . . . 15

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2021)

To report excess scholarship as income use:

**LINE 1: amount & "SCH"**



# IRS Form 1040

Form 1040 (2021) Page **2**

<b>16</b>	<b>Tax</b> (see instructions). Check if any from Form(s): <b>1</b> <input type="checkbox"/> 8814 <b>2</b> <input type="checkbox"/> 4972 <b>3</b> <input type="checkbox"/>	<b>16</b>
<b>17</b>	Amount from Schedule 2, line 3	<b>17</b>
<b>18</b>	Add lines 16 and 17	<b>18</b>
<b>19</b>	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	<b>19</b>
<b>20</b>	Amount from Schedule 3, line 8	<b>20</b>
<b>21</b>	Add lines 19 and 20	<b>21</b>
<b>22</b>	Subtract line 21 from line 18. If zero or less, enter -0-	<b>22</b>
<b>23</b>	Other taxes, including self-employment tax, from Schedule 2, line 21	<b>23</b>
<b>24</b>	Add lines 22 and 23. This is your <b>total tax</b>	<b>24</b>
<b>25</b>	Federal income tax withheld from:	
	<b>a</b> Form(s) W-2	<b>25a</b>
	<b>b</b> Form(s) 1099	<b>25b</b>
	<b>c</b> Other forms (see instructions)	<b>25c</b>
	<b>d</b> Add lines 25a through 25c	<b>25d</b>
<b>26</b>	2021 estimated tax payments and amount applied from 2020 return	<b>26</b>
<b>27a</b>	Earned income credit (EIC)	<b>27a</b>
	Check here if you were born after January 1, 1998, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions <input type="checkbox"/>	
	<b>b</b> Nontaxable combat pay election	<b>27b</b>
	<b>c</b> Prior year (2019) earned income	<b>27c</b>
<b>28</b>	Refundable child tax credit or additional child tax credit from Schedule 8812	<b>28</b>
	<b>29</b> American opportunity credit from Form 8863, line 8	<b>29</b>
	<b>30</b> Recovery rebate credit. See instructions	<b>30</b>
	<b>31</b> Amount from Schedule 3, line 15	<b>31</b>
<b>32</b>	Add lines 27a and 28 through 31. These are your <b>total other payments and refundable credits</b>	<b>32</b>
<b>33</b>	Add lines 25d, 26, and 32. These are your <b>total payments</b>	<b>33</b>
<b>Refund</b>	<b>34</b> If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you <b>overpaid</b>	<b>34</b>
	<b>35a</b> Amount of line 34 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>	<b>35a</b>
	<b>b</b> Routing number	<b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
	<b>d</b> Account number	
	<b>36</b> Amount of line 34 you want <b>applied to your 2022 estimated tax</b>	<b>36</b>
<b>Amount You Owe</b>	<b>37</b> <b>Amount you owe</b> . Subtract line 33 from line 24. For details on how to pay, see instructions	<b>37</b>
	<b>38</b> Estimated tax penalty (see instructions)	<b>38</b>
<b>Third Party Designee</b>	Do you want to allow another person to discuss this return with the IRS? See instructions <input type="checkbox"/> <b>Yes</b> . Complete below. <input type="checkbox"/> <b>No</b>	
	Designee's name	Phone no.
		Personal identification number (PIN)
<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	
	Your signature	Date
	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Joint return? See instructions. Keep a copy for your records.	Spouse's signature. If a joint return, <b>both</b> must sign.	Date
	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
	Phone no.	Email address
<b>Paid Preparer Use Only</b>	Preparer's name	Preparer's signature
	Firm's name	Date
	Firm's address	PTIN
		Check it: <input type="checkbox"/> Self-employed
		Phone no.
		Firm's EIN

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information. Form **1040** (2021)

If you have a qualifying child, attach Sch. EIC.

To report tax credits from form 8863 use:

**LINE 29**



# IRS Form 8863 – Calculate Tax Credit

Form **8863** **Education Credits (American Opportunity and Lifetime Learning Credits)** OMB No. 1545-0074  
 Department of the Treasury Internal Revenue Service (99) **2021** Attachment Sequence No. 50  
 Name(s) shown on return Your social security number

**CAUTION** Complete a separate Part III on page 2 for each student for whom you're claiming either credit before you complete Parts I and II.

**Part I Refundable American Opportunity Credit**

1 After completing Part III for each student, enter the total of all amounts from all Parts III, line 30 . . . . . **1**

2 Enter: \$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er) . . . . . **2**

3 Enter the amount from Form 1040 or 1040-SR, line 11. If you're filing Form 2555 or 4563, or you're excluding income from Puerto Rico, see Pub. 970 for the amount to enter . . . . . **3**

4 Subtract line 3 from line 2. If zero or less, **stop**; you can't take any education credit . . . . . **4**

5 Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er) . . . . . **5**

6 If line 4 is:  
 • Equal to or more than line 5, enter 1.000 on line 6  
 • Less than line 5, divide line 4 by line 5. Enter the result as a decimal (rounded to at least three places) . . . . . **6**

7 Multiply line 1 by line 6. **Caution:** If you were under age 24 at the end of the year **and** meet the conditions described in the instructions, you **can't** take the refundable American opportunity credit; skip line 8, enter the amount from line 7 on line 9, and check this box  **7**

8 **Refundable American opportunity credit.** Multiply line 7 by 40% (0.40). Enter the amount here and on Form 1040 or 1040-SR, line 29. Then go to line 9 below. . . . . **8**

**Part II Nonrefundable Education Credits**

9 Subtract line 8 from line 7. Enter here and on line 2 of the Credit Limit Worksheet (see instructions) . . . . . **9**

10 After completing Part III for each student, enter the total of all amounts from all Parts III, line 31. If zero, skip lines 11 through 17, enter -0- on line 18, and go to line 19 . . . . . **10**

11 Enter the smaller of line 10 or \$10,000 . . . . . **11**

12 Multiply line 11 by 20% (0.20) . . . . . **12**

13 Enter: \$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er) . . . . . **13**

14 Enter the amount from Form 1040 or 1040-SR, line 11. If you're filing Form 2555 or 4563, or you're excluding income from Puerto Rico, see Pub. 970 for the amount to enter . . . . . **14**

15 Subtract line 14 from line 13. If zero or less, skip lines 16 and 17, enter -0- on line 18, and go to line 19 . . . . . **15**

16 Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er) . . . . . **16**

17 If line 15 is:  
 • Equal to or more than line 16, enter 1.000 on line 17 and go to line 18  
 • Less than line 16, divide line 15 by line 16. Enter the result as a decimal (rounded to at least three places) . . . . . **17**

18 Multiply line 12 by line 17. Enter here and on line 1 of the Credit Limit Worksheet (see instructions) ▶ **18**

19 **Nonrefundable education credits.** Enter the amount from line 7 of the Credit Limit Worksheet (see instructions) here and on Schedule 3 (Form 1040), line 3 . . . . . **19**

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 253793M Form **8863** (2021)

Form 8863 (2021) Page 2  
 Name(s) shown on return Your social security number

**CAUTION** Complete Part III for each student for whom you're claiming either the American opportunity credit or lifetime learning credit. Use additional copies of page 2 as needed for each student.

**Part III Student and Educational Institution Information.** See instructions.

20 Student name (as shown on page 1 of your tax return) 21 Student social security number (as shown on page 1 of your tax return)

22 Educational institution information (see instructions)

a. Name of first educational institution b. Name of second educational institution (if any)

(1) Address, Number and street (or P.O. box), City, town or post office, state, and ZIP code. If a foreign address, see instructions. (1) Address, Number and street (or P.O. box), City, town or post office, state, and ZIP code. If a foreign address, see instructions.

(2) Did the student receive Form 1098-T  Yes  No (2) Did the student receive Form 1098-T  Yes  No from this institution for 2021?

(3) Did the student receive Form 1098-T  Yes  No (3) Did the student receive Form 1098-T  Yes  No from this institution for 2020 with box 7 checked?

(4) Enter the institution's employer identification number (EIN) if you're claiming the American opportunity credit or if you checked "Yes" in (2) or (3). You can get the EIN from Form 1098-T or from the institution. (4) Enter the institution's employer identification number (EIN) if you're claiming the American opportunity credit or if you checked "Yes" in (2) or (3). You can get the EIN from Form 1098-T or from the institution.

23 Has the Hope Scholarship Credit or American opportunity credit been claimed for this student for any 4 tax years before 2021?  Yes — **Stop!** Go to line 31 for this student.  No — Go to line 24.

24 Was the student enrolled at least half-time for at least one academic period that began or is treated as having begun in 2021 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential? See instructions.  Yes — Go to line 25.  No — **Stop!** Go to line 31 for this student.

25 Did the student complete the first 4 years of postsecondary education before 2021? See instructions.  Yes — **Stop!** Go to line 31 for this student.  No — Go to line 26.

26 Was the student convicted, before the end of 2021, of a felony for possession or distribution of a controlled substance?  Yes — **Stop!** Go to line 31 for this student.  No — Complete lines 27 through 30 for this student.

**CAUTION** You **can't** take the American opportunity credit and the lifetime learning credit for the **same student** in the same year. If you complete lines 27 through 30 for this student, don't complete line 31.

**American Opportunity Credit**

27 Adjusted qualified education expenses (see instructions). **Don't enter more than \$4,000** . . . . . **27**

28 Subtract \$2,000 from line 27. If zero or less, enter -0- . . . . . **28**

29 Multiply line 28 by 25% (0.25) . . . . . **29**

30 If line 28 is zero, enter the amount from line 27. Otherwise, add \$2,000 to the amount on line 29 and enter the result. Skip line 31. Include the total of all amounts from all Parts III, line 30, on Part I, line 1 . . . . . **30**

**Lifetime Learning Credit**

31 Adjusted qualified education expenses (see instructions). Include the total of all amounts from all Parts III, line 31, on Part II, line 10 . . . . . **31**

Form **8863** (2021)



# Electronic Filing

The screenshot shows the IRS website's 'Free File' section. At the top, there's a navigation bar with the IRS logo, 'Help', 'News', 'English', 'Charities & Nonprofits', and 'Tax Pros'. Below this is a secondary navigation bar with 'File', 'Pay', 'Refunds', 'Credits & Deductions', and 'Forms & Instructions'. A search bar is also present. The main heading is 'File Your Federal Taxes Online for Free'. A sidebar on the left lists various categories: 'Individuals' (with sub-links like 'How to File', 'Free File', etc.), 'Businesses and Self-Employed', 'Charities and Nonprofits', 'International Taxpayers', and 'Government Entities'. The main content area features a yellow callout box stating 'Free File is now open!' and providing information about the Economic Impact Payment and Recovery Rebate Credit. Below this, there's a section titled 'Pick an option based on your income' with two columns: 'Income \$72,000 and below' and 'Income above \$72,000'. The first column lists options like 'Free federal tax filing on an IRS partner site' and includes a 'Choose an IRS Free File Offer' button. The second column lists options like 'Free electronic forms you fill out and file yourself' and includes a link for 'Free File Fillable Forms: Opens February 12, 2021'.

**Free File is now open!**

Welcome to Free File, where you can prepare and file your federal individual income tax return for free using tax-preparation-and-filing software. Let Free File do the hard work for you with brand-name software.

**If you didn't get the full Economic Impact Payment, you may be eligible to claim the Recovery Rebate Credit using Free File**

If you didn't get any payments or got less than the full amounts, you may qualify for the credit, even if you don't normally file taxes. See [Recovery Rebate Credit](#) for more information.

IRS Free File lets you prepare and file your federal income tax online for free. File at an IRS [partner site](#) with the IRS Free File Program or use Free File Fillable Forms. It's safe, easy and no cost to you.

### Pick an option based on your income

#### Income \$72,000 and below:

- Free federal tax filing on an IRS partner site
- State tax filing (free with some offers)
- Guided preparation – simply answer questions
- Online service does all the math
- [More about IRS Free File](#)

[Choose an IRS Free File Offer](#)

#### Income above \$72,000:

- Free electronic forms you fill out and file yourself
- No state tax filing
- You should know how to prepare paper forms
- Basic calculations with limited guidance

#### Free File Fillable Forms: Opens February 12, 2021

- [More about Free File Fillable Forms](#)

### What Is IRS Free File?

The IRS Free File Program is a public-private partnership between the IRS and many tax preparation and filing software industry leaders who provide their brand-name products for free. It provides two ways for taxpayers to prepare and file their federal income tax online for free:

- Traditional IRS Free File provides free online tax preparation and filing options on IRS partner sites. Our partners are online tax preparation companies that develop and deliver this service at no cost to qualifying taxpayers. Please note, only taxpayers whose adjusted gross income (AGI) is \$73,000 or less qualify for any IRS Free File express offer.



# On-Campus Tax Help

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## **United Tax Way Free Online Tax Help**

**January 20 – April 18, 2022**

Follow the link below for locations:

**<https://www.uwkc.org/need-help/tax-help/>**





# Opting out the Paper 1098-T

For a no-hassle, paperless, environmentally friendly 1098T, sign up to

**“Opt Out”**

of receiving the paper 1098T form

**Student Fiscal Services will send you an email as soon as the 1098T is on your MyUW page!**

W UNIVERSITY of WASHINGTON

HOME / TUITION & FEES / SCHOLARSHIPS & TAXES / LOANS & RECEIVABLES / UW DEPTS / RESOURCES / ABOUT SFS

## Student Fiscal Services

**TUITION PAYMENT**  
LEARN MORE

**TUITION OVERVIEW**  
LEARN MORE

**TAXES**  
LEARN MORE

**SCHOLARSHIPS & FELLOWSHIPS**  
LEARN MORE

**LOGINS**

- TUITION STATEMENT
- 1098-T TAX FORM**
- STUDENT LOGIN
- PARENT LOGIN

**NEWS & NOTICES**

**Phishing Scam Alert - 01/31/20:**

We are aware of a phishing scam that may have affected UW students and staff. The phishing email mentions confirmation of a Webcheck payment and/or a direct deposit transfer. If you receive an email confirming a Webcheck payment when you have not initiated a payment or receive an email regarding a direct deposit you had not anticipated please do not click on or provide any personal information on the webpages linked in the email. We are investigating the matter and its possible causes. Thank you for your cooperation.

CHANGE ADDRESS | INFO RELEASE | FORMS FOR STUDENTS | FAQ | DIRECT DEPOSIT

For more information go to:

<http://finance.uw.edu/sfs/tax>



To contact student fiscal service by phone or email, you need to provide your **student ID number**.



## Student account questions?

Send email to: [taxquest@uw.edu](mailto:taxquest@uw.edu)



## Student Fiscal Services

206-221-2609



## UW student tax website:

[f2.washington.edu/fm/sfs/tax](https://f2.washington.edu/fm/sfs/tax)



# Other Contacts

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## **Federal Tax Clinic, Law School**

clinics@uw.edu

206-685-6805

## **Payroll Office----ISC**

pr-tax@uw.edu

206-543-8000

