Agenda

> Important Information for 2019 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, 2020

> Standard deduction is $12,200 for single and $24,400 for joint return

> Only use 1040 tax form. Form1040A or 1040EZ discontinued.

> Tuition and fees deduction has been extended to cover qualified education expenses in 2018, 2019 & 2020.
Standard Deduction of $12,200 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.

> 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:

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 2019
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 $68,000 for single or under $136,000 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 $68,000 for single and over $136,000 for married filing jointly

> You or your spouse was a Non-Resident Alien for any part of 2019 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 Dream Ahead 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
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 our 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 to determine if they qualify for tax credit or if the scholarship and grant aid money is taxable

> Non Resident Alien Students will not receive the 1098T form, but there are some exceptions.
1098T Form (prepared by UW)

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 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

UNIVERSITY OF WASHINGTON

Educational Tax Credits Report

IRS Form 1098-T and UW Information Statement - Tax Year 2019

If you have any questions regarding this report, please contact Student Fiscal Services via email at taxquest@u.washington.edu or call 206-624-2022.

Student Fiscal Services
Box 355871, Seattle WA 98195

SOC SEC NUMBER:
Student Number:

UW IRS Identification 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... $12,738.00
Box 5: Scholarships or grants........................................... $0.00
Box 7: Expenses include an amount for 2020...................... No
Box 8: Student is at least half-time.................................... Yes
Box 9: Student is a graduate student................................. No

DETAILED CHARGES AND FINANCIAL ASSISTANCE RECEIVED

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

QUALIFIED TUITION and RELATED EXPENSES PAID IN 2019

<table>
<thead>
<tr>
<th>Charged</th>
<th>Transaction</th>
<th>Expense</th>
<th>Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/29/19</td>
<td>AUTUMN 2019 TUITION</td>
<td>12,738.00</td>
<td>12,738.00</td>
</tr>
<tr>
<td></td>
<td>REGULAR COURSE FEES</td>
<td>30.00</td>
<td>30.00</td>
</tr>
<tr>
<td></td>
<td>REGULAR COURSE FEES</td>
<td>70.00</td>
<td>70.00</td>
</tr>
<tr>
<td></td>
<td>TOTAL:</td>
<td>12,738.00</td>
<td>12,738.00</td>
</tr>
</tbody>
</table>

Box 1: $12,738.00
Box 5: $0.00
Difference: $12,738.00

Filers can only claim one of the credits:
American Opportunity is $2,500
Lifetime Learning is $2,000
Box 1: $3,738.00
Box 5: -$5,351.00
Difference: -$1,613.00

Extra scholarship funds to report as income: $1,613.00
1098T Form – Stipend

**UNIVERSITY OF WASHINGTON**

Educational Tax Credits Report
IR3 Form 1098-T and UW Information Statement – Tax Year 2019

If you have any questions regarding this report, please contact Student Fiscal Services via email at taxques@uwashington.edu or call 206-221-2006, 8-5 Pacific Time Monday through Friday. See reverse page for additional information.

University of Washington  
Student Fiscal Services  
Box 358871, Seattle WA 98195  

UW IRS Identification Number: [REDACTED]
SOC SEC NUMBER: [REDACTED]
Student Number: [REDACTED]

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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.

<table>
<thead>
<tr>
<th>Box 1</th>
<th>Payments for qualified tuition &amp; related expenses</th>
<th>$19,086.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Box 5</td>
<td>Scholarships or grants</td>
<td>$29,581.00</td>
</tr>
<tr>
<td>Box 7</td>
<td>Expenses include an amount for 2020</td>
<td>No</td>
</tr>
<tr>
<td>Box 8</td>
<td>Student is at least half-time</td>
<td>Yes</td>
</tr>
<tr>
<td>Box 9</td>
<td>Student is a graduate student</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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

**QUALIFIED TUITION and RELATED EXPENSES PAID IN 2019**

<table>
<thead>
<tr>
<th>Date</th>
<th>Transaction</th>
<th>Expense</th>
<th>Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/02/19</td>
<td>WINTER 2019 TUITION</td>
<td>9,543.00</td>
<td>9,543.00</td>
</tr>
<tr>
<td>3/27/19</td>
<td>SPRING 2019 TUITION</td>
<td>9,543.00</td>
<td>9,543.00</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td><strong>19,086.00</strong></td>
<td><strong>19,086.00</strong></td>
</tr>
</tbody>
</table>

**SCHOLARSHIPS OR GRANTS RECEIVED IN 2019**

<table>
<thead>
<tr>
<th>Date</th>
<th>Transaction</th>
<th>Grant Aid</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/02/19</td>
<td>TARA SERV APPT/NT NONRES EMPT</td>
<td>4,097.00</td>
<td>4,097.00</td>
</tr>
<tr>
<td>1/07/19</td>
<td>ENGLISH PROGRAM SUPPORT</td>
<td>5,208.00</td>
<td>5,208.00</td>
</tr>
<tr>
<td>3/27/19</td>
<td>POLLOCK ENDOED FUND CREATIVE</td>
<td>5,170.00</td>
<td>5,170.00</td>
</tr>
<tr>
<td>4/02/19</td>
<td>TARA SERV APPT/NT NONRES EMPT</td>
<td>4,097.00</td>
<td>4,097.00</td>
</tr>
<tr>
<td>4/05/19</td>
<td>KLEPEIS ENDOED FUND</td>
<td>200.00</td>
<td>200.00</td>
</tr>
<tr>
<td>2/31/19</td>
<td>STIPEND PAID VIA PAYROLL</td>
<td>10,800.00</td>
<td>29,581.00</td>
</tr>
</tbody>
</table>

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**Box 1:** $19,086.00  
**Box 5:** $29,581.00  
**Difference:** - $10,495.00  

Extra scholarship funds to report as income: $10,495.00

*Stipend Paid via Payroll:*

No taxes withheld from the payroll office – report on the 1098T form as scholarship. May increases tax liability
To report excess scholarship as income use:

**LINE 1: “amount & SCH”**
To report tax credits from form 8863 use:

LINE 18 C
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 Opportunity Credit
1. After completing Part II for each student, enter the total of all amounts from all Parts B, line 30.  
2. Enter $18,000 if married filing jointly; $9,000 if single, head of household, or qualifying widow(er).  
3. Enter the amount from Form 1040 or 1040-SR, line 8b. If you’re filling Form 2555 or 4863, or you’re excluding income from Puerto Rico, see Pub. 970 for the amount to enter.  
4. Subtract line 3 from line 2. If zero or less, skip, you can’t take any education credit.  
5. Enter $29,000 if married filing jointly; $10,000 if single, head of household, or qualifying widow(er).  
6. If line 4 is:
   a. Equal to or more than line 5, enter 1,000 on line 6.  
   b. Less than line 5, divide line 4 by line 5. Enter the result as a decimal (rounded to at least three places).  
7. Multiply line 1 by line 6.  
   Caution: If you were under age 24 at the end of the year and met the conditions described in the instructions, you can take the refundable American opportunity credit.  
   slip line 6, enter the amount from line 7 on line 8, and check this box.  
8. Refundable American opportunity credit. Multiply line 7 by 40% (0.40). Enter the amount here and in Form 1040 or 1040-SR, line 18b.  
   Then go to line 9 below.  

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).  
10. After completing Part II for each student, enter the total of all amounts from all Parts B, line 31. If zero, skip lines 11 through 17, enter –0– on line 18, and go to line 19.  
11. Enter the smaller of line 10 or $10,000.  
12. Multiply line 11 by 20% (0.20).  
13. Enter $33,000 if married filing jointly; $16,500 if single, head of household, or qualifying widow(er).  
14. Enter the amount from Form 1040 or 1040-SR, line 8b. If you’re filling Form 2555 or 4863, or you’re excluding income from Puerto Rico, see Pub. 970 for the amount to enter.  
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.  
16. Enter $20,000 if married filing jointly; $10,000 if single, head of household, or qualifying widow(er).  
17. If line 16 is:
   a. Equal to or more than line 16, enter 1,000 on line 17 and go to line 18  
   b. Less than line 16, divide line 16 by line 17. Enter the result as a decimal (rounded to at least three places).  
18. Multiply line 12 by line 17. Enter here and on line 1 of the Credit Limit Worksheet (see instructions).  
19. Nonrefundable education credits. Enter the amount from line 7 of the Credit Limit Worksheet (see instructions) here and on Schedule 3 (Form 1040 or 1040-SR, line 3).  

For Paperwork Reduction Act Notice, see your tax return instructions.  

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

Educational institution information (see instructions).  
a. Name of first educational institution.  
   b. Name of second educational institution (if any).  
   (1) Address, number and street (for P.O. box), city, town or post office, state, and ZIP codes. If a foreign address, see instructions.  
   (2) Did the student receive Form 1098-T from this institution for 2019?  
   (3) Did the student receive Form 1098-T from the institution for 2018 with box 7 checked?  
   (4) Enter the institution’s employer identification number (EIN).  
   (5) Has the Hope Scholarship Credit or American opportunity credit been claimed for this student for any 4 tax years before 2019?  
   (6) Was the student enrolled at least half-time for at least one academic period that began or was treated as having begun in 2018 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential?  
   (7) Did the student complete the first year of postsecondary education before 2019?  
   (8) Was the student convicted, before the end of 2019, of a felony for possession of distribution of a controlled substance?  
   (9) You can’t take the American opportunity credit and the lifetime learning credit for the same student in the same year. If you can’t take line 27 through 30 for this student, don’t complete line 31.  

American Opportunity Credit
27. Adjusted qualified education expenses (see instructions). Enter $4,000.  
28. Adjusted qualified education expenses (see instructions). Enter $4,000.  
29. Multiply line 28 by 25% (0.25).  
30. If line 28 is zero, enter $2,000 to the amount on line 29 and enter the result.  
31. Total of all amounts from all Parts II, line 31, on Part II, line 10.  

Lifetime Learning Credit
32. Adjusted qualified education expenses (see instructions). Enter $4,000.  
33. Adjusted qualified education expenses (see instructions). Enter $4,000.  
34. Multiply line 33 by 25% (0.25).  
35. If line 34 is zero, enter $2,000 to the amount on line 35 and enter the result.  
36. Total of all amounts from all Parts II, line 36, on Part II, line 10.
Electronic Filing

Free File: Do Your Federal Taxes for Free

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 or Free File Fillable Forms.

Choose a Free File Online option based on your income:

Income $69,000 and Below
Free File Online Products
- File your taxes with free, easy to use software
- Free state return options are available
- Use the Free File Online Lookup Tool to find free federal and free state return options

Choose a Free File Online Product

Income above $69,000
Free File Fillable Forms
- Must know how to do your taxes yourself
- tossing offers only basic guidance
- You must have your 2018 tax return
- State tax prep is not available

Start Fillable Forms Now

More Resources
- Know Your Protections Under the IRS Free File Program
- Get Replacement Social Security Benefit Statement Form SS-1099 Online
- Free Tax Return Preparation for Qualified Taxpayers

Free File Software Topics
- How to Use Free File Filing@gov (PDF)
- What You Need to Get Started
- How to Validate Your Return
- About the Free File program
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

Samuel E. Kelly Ethnic Cultural Center

January 13 – April 18
Monday & Wednesday: 4 – 8 pm
Friday: 12 – 4 pm

www.freetaxexperts.org
Local Resources

Seattle Public Library, Central Branch
Mon to Thurs: 12 – 7 p.m.
Sat: 11 a.m. – 5 p.m.
Sun: 1 p.m. – 5 p.m.

Seattle Public Library, University Branch
Thurs: 12 p.m. – 4 p.m.
Sat: 12 p.m. – 4 p.m.

Lake City Neighborhood Service Center
Mon, Tues, & Thurs: 5 p.m.– 9 p.m.
Sun: 10 a.m. – 4 p.m.

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

IRS Web Site

www.irs.gov

IRS Publication 970
IRS Instructions for 1040
Opting 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!

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
Contacts

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

W-2 forms
Payroll Tax - ISC
pr-tax@uw.edu
206-616-4317