

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

Tax Year 2022

Agenda

- > 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

- > Tax due date is 04-18-2023
- > Standard deduction is \$12,950 for single and \$25,900 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?

- > 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

Great source for:

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



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

Taxpayer Advocate Service

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

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 2022)
- > The LITC does not prepare tax returns



Your Rights & Responsibilities

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

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 18th,2023
- > 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?

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



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

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?

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?

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?

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?

You must file a federal tax return if:

- > You are a dependent of someone else, and you earned:
 - \$1,150 unearned income (e.g. interest, dividends)
 - \$12,950 of earned income (e.g. wages, compensation)
- > You are not a dependent, Single Filing Status, and you earned
 - \$12,950 any type of income (\$25,900 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 1040 directions



2022 Standard Deduction is \$12,950

- > 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

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
(Less Deduction)	<u>250</u>
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

- * 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 2022



When you CAN claim a Tax Credit

- > You pay qualified education expenses
- > MAGI (Modified Adjusted Gross Income) is under \$90,000 for single or under \$180,000 for married filing jointly.
- > The Lifetime Learning Credit is incrementally decreased if your MAGI is between \$80,000 – \$90,000 for single filers and \$160,000 – \$180,000 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

- > If your filing status is married filing separately
- > You are listed as a dependent in the exemption section on another person's tax return
- > For the Lifetime Learning: your income is over \$90,000 for single and over \$180,000 for married filing jointly
- > You or your spouse was a non-resident alien for any part of 2022 and the non-resident did not elect to be treated as a resident for tax purposes



Qualified Education Expenses – Lifetime Learning Credit

> 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

Does NOT include:

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



Departmental Scholarships, Fellowships and Grants



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

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 this information for use in calculating financial need.
3. Prizes, awards, and stipends are taxable income



Paying Taxes on Stipend Payments

- > 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 with taxes not withheld, you should prepay taxes to the IRS quarterly to reduce the tax amount due when you file your yearly tax return



How to Prepay Your Taxes



- > Visit: irs.gov/payments
- > Go to make a payment section:

Pay from Your Bank Account

For individuals only. No registration required. No fees from IRS. Schedule payments up to a year in advance.

Pay Now with Direct Pay

Pay by Debit Card, Credit Card or Digital Wallet (e.g., PayPal)

For individuals and businesses (not for payroll tax deposits). Processing fees apply.

Pay Now by Card or Digital Wallet

Other Ways You Can Pay

- [Same-Day Wire](#) — Bank fees may apply
- [Check or Money Order](#) — Through U.S. mail
- [Cash](#) — Through a retail partner and other methods
- [Electronic Funds Withdrawal](#) — During e-filing

- > Pay using your SS#, indicate the amount
- > Select the year, select prepay taxes
- > Print a payment receipt after you pay



1098T Form (prepared by UW)

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, but there are some exceptions



1098T Form – Tax Credits



UNIVERSITY OF WASHINGTON
Educational Tax Credits Report
IRS Form 1098-T and UW Information Statement – Tax Year 2022

1/24/23

If you have any questions regarding this report, please contact Student Fiscal Services via email at taxquest@uw.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
129 Schmitz Hall, Seattle WA 98195

UW IRS Identification Number: 91-6001537

SOC SEC NUMBER:
Student Number:

Box 1 \$20,522.00

Box 5 - \$0.00

Difference: \$20,522.00

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... \$20,522.00
Box 5 : Scholarships or grants..... \$0.00
Box 7 : Expenses include an amount for 2023..... 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 2022

Charged	Transaction	Expense	Paid
12/17/21	MASTER OF SCIENCE IN IS	9,970.00	9,970.00
	MSIS SERVICE & ACTIVITY FEE	253.00	253.00
	MSIS TECHNOLOGY FEE	38.00	38.00
3/19/22	MASTER OF SCIENCE IN IS	9,970.00	9,970.00
	MSIS SERVICE & ACTIVITY FEE	253.00	253.00
	MSIS TECHNOLOGY FEE	38.00	38.00
	TOTAL:	20,522.00	20,522.00

The Lifetime Learning credit is: \$2,000



1098T Form – Scholarship Income



UNIVERSITY OF WASHINGTON
Educational Tax Credits Report
IRS Form 1098-T and UW Information Statement – Tax Year 2022

2/01/23

If you have any questions regarding this report, please contact Student Fiscal Services via email at taxquest@uw.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
129 Schmitz Hall, Seattle WA 98195

UW IRS Identification Number: 91-6001537

SOC SEC NUMBER:

Student Number:

Box 1: \$7,866.00

Box 5: -\$15,714.00

Difference: **\$- 7,848.00**

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... \$7,866.00
Box 5 : Scholarships or grants..... \$15,714.00
Box 7 : Expenses include an amount for 2023..... No
Box 8 : Student is at least half-time..... Yes
Box 9 : Student is a graduate student..... No

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 2022

Charged	Transaction	Expense	Paid
12/28/21	WINTER 2022 TUITION	3,933.00	3,933.00
3/23/22	SPRING 2022 TUITION	3,933.00	3,933.00
	TOTAL:	7,866.00	7,866.00

SCHOLARSHIPS OR GRANTS RECEIVED IN 2022

Date	Transaction	Grant Aid	Total
12/28/21	EDUCATIONAL ORGANIZ & HOSPITALS	667.00	
	PRIVATE BUSINESS PPD SCHOL	833.00	
	WASHINGTON COLLEGE GRANT	271.00	
	COLLEGE BOUND	1,300.00	
12/29/21	WASHINGTON COLLEGE GRANT	1,000.00	
1/10/22	UNDERGRAD UNIVERSITY GRANT	1,125.00	
	WASHINGTON COLLEGE GRANT	1,375.00	
1/11/22	STATE GLOBAL OPPORTUNITY GRANT	1,525.00	
3/23/22	EDUCATIONAL ORGANIZ & HOSPITALS	667.00	
	PRIVATE BUSINESS PPD SCHOL	834.00	
	UNDERGRAD UNIVERSITY GRANT	2,170.00	
	WASHINGTON COLLEGE GRANT	354.00	
	WASHINGTON COLLEGE GRANT	2,291.00	
	COLLEGE BOUND	1,302.00	15,714.00

Extra scholarship funds to report as
income: **\$7,848.00**



1098T Form – Stipend



UNIVERSITY OF WASHINGTON Educational Tax Credits Report IRS Form 1098-T and UW Information Statement – Tax Year 2022

2/08/23

If you have any questions regarding this report, please contact Student Fiscal Services via email at taxquest@uw.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
129 Schmitz Hall, Seattle WA 98195

UW IRS Identification Number: 91-6001537

SOC SEC NUMBER:
Student Number:

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... \$31,483.00
Box 5 : Scholarships or grants..... \$40,887.00
Box 7 : Expenses include an amount for 2023..... 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 2022

Charged	Transaction	Expense	Paid
12/28/21	WINTER 2022 TUITION	10,424.00	10,424.00
3/23/22	SPRING 2022 TUITION	10,424.00	10,424.00
9/21/22	AUTUMN 2022 TUITION	10,635.00	10,635.00
TOTAL:		31,483.00	31,483.00

SCHOLARSHIPS OR GRANTS RECEIVED IN 2022

Date	Transaction	Grant Aid	Total
12/29/21	GRAD SVC BUILDING FEE WAIVER	170.00	
	ASE TA/RA U-PASS WAIVER	92.00	
	GRAD SERV APPTMNT NONRES EXMPT	4,457.00	
	GRAD SERV APPOINT EXEMPTION	5,544.00	
3/24/22	GRAD SVC BUILDING FEE WAIVER	170.00	
	ASE TA/RA U-PASS WAIVER	92.00	
	GRAD SERV APPTMNT NONRES EXMPT	4,457.00	
	GRAD SERV APPOINT EXEMPTION	5,544.00	
9/26/22	TARA SERV APPTMNT NONRES EXMPT	4,564.00	
10/27/22	FELLOWSHIP ENVIRONMENT	6,071.00	
12/31/22	SUM OF AMTS PAID THRU WORKDAY	9,726.00	

← stipend payment

Box 1: \$31,483.00
Box 5: - \$40,887.00
Difference: - 9,404.00

Additional scholarship payments should be reported as additional income:
\$9,404.00

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



Deductible Student Loan Interest

- > 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 (\$175,000 for married filing jointly)
- > Deduction is reduced when income exceeds \$70,000 (\$145,000 for married filing jointly)
- > You are legally liable for the loan



Earned Income Credit

“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 \$10,300 in the tax year 2022



Earned Income Credit

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 children

Income ceilings for Married filing Joint

- > More than Two Qualifying Children - \$59,187
- > Two Qualifying Children - \$55,529
- > Only One Qualifying Child - \$49,622
- > No Qualifying Child & over age 25 - \$22,610



Additional Dependent Issues

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

SCHEDULE 1 (Form 1040)		Additional Income and Adjustments to Income		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, or 1040-NR. Go to www.irs.gov/Form1040 for instructions and the latest information.		2022 Attachment Sequence No. 01	
Name(s) shown on Form 1040, 1040-SR, or 1040-NR				Your social security number	

Part I Additional Income		
1 Taxable refunds, credits, or offsets of state and local income taxes		1
2a Alimony received		2a
b Date of original divorce or separation agreement (see instructions):		
3 Business income or (loss). Attach Schedule C		3
4 Other gains or (losses). Attach Form 4797		4
5 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		5
6 Farm income or (loss). Attach Schedule F		6
7 Unemployment compensation		7
8 Other income:		
a Net operating loss	8a ()	
b Gambling	8b	
c Cancellation of debt	8c	
d Foreign earned income exclusion from Form 2555	8d ()	
e Income from Form 8853	8e	
f Income from Form 8889	8f	
g Alaska Permanent Fund dividends	8g	
h Jury duty pay	8h	
i Prizes and awards	8i	
j Activity not engaged in for profit income	8j	
k Stock options	8k	
l Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property	8l	
m Olympic and Paralympic medals and USOC prize money (see instructions)	8m	
n Section 951(a) inclusion (see instructions)	8n	
o Section 951A(a) inclusion (see instructions)	8o	
p Section 461(l) excess business loss adjustment	8p	
q Taxable distributions from an ABLE account (see instructions)	8q	
r Scholarship and fellowship grants not reported on Form W-2	8r	
s Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d	8s ()	
t Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan	8t	
u Wages earned while incarcerated	8u	
z Other income. List type and amount:	8z	
9 Total other income. Add lines 8a through 8z		9
10 Combine lines 1 through 7 and 9. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8		10

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71479F Schedule 1 (Form 1040) 2022

To report excess scholarship as income use:

LINE 8r of Schedule 1:
amount & "SCH"

W

IRS Form 1040

Form 1040 (2022)		Page 2
Tax and Credits	16 Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> 17 Amount from Schedule 2, line 3 18 Add lines 16 and 17 19 Child tax credit or credit for other dependents from Schedule 8812 20 Amount from Schedule 3, line 8 21 Add lines 19 and 20 22 Subtract line 21 from line 18. If zero or less, enter -0- 23 Other taxes, including self-employment tax, from Schedule 2, line 21 24 Add lines 22 and 23. This is your total tax	16 17 18 19 20 21 22 23 24
Payments	25 Federal income tax withheld from: a Form(s) W-2 25a b Form(s) 1099 25b c Other forms (see instructions) 25c d Add lines 25a through 25c 25d 26 2022 estimated tax payments and amount applied from 2021 return 27 Earned income credit (EIC) 27 28 Additional child tax credit from Schedule 8812 28 29 American opportunity credit from Form 8863, line 8 29 30 Reserved for future use 30 31 Amount from Schedule 3, line 15 31 32 Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits 32 33 Add lines 25d, 26, and 32. These are your total payments 33	25 26 27 28 29 30 31 32 33
Refund	34 If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid 35a Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/> b Routing number c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings d Account number 36 Amount of line 34 you want applied to your 2023 estimated tax 36	34 35a 36
Amount You Owe	37 Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions 38 Estimated tax penalty (see instructions) 38	37 38
Third Party Designee	Do you want to allow another person to discuss this return with the IRS? See instructions <input type="checkbox"/> Yes. Complete below. <input type="checkbox"/> No Designee's name Phone no. Personal identification number (PIN)	
Sign Here	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.) Spouse's signature. If a joint return, both 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	
Paid Preparer Use Only	Preparer's name Preparer's signature Date PTIN Check it: <input type="checkbox"/> Self-employed Firm's name Phone no. Firm's address Firm's EIN	

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		Attach to Form 1040 or 1040-SR. Go to www.irs.gov/Form8863 for instructions and the latest information.		2022 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 surviving spouse				2	
3 Enter the amount from Form 1040 or 1040-SR, line 11. But if you're filing Form 2555 or 4563, or you're excluding income from Puerto Rico, see Pub. 970 for the amount to enter instead				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 surviving spouse				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 <input type="checkbox"/>				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 surviving spouse				13	
14 Enter the amount from Form 1040 or 1040-SR, line 11. But if you're filing Form 2555 or 4563, or you're excluding income from Puerto Rico, see Pub. 970 for the amount to enter instead				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 surviving spouse				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	

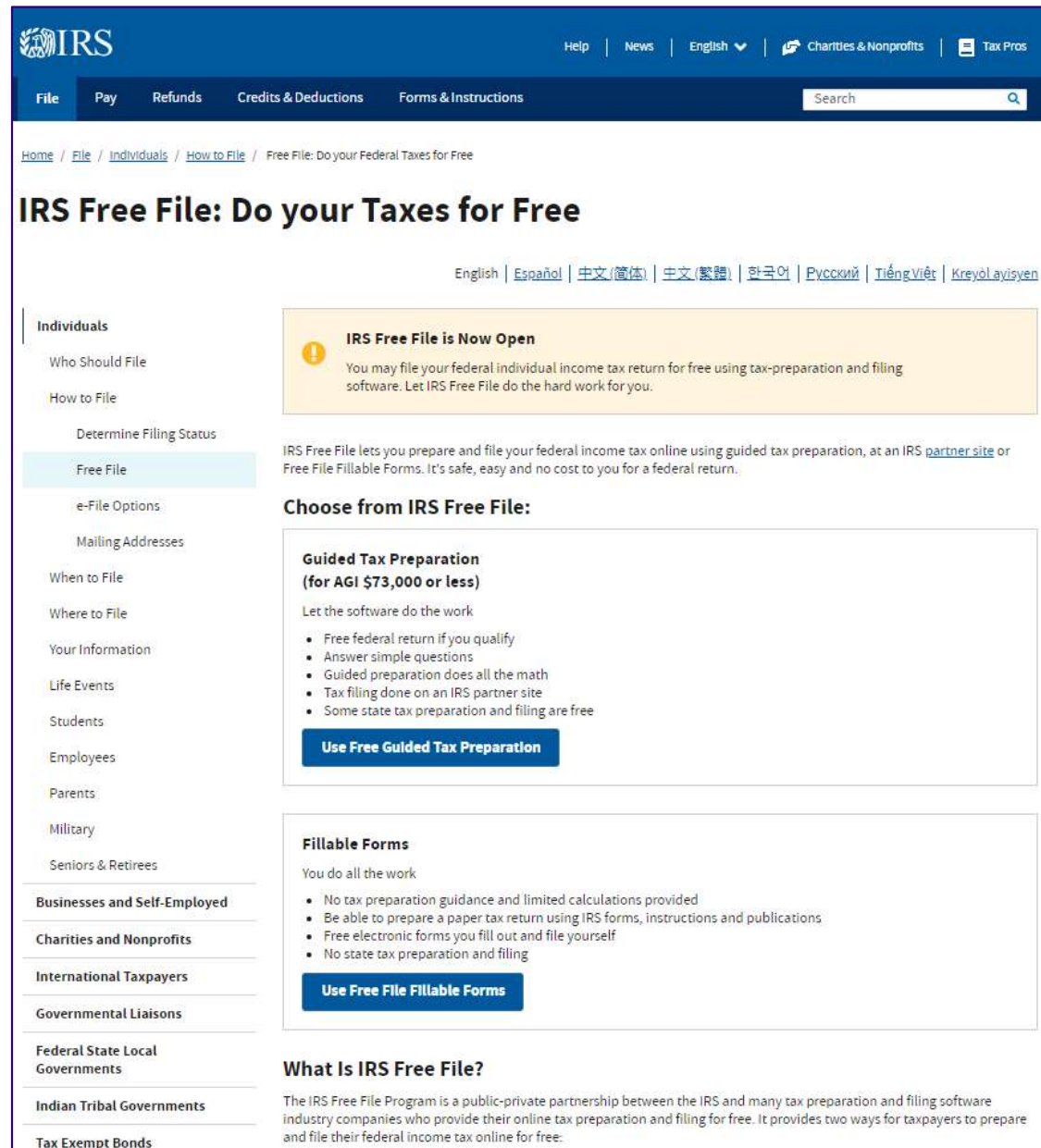
For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 25379M Form **8863** (2022)

Form 8863 (2022)		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 from this institution for 2022? <input type="checkbox"/> Yes <input type="checkbox"/> No		(2) Did the student receive Form 1098-T from this institution for 2022? <input type="checkbox"/> Yes <input type="checkbox"/> No	
(3) Did the student receive Form 1098-T from this institution for 2021 with box 7 checked? <input type="checkbox"/> Yes <input type="checkbox"/> No		(3) Did the student receive Form 1098-T from this institution for 2021 with box 7 checked? <input type="checkbox"/> Yes <input type="checkbox"/> No	
(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 American opportunity credit been claimed for this student for any 4 prior tax years? <input type="checkbox"/> Yes — Stop! Go to line 31 for this student. <input type="checkbox"/> 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 2022 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential? See instructions. <input type="checkbox"/> Yes — Go to line 25. <input type="checkbox"/> No — Stop! Go to line 31 for this student.			
25 Did the student complete the first 4 years of postsecondary education before 2022? See instructions. <input type="checkbox"/> Yes — Stop! Go to line 31 for this student. <input type="checkbox"/> No — Go to line 26.			
26 Was the student convicted, before the end of 2022, of a felony for possession or distribution of a controlled substance? <input type="checkbox"/> Yes — Stop! Go to line 31 for this student. <input type="checkbox"/> 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** (2022)



Electronic Filing

A screenshot of the IRS Free File website. The header features the IRS logo and navigation links for Help, News, English, Charities & Nonprofits, and Tax Pros. Below the header is a dark blue navigation bar with links for File, Pay, Refunds, Credits & Deductions, and Forms & Instructions, along with a search bar. The main content area has a breadcrumb trail: Home / File / Individuals / How to File / Free File: Do your Federal Taxes for Free. The title "IRS Free File: Do your Taxes for Free" is prominently displayed. A language selection bar includes English, Español, 中文(简体), 中文(繁體), 한국어, Русский, Tiếng Việt, and Kreyòl Ayisyen. On the left, a sidebar lists various categories: Individuals (with sub-links like Who Should File, How to File, Determine Filing Status, Free File, e-File Options, Mailing Addresses, When to File, Where to File, Your Information, Life Events, Students, Employees, Parents, Military, Seniors & Retirees), Businesses and Self-Employed, Charities and Nonprofits, International Taxpayers, Governmental Liaisons, Federal State Local Governments, Indian Tribal Governments, and Tax Exempt Bonds. The main content area features a yellow banner stating "IRS Free File is Now Open" with a sub-headline "You may file your federal individual income tax return for free using tax-preparation and filing software. Let IRS Free File do the hard work for you." Below this, a paragraph explains that IRS Free File lets users prepare and file their federal income tax online using guided tax preparation, at an IRS partner site or Free File Fillable Forms. It's safe, easy, and no cost to the user. A section titled "Choose from IRS Free File:" offers two options: "Guided Tax Preparation (for AGI \$73,000 or less)" and "Fillable Forms". The Guided Tax Preparation section lists benefits: free federal return if qualified, answers simple questions, guided preparation does all the math, tax filing done on an IRS partner site, and some state tax preparation and filing are free. It includes a blue button "Use Free Guided Tax Preparation". The Fillable Forms section lists benefits: no tax preparation guidance and limited calculations provided, ability to prepare a paper tax return using IRS forms, instructions and publications, free electronic forms to fill out and file yourself, and no state tax preparation and filing. It includes a blue button "Use Free File Fillable Forms". At the bottom, a section titled "What Is IRS Free File?" explains that the program is a public-private partnership between the IRS and many tax preparation and filing software industry companies who provide their online tax preparation and filing for free. It provides two ways for taxpayers to prepare and file their federal income tax online for free.

Link:

<https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>



Other Tax Help

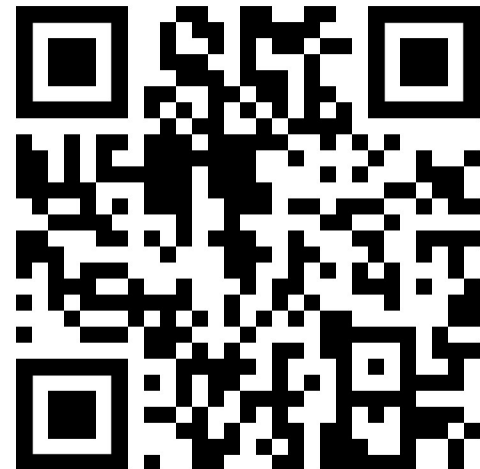
United Tax Way Free Online Tax Help

January 16th – April 20th, 2023

- > 17 locations across King County + virtual tax site
- > No appointment needed

Follow the link below:

[FreeTaxExperts.org](https://www.freetaxexperts.org)



UW Free Tax Assistance

HOURS

UW VITA reopens on January 24th, 2023. The site will run from 11:30 am to 2:30 pm on Tuesdays and Thursdays.

LOCATION

University of Washington, Seattle Campus
PACCAR Hall Room 199
4277 NE Stevens Way, Seattle, WA 98195

WHO QUALIFIES

Households making less than \$80,000 can access free tax help and preparation for this tax year

The UW site also helps prepare nonresident returns



For More Tax Information

IRS Web Site
www.irs.gov

IRS Publication 970
IRS Instructions for 1040



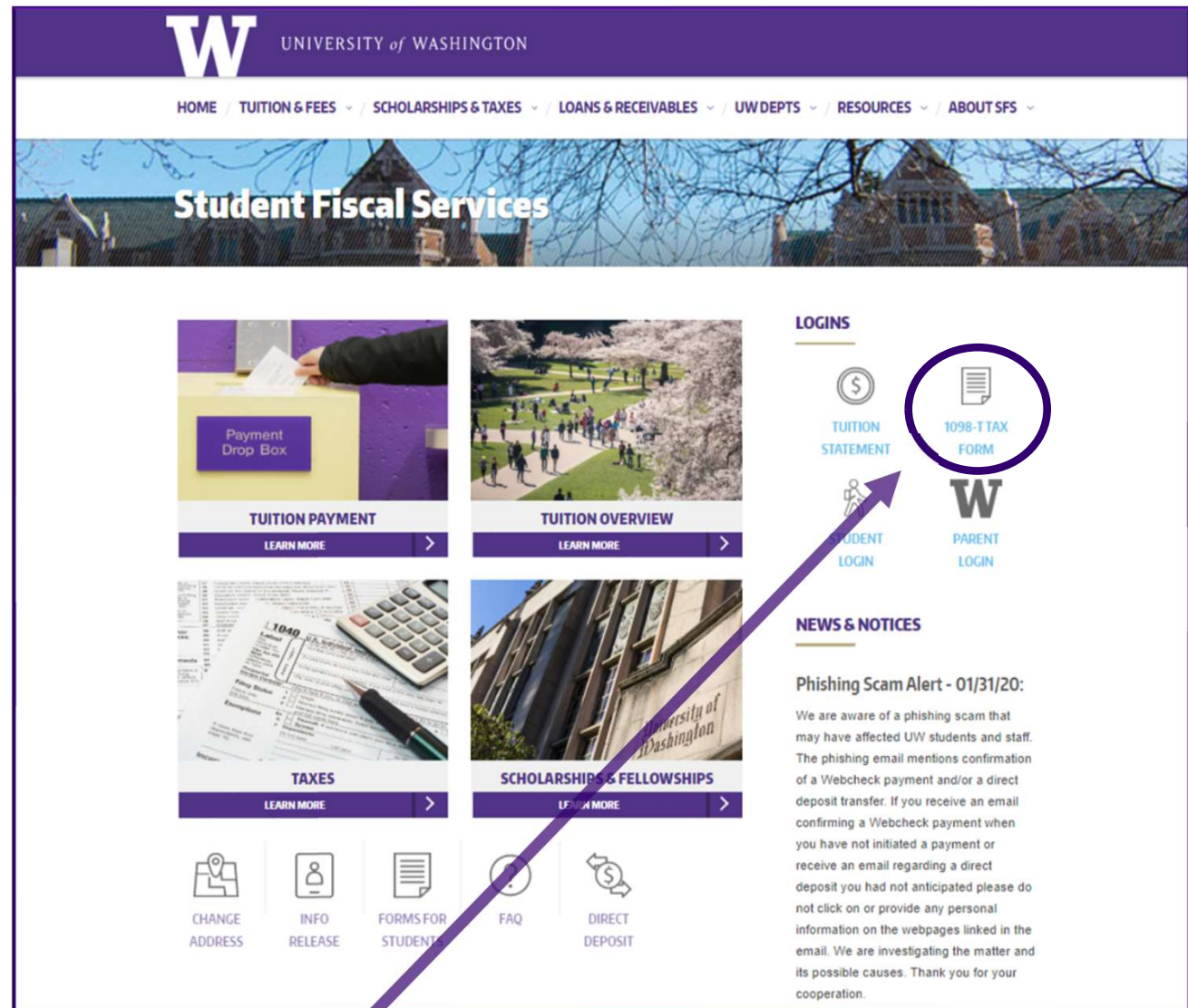
Opting out the Paper 1098-T

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!



For more information go to:
<http://finance.uw.edu/sfs/tax>



UW Tax Resources

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



Student Fiscal Services

206-221-2609



UW student tax website:

f2.washington.edu/fm/sfs/tax



Other Contacts



Federal Tax Clinic, Law School
clinics@uw.edu
206-685-6805

Payroll Office----ISC
pr-tax@uw.edu
206-543-8000

