

# U.S. Resident Taxes

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**University of Washington  
Student Fiscal Services**



# Agenda

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- > Important Information for 2020 Returns
- > American Opportunity Tax Credit & Lifetime Learning Tax Credit
- > Qualified Tuition Programs (529 Plans)
- > Qualified Education Expenses
- > Non-Qualified Education Expenses
- > Departmental Scholarships, Fellowships and Grants for U.S. Resident students
- > Prepaying Your Taxes to the IRS
- > Form 1098T
- > Information Resources



# Important Information

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> Tax due date is ~~04-15-2021~~

**Note:** The tax due date has been extended to **May, 17, 2021**

> Standard deduction is \$12,400 for single and \$24,800 for married joint return

> 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



# Standard Deduction of \$12,400 for single filer

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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 large acceptable expenses, like mortgage interest or property tax
- > The IRS gives you the standard deduction if you do not have itemized deductions or if your itemized deductions are less than \$12,400

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



# Tax Credit

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- > A tax credit reduces the amount of income tax you may have to pay
- > Please read IRS Publication 970 for more information on the two education tax credits
- > Check if you can claim the tuition and fees deduction if you do not qualify for the tax credit
- > Check IRS form 8917 for more information on the tuition & fees deduction



# American Opportunity Tax Credit:

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- > Applies to the first four years of post-secondary education, this credit is for undergraduate students
- > You can claim up to a **\$2,500 credit** if you paid the cost of qualified tuition and related expenses in the tax year 2020



## Lifetime Learning Tax Credit:

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- > For **any type of post-secondary education**, including classes taken to improve or acquire job skills
- > Includes students enrolled in a graduate program or fee base program
- > 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 credit** in tax year 2020



# You Can Claim a Tax Credit

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- > If you pay qualified education expenses
- > For American Opportunity: your MGI is under **\$90,000** for single or under **\$180,000** for married filing jointly. AOTC is incrementally decreased for MGI between \$80,000 – \$90,000 for single filers and 160,000 – 180,000 for joint filers
- > For Lifetime Learning: your MGI is under **\$69,000** for single or under **\$138,000** for married filing jointly. LLC is incrementally decreased if your MGI 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 a Tax Credit

- > 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 American Opportunity: your income is over **\$90,000** for single and over **\$180,000** for married filing jointly
- > 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 classified as a Non-Resident Alien for any part of 2020 and did not elect to be treated as a resident for tax purposes



# Qualified Tuition Program

(**GET/DreamAhead** or **529 College Saving Program**)

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- > Many states have programs that allow people to prepay or contribute to an account to help pay for qualified education expenses
- > **No tax is due on a distribution for a Qualify Tuition Payment** unless the amount distributed is greater than the qualified education expenses
- > Washington State offers the GET program and the DreamAhead Program
- > Payments from these two programs are not reported on the 1098T tax form



# Qualified Education Expenses For American Opportunity Tax Credit

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Per IRS regulations, qualified education expenses are:

- > Tuition and fees required for enrollment
- > Course related books
- > Supplies
- > Equipment needed for a course of study

Qualified Educational Expenses include course materials that the student needs for a course of study whether or not the materials are bought at the educational institution as a condition of enrollment or attendance



# Qualified Education Expenses for Lifetime Learning Tax Credit

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Per IRS regulations, qualified education expenses are:

- > Tuition and fees required for enrollment
- > Books
- > Supplies
- > Equipment
  - > May be claimed ONLY if the expense is required for attendance and is **paid directly** to the educational institution



# Qualified Education Expenses DO NOT Include

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- > Insurance
- > Medical Expenses (including student health fees)
- > Transportation (U-Pass)
- > Room & Board
- > Similar personal, living or family expenses



# 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

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- > Prizes, awards and stipends are taxable income
- > When a department awards money onto the student's tuition account, the UW does not withhold taxes, but will report it on the 1098T form
- > The money can affect the student's tax credit and financial aid status
  - When departments award money in the student account system, the Financial Aid Office will receive this information for use in determining the needs of students when they apply for financial aid



# Paying Taxes on Stipend Payments

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- > Stipend payment from your department is a taxable form of income
- > Federal taxes are not withheld from departmental stipend payments
- > 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

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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](#)

- > To pay you will need your SS# and the amount you owe
- > You need to select the year and indicate this is a prepay tax payment
- > Print a payment receipt after you pay



# 1098T Form (prepared by UW)

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

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

- > Summarizes all tuition and fee charges and payments in Box 1
- > Summarizes scholarships, fellowships and financial aid in Box 5
- > Helps students to determine if they qualify for a tax credit or if the scholarship and grant aid money is taxable
- > Non Resident Alien students do not receive the 1098T form, but there are some exceptions



# 1098T Form (prepared by UW)

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UW reports tuition payments plus scholarships and financial aid grants on the 1098T form

## Information on the form:

- > Box 1 – total of qualified tuition and fees payments
- > Box 5 – total of scholarships or financial aid grants

## When comparing box 1 to box 5:

- > If box 1 total is greater than box 5 total, student may qualify for a tax credit
- > If box 5 total is greater than the box 1 total, student will have to report the difference in the amount as income



# 1098T Form – Tax Credits



**UNIVERSITY OF WASHINGTON**  
**Educational Tax Credits Report**  
 IRS Form 1098-T and UW Information Statement – Tax Year 2020

1/20/21

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, 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

## INFORMATION SUBMITTED TO THE IRS

The following information is being sent to the IRS. Box numbers correspond to IRS form 1099-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... \$11,041.00  
 Box 5 : Scholarships or grants..... \$6,374.00  
 Box 7 : Expenses include an amount for 2021..... 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 2020

| Charged | Transaction         | Expense   | Paid      |
|---------|---------------------|-----------|-----------|
| 1/06/20 | REGULAR COURSE FEES | 120.00    | 120.00    |
| 1/08/20 | WINTER 2020 TUITION | 3,738.00  | 3,738.00  |
| 3/30/20 | SPRING 2020 TUITION | 3,737.00  | 3,737.00  |
| 9/11/20 | AUTUMN 2020 TUITION | 3,446.00  | 3,446.00  |
| TOTAL:  |                     | 11,041.00 | 11,041.00 |

### SCHOLARSHIPS OR GRANTS RECEIVED IN 2020

| Date     | Transaction              | Grant Aid | Total    |
|----------|--------------------------|-----------|----------|
| 1/24/20  | FEDERAL PELL GRANT       | 1,549.00  |          |
| 4/13/20  | FEDERAL PELL GRANT       | 2,065.00  |          |
| 12/17/20 | WASHINGTON COLLEGE GRANT | 2,760.00  | 6,374.00 |

**Box 1**           \$ 11,041.00  
**Box 5**           - \$ 6,374.00  
**Difference:**       \$ **4,667.00**

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 2020

1/20/21

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 206-221-2809, 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

**Box 1:** \$3,738.00  
**Box 5:** -\$7,537.00  
**Difference:** - **\$3,799.00**

## 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... \$3,738.00  
 Box 5 : Scholarships or grants..... \$7,537.00  
 Box 7 : Expenses include an amount for 2021..... 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 2020

| Charged  | Transaction         | Expense  | Paid     |
|----------|---------------------|----------|----------|
| 12/31/19 | WINTER 2020 TUITION | 3,738.00 | 3,738.00 |


### SCHOLARSHIPS OR GRANTS RECEIVED IN 2020

| Date     | Transaction                 | Grant Aid | Total    |
|----------|-----------------------------|-----------|----------|
| 12/31/19 | UNDERGRAD TUITION EXEMPTION | 304.00    |          |
|          | WA OPPORTUNITY SCHOLARSHIP  | 1,668.00  |          |
|          | WASHINGTON COLLEGE GRANT    | 1,850.00  |          |
|          | WASHINGTON COLLEGE GRANT    | 1,733.00  |          |
|          | FEDERAL SUPPLEMENTAL GRANT  | 100.00    |          |
|          | FEDERAL PELL GRANT          | 1,882.00  | 7,537.00 |

Extra scholarship funds to report as  
 income: **\$ 3,799.00**



# 1098T Form – Stipend



**UNIVERSITY OF WASHINGTON**  
**Educational Tax Credits Report**  
 IRS Form 1098-T and UW Information Statement – Tax Year 2020

1/22/21

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, 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... \$24,778.00  
 Box 5 : Scholarships or grants..... \$43,558.00  
 Box 7 : Expenses include an amount for 2021..... No  
 Box 8 : Student is at least half-time..... Yes  
 Box 9 : Student is a graduate student..... Yes

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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 2020**

| Charged       | Transaction         | Expense          | Paid             |
|---------------|---------------------|------------------|------------------|
| 12/31/19      | WINTER 2020 TUITION | 10,841.00        | 10,841.00        |
| 3/25/20       | SPRING 2020 TUITION | 10,841.00        | 10,841.00        |
| 6/17/20       | SUMMER 2020 TUITION | 3,096.00         | 3,096.00         |
| <b>TOTAL:</b> |                     | <b>24,778.00</b> | <b>24,778.00</b> |

**SCHOLARSHIPS OR GRANTS RECEIVED IN 2020**

| Date     | Transaction                    | Grant Aid | Total                       |
|----------|--------------------------------|-----------|-----------------------------|
| 1/03/20  | TARA SERV APPTMNT NONRES EXMPT | 4,462.00  |                             |
|          | UW FUNDS TECH FEE              | 38.00     |                             |
| 1/10/20  | HSRT AT UW YR2                 | 6,425.00  |                             |
| 3/26/20  | TARA SERV APPTMNT NONRES EXMPT | 4,462.00  |                             |
|          | UW FUNDS TECH FEE              | 38.00     |                             |
| 4/06/20  | HSRT AT UW YR2                 | 2,616.00  |                             |
|          | HSRT AT UW YR2                 | 534.00    |                             |
| 4/08/20  | PHD OPS                        | 3,275.00  |                             |
| 6/19/20  | TARA SERV APPTMNT NONRES EXMPT | 1,272.00  |                             |
| 6/25/20  | PHD OPS                        | 1,813.13  |                             |
| 7/08/20  | UW FUNDS TECH FEE              | 10.87     |                             |
| 12/31/20 | SUM OF AMTS PAID THRU WORKDAY  | 18,612.00 | 43,558.00 ← stipend payment |

**Box 1:** \$ 24,778.00  
**Box 5:** - \$ 43,558.00  
**Difference:** **-18,780.00**

Additional scholarship payments should be filed as additional income: \$18,780.00

## \*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



# IRS Form 1040

**Form 1040** Department of the Treasury—Internal Revenue Service (99) **2020** 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 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 2020, did you receive, sell, send, exchange, or otherwise acquire 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, 1956  Are blind **Spouse:**  Was born before January 2, 1956  Is blind

**Dependents** (see instructions):  
 If more than four dependents, see instructions and check here ▶

| (1) First name | Last name | (2) Social security number | (3) Relationship to you | (4) <input checked="" type="checkbox"/> if qualifies for (see instructions): 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"/>    |

|  |            |
|--|------------|
| <b>1</b> Wages, salaries, tips, etc. Attach Form(s) W-2  | <b>1</b>   |
| <b>2a</b> Tax-exempt interest  | <b>2a</b>  |
| <b>3a</b> Qualified dividends  | <b>3a</b>  |
| <b>4a</b> IRA distributions  | <b>4a</b>  |
| <b>5a</b> Pensions and annuities   | <b>5a</b>  |
| <b>6a</b> Social security benefits   | <b>6a</b>  |
| <b>7</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/> | <b>7</b>   |
| <b>8</b> Other income from Schedule 1, line 9  | <b>8</b>   |
| <b>9</b> Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b> ▶                                 | <b>9</b>   |
| <b>10</b> Adjustments to income:   |            |
| <b>a</b> From Schedule 1, line 22  | <b>10a</b> |
| <b>b</b> Charitable contributions if you take the standard deduction. See instructions                                 | <b>10b</b> |
| <b>c</b> Add lines 10a and 10b. These are your <b>total adjustments to income</b> ▶                                    | <b>10c</b> |
| <b>11</b> Subtract line 10c from line 9. This is your <b>adjusted gross income</b> ▶                                   | <b>11</b>  |
| <b>12</b> <b>Standard deduction or itemized deductions</b> (from Schedule A)   | <b>12</b>  |
| <b>13</b> Qualified business income deduction. Attach Form 8995 or Form 8995-A   | <b>13</b>  |
| <b>14</b> Add lines 12 and 13  | <b>14</b>  |
| <b>15</b> <b>Taxable income.</b> Subtract line 14 from line 11. If zero or less, enter -0-                             | <b>15</b>  |

**Standard Deduction for—**  
 • Single or Married filing separately, \$12,400  
 • Married filing jointly or Qualifying widow(er), \$24,800  
 • Head of household, \$18,650  
 • If you checked any box under Standard Deduction, see instructions.

Attach Sch. B if required.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2020)

To report excess scholarship as income use:

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



# IRS Form 1040

Form 1040 (2020) Page **2**

|                               |  |            |
|-------------------------------|--|------------|
| <b>16</b>                     | <b>Tax</b> (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <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>                     | Child tax credit or credit for other dependents  | <b>19</b>  |
| <b>20</b>                     | Amount from Schedule 3, line 7   | <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 10   | <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 <span style="float: right;"><b>25a</b></span>  |            |
| <b>b</b>                      | Form(s) 1099 <span style="float: right;"><b>25b</b></span>   |            |
| <b>c</b>                      | Other forms (see instructions) <span style="float: right;"><b>25c</b></span>   |            |
| <b>d</b>                      | Add lines 25a through 25c <span style="float: right;"><b>25d</b></span>  |            |
| <b>26</b>                     | 2020 estimated tax payments and amount applied from 2019 return  | <b>26</b>  |
| <b>27</b>                     | Earned income credit (EIC) <span style="float: right;"><b>27</b></span>  |            |
| <b>28</b>                     | Additional child tax credit. Attach Schedule 8812 <span style="float: right;"><b>28</b></span>   |            |
| <b>29</b>                     | American opportunity credit from Form 8863, line 8 <span style="float: right;"><b>29</b></span>  |            |
| <b>30</b>                     | Recovery rebate credit. See instructions <span style="float: right;"><b>30</b></span>  |            |
| <b>31</b>                     | Amount from Schedule 3, line 13 <span style="float: right;"><b>31</b></span>   |            |
| <b>32</b>                     | Add lines 27 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>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 <input type="text"/> <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings  |            |
| <b>d</b>                      | Account number <input type="text"/>  |            |
| <b>36</b>                     | Amount of line 34 you want <b>applied to your 2021 estimated tax</b>   | <b>36</b>  |
| <b>37</b>                     | Subtract line 33 from line 24. This is the <b>amount you owe now</b>   | <b>37</b>  |
|                               | <b>Note:</b> Schedule H and Schedule SE filers, line 37 may not represent all of the taxes you owe for 2020. See Schedule 3, line 12e, and its instructions for details.   |            |
| <b>38</b>                     | Estimated tax penalty (see instructions) <span style="float: right;"><b>38</b></span>  |            |
| <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 <input type="text"/> Phone no. <input type="text"/> Personal identification number (PIN) <input type="text"/>  |            |
| <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 <input type="text"/> Date <input type="text"/> Your occupation <input type="text"/> If the IRS sent you an Identity Protection PIN, enter it here (see inst.) <input type="text"/>  |            |
|                               | Spouse's signature. If a joint return, <b>both</b> must sign. <input type="text"/> Date <input type="text"/> Spouse's occupation <input type="text"/> If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.) <input type="text"/>   |            |
|                               | Phone no. <input type="text"/> Email address <input type="text"/>  |            |
| <b>Paid Preparer Use Only</b> | Preparer's name <input type="text"/> Preparer's signature <input type="text"/> Date <input type="text"/> PTIN <input type="text"/> Check it: <input type="checkbox"/> Self-employed  |            |
|                               | Firm's name <input type="text"/> Phone no. <input type="text"/>  |            |
|                               | Firm's address <input type="text"/> Firm's EIN <input type="text"/>  |            |

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information. Form **1040** (2020)

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) **2020** 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, <b>stop</b> ; 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:<br>• Equal to or more than line 5, enter 1.000 on line 6<br>• 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. <b>CAUTION:</b> If you were under age 24 at the end of the year and meet the conditions described in the instructions, you <b>can't</b> 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 | <b>Refundable American opportunity credit.</b> 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: \$138,000 if married filing jointly; \$69,000 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:<br>• Equal to or more than line 16, enter 1.000 on line 17 and go to line 18<br>• 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 | <b>Nonrefundable education credits.</b> 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 (2020)

Form 8863 (2020) 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 2020? <input type="checkbox"/> Yes <input type="checkbox"/> No  | (2) | Did the student receive Form 1098-T from this institution for 2020? <input type="checkbox"/> Yes <input type="checkbox"/> No   |
| (3) | Did the student receive Form 1098-T from this institution for 2019 with box 7 checked? <input type="checkbox"/> Yes <input type="checkbox"/> No   | (3) | Did the student receive Form 1098-T from this institution for 2019 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 Hope Scholarship Credit or American opportunity credit been claimed for this student for any 4 tax years before 2020? <input type="checkbox"/> Yes – <b>Stop!</b> 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 2020 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 – <b>Stop!</b> Go to line 31 for this student. |     |  |
| 25  | Did the student complete the first 4 years of postsecondary education before 2020? See instructions. <input type="checkbox"/> Yes – <b>Stop!</b> Go to line 31 for this student. <input type="checkbox"/> No – Go to line 26.   |     |  |
| 26  | Was the student convicted, before the end of 2020, of a felony for possession or distribution of a controlled substance? <input type="checkbox"/> Yes – <b>Stop!</b> 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 |

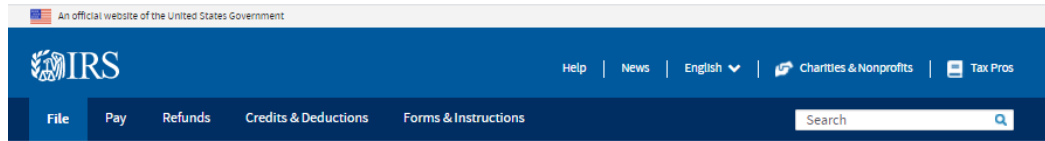
**Lifetime Learning Credit**

|    |   |    |
|----|---|----|
| 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 (2020)



# Electronic Filing



[Home](#) / [File](#) / [Individuals](#) / [How to File](#) / Free File: Do your Federal Taxes for Free

## File Your Federal Taxes Online for Free

[English](#) | [Español](#) | [中文\(简体\)](#) | [中文\(繁體\)](#) | [한국어](#) | [Русский](#) | [Tiếng Việt](#) | [Kreyòl ayisyen](#)

### Individuals

- How to File
- Determine Filing Status
- Free File**
- e-File Options
- Mailing Addresses
- When to File
- Where to File
- Your Information
- Students
- Employees
- Parents
- Military
- Seniors & Retirees

### Businesses and Self-Employed

### Charities and Nonprofits

### International Taxpayers

### Government Entities

#### 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.



# IRS Resources

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## Great source for:

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

## Help by phone:

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



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

IRS Publication 970



**Individual Tax Help**

1-800-829-1040



**IRS Seattle Office**

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

**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



# Online Tax Help

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## United Tax Way Free Online Tax Help

January 20 – April 18, 2021

Follow the link below:

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



## **For More Tax Information**

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

**IRS Publication 970**  
**IRS Instructions for 1040**



# Opting Out of 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 Tax line**

206-221-2609



**UW student tax website:**

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





# Contacts

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## 1098T Forms

### Student Fiscal Services

taxquest@uw.edu

206-221-2609

## W-2 forms

### Payroll Tax - ISC

pr-tax@uw.edu

206-616-4317

