U.S. Resident Taxes

University of Washington
Student Fiscal Services
Contacts

1098T Forms
Student Fiscal Services
taxquest@uw.edu
206-221-2609

W-2 forms
Payroll Tax - ISC
pr-tax@uw.edu
206-543-9202
Agenda

> Important Information for 2018 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
> Form 1098T
> Information Resources
Important Information

> Tax due date is April 15, 2019
> Standard deduction is $12,000 for single and $24,000 for joint return
> Only use 1040 tax form. Form 1040A or 1040EZ discontinued.
> No personal exemption in 2018 tax year
> Tuition and fees deduction expired in 2017 tax year
Standard Deduction of $12,000 for single filer

> 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

✓ 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.
American Opportunity Tax Credit:

Applies to the first four years of post-secondary education, this credit is for the undergraduate students.

Up to $2,500 of the cost of qualified tuition and related expenses paid during the tax year.
Lifetime Learning Tax Credit:

> For any type of post-secondary education, including classes taken to improve or acquire job skills

> For students enroll in a graduate program or fee base program

> For an unlimited number of years

> Equal to 20% of the first $10,000 of qualified expenses (maximum $2,000) paid in 2018
You Can Claim a Tax Credit

- If you pay qualified education expenses
- For American Opportunity: your MGI is under $80,000 for single or under $160,000 for married filing jointly
- For Lifetime Learning: your MGI is under $67,000 for single or under $134,000 for married filing jointly
- 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 $67,000 for single and over $134,000 for married filing jointly

You or your spouse was a Non-Resident Alien for any part of 2018 and the non-resident did not elect to be treated as a resident for tax purposes
Qualified Tuition Program

(GET or 529 College Saving Program)

Many states have programs that allow people to prepay or contribute to an account for paying qualified education expenses

No tax is due on a distribution for a QTP 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

Per IRS regulations, qualified education expenses are:
> Tuition and fees required for enrollment
> Course related books
> Supplies
> Equipment needed for a course of study

**Whether or not paid to the educational institution as a condition of enrollment or attendance**
Qualified Education Expenses for Lifetime Learning Tax Credit

Per IRS regulations, qualified education expenses are:

> Tuition and fees required for enrollment
> Books
> Supplies
> Equipment

**Only if the expense is required for attendance and is paid directly to the educational institution**
Qualified Education Expenses
Do Not Include

> 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

> The money will affect 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 taxes, but will report it on the 1098T form

> 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

> Prizes, awards, and stipends are taxable income
1098T Form (prepared by UW)

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

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

> Summarizes all tuition and fee charges and payments 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 (prepared by UW)

UW reports tuition charges plus scholarships and financial aid grants, but does not report payments from personal funds to the IRS.

Information on the form:

- Box 1 – total of qualified tuition and fees expenses
- Box 5 – total of scholarship 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

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... $39,228.00
Box 3: Reporting method has changed for 2018......... Yes
Box 5: Scholarships or grants........................... $0.00
Box 7: Expenses include an amount for 2019........... No
Box 8: Student is at least half-time..................... Yes
Box 9: Student is a graduate student................... No

Difference $39,228.00

Only claim one of the credits:
American Opportunity is $2,500
Lifetime Learning is $2,000

Box 1 $39,228.00
Box 5 - $0.00

TOTAL: $39,228.00
### 1098T Form – Scholarship Income

**Box 1** | **$ 10,435.00**  
**Box 5** | **- $ 25,320.50**  
**Difference** | **- $ 14,885.50**  
**Extra scholarship funds to report as income** | **$ 14,885.50**

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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 "Student Statement". Any box numbers not used should be considered to have a zero dollar amount.

| Box 1 | Payments for qualified tuition & related expenses | $10,435.00 |
| Box 2 | Reporting method has changed for 2018 | Yes |
| Box 3 | Scholarships or grants | $25,320.00 |
| Box 4 | Exchange includes an amount for 2015 | No |
| Box 5 | Student is at least half-time | Yes |
| Box 6 | Student is a graduate student | No |

**DETAILED CHARGES AND FINANCIAL ASSISTANCE RECEIVED**

The following financial information is not being sent to the IRS. Federal legislation requires reporting Qualified Tuition and Related Expenses (Q78C) payments received in Box 1 of the 1098-T IRS tax form, rather than reporting the amounts listed in Box 2 as the University has traditionally done. The University of Washington has implemented this change for the tax year ending December 31, 2019.

**QUALIFIED TUITION AND RELATED EXPENSES PAID IN 2018**

<table>
<thead>
<tr>
<th>Semester</th>
<th>Transaction</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winter 2018 Tuition</td>
<td>3,574.00</td>
<td>3,574.00</td>
</tr>
<tr>
<td>Spring 2018 Tuition</td>
<td>3,574.00</td>
<td>3,574.00</td>
</tr>
<tr>
<td>Autumn 2018 Tuition</td>
<td>3,574.00</td>
<td>3,574.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$10,435.00</strong></td>
<td><strong>$10,435.00</strong></td>
</tr>
</tbody>
</table>

**SCHOLARSHIPS OR GRANTS RECEIVED IN 2018**

<table>
<thead>
<tr>
<th>Date</th>
<th>Transaction</th>
<th>Amount</th>
<th>Grant</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/13/17</td>
<td>Undergraduate Tuition Exemption</td>
<td>1,447.00</td>
<td>2,320.00</td>
<td>3,767.00</td>
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<tr>
<td>12/13/17</td>
<td>Sam Walton Crockett Diversity</td>
<td>2,320.00</td>
<td>2,320.00</td>
<td>4,640.00</td>
</tr>
<tr>
<td>9/23/17</td>
<td>Federal Pell Grant</td>
<td>990.00</td>
<td>990.00</td>
<td>990.00</td>
</tr>
<tr>
<td>12/13/17</td>
<td>Undergraduate Tuition Exemption</td>
<td>1,567.00</td>
<td>1,567.00</td>
<td>1,567.00</td>
</tr>
<tr>
<td>12/13/17</td>
<td>Sam Walton Crockett Diversity</td>
<td>1,567.00</td>
<td>1,567.00</td>
<td>1,567.00</td>
</tr>
<tr>
<td>12/13/17</td>
<td>State Need Grant</td>
<td>1,985.00</td>
<td>1,985.00</td>
<td>1,985.00</td>
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<tr>
<td>9/23/17</td>
<td>Federal Pell Grant</td>
<td>990.00</td>
<td>990.00</td>
<td>990.00</td>
</tr>
<tr>
<td>10/29/18</td>
<td>Scholarships</td>
<td>110.00</td>
<td>110.00</td>
<td>110.00</td>
</tr>
<tr>
<td>10/29/18</td>
<td>Sam Walton Crockett Diversity</td>
<td>2,045.00</td>
<td>2,045.00</td>
<td>2,045.00</td>
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<tr>
<td>10/29/18</td>
<td>State Need Grant</td>
<td>84.00</td>
<td>84.00</td>
<td>84.00</td>
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<tr>
<td>10/29/18</td>
<td>Scholarships</td>
<td>1,300.00</td>
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<td>9/23/17</td>
<td>Undergraduate Tuition Exemption</td>
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<td>88.00</td>
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<td>9/23/17</td>
<td>Sam Walton Crockett Diversity</td>
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<td>1,785.00</td>
<td>1,785.00</td>
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<tr>
<td>9/23/17</td>
<td>State Need Grant</td>
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<td>2,112.00</td>
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<tr>
<td>9/23/17</td>
<td>Federal Supplemental Grant</td>
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<td>1,000.00</td>
<td>1,000.00</td>
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<td>9/23/17</td>
<td>Federal Pell Grant</td>
<td>1,980.00</td>
<td>1,980.00</td>
<td>1,980.00</td>
</tr>
<tr>
<td>9/23/17</td>
<td>Federal Pell Grant</td>
<td>15,200.00</td>
<td>15,200.00</td>
<td>15,200.00</td>
</tr>
</tbody>
</table>
1098T Form – Stipend

Stipend Paid via Payroll

No taxes withheld from the payroll office - may increases tax liability

Box 1: $35,333.00
Box 5: $45,599.50
Difference: -$10,266.50

Extra scholarship funds to report as income: $10,266.50
To report scholarship income:

Line 7 "sch"

Dependents (see instructions):

(1) First name | Last name | Social security number | Relationship to you

(2) Social security number

(3) Relationship to you

(4) if qualifies for (see inst.):

Child tax credit

Credit for other dependents

Sign Here

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 you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer Use Only

Preparer’s name | Preparer’s signature | PTIN | Firm’s EIN

Phone no.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.
To report scholarship income: line 1 “sch”
Line 17 C
To report tax credits from form 8863
IRS Resources

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
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

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
On-Campus Tax Help

Free tax help--- file your tax return by United Way of King County VITA site & the Foster School of Business

Ground Floor of Mackenzie Hall
January 15 – April 19
Monday & Wednesday: 4 – 7 pm
Friday: 12 – 3 pm

https://www.uwkc.org/need-help/tax-help/
Local Resources

Central Library at 1000 Fourth Ave.
Jan. 15 through April 18
Noon - 7 p.m. Monday - Thursday
Noon - 4 p.m. Friday
11 a.m. - 5 p.m. Saturday
1 p.m. - 5 p.m. Sunday

Ballard Branch at 5614 22nd Ave. N.W.
Feb. 4 through April 15
2:30 p.m. - 7 p.m. Monday
10:30 a.m. - 4 p.m. Thursday

Queen Anne Branch at 400 W. Garfield St.
Feb. 6 through April 13
11 a.m. - 3 p.m. Wednesday and Saturday

Free Tax Help at Seattle Public Libraries.
For more times and locations, please visit:
www.spl.org

National VITA Site Number:
1-800-906-9887
For More Tax Information

IRS Web Site

www.irs.gov

IRS Publication 970

IRS Instructions for 1040
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
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
206-543-4694

UW student tax website:
f2.washington.edu/fm/sfs/tax