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# Tax Basics Workshop, for Students at UCSF

February/March 2020

*DISCLAIMER: This presentation is not meant to replace professional tax advice. Do not depend on this slide deck alone for your tax filing. This informational workshop does not replace actual tax assistance.*

# Our Agenda

1. Some definitions
2. Who has to file?
3. Summary of forms
4. Is my scholarship / grant / stipend taxable?
5. Education Tax Credits (1098-T)
6. Student Loan Interest Deduction (1098-E)
7. Other tax items and state tax information
8. A note on retirement
9. Resources



Financial Aid cannot  
serve as a tax advisor.

# 1. Terms to Know

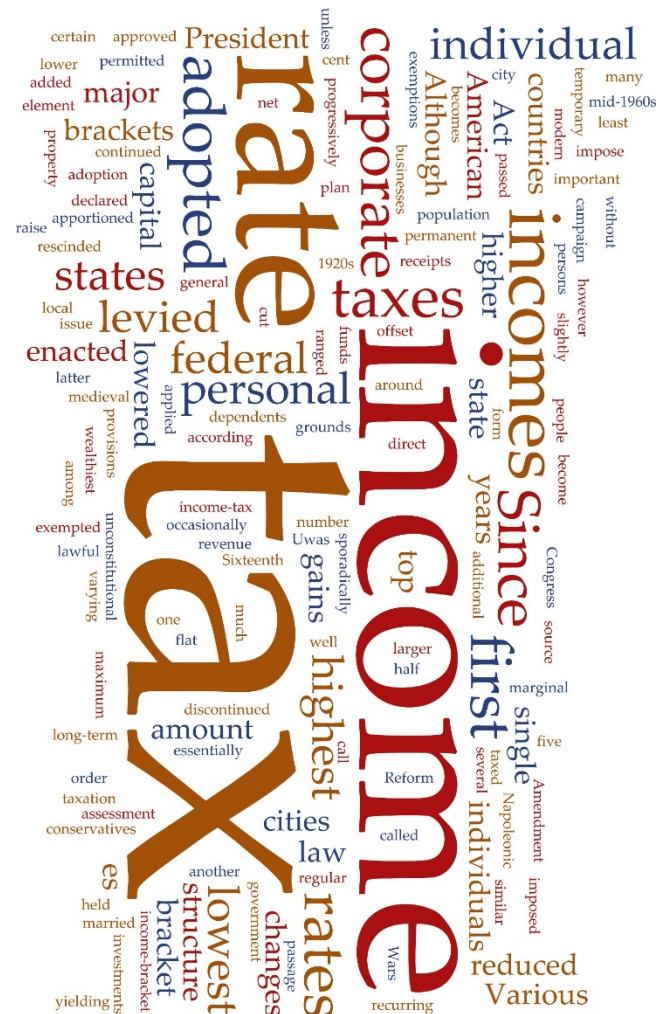
**Adjusted Gross Income (AGI):** Total income you receive in the calendar year, including wages, interest, and capital gains, minus allowable reductions such as non-taxable income and some business expenses.

**Earned income:** This includes salaries, wages, professional fees. “Earned income (only for purposes of filing requirements and the standard deduction) also includes any part of taxable scholarship.” – Pub 501

**Unearned income:** Income that is not from work, such as interest, dividends, and royalties.

**Nontaxable Income:** This is income not subject to tax, or already taxed, including, tuition-specific gift aid, some interest income, payments to tax-deferred retirement, child support, and veterans non-education benefits.

**Taxable Income:** Taxable income is your overall (gross) income minus adjustments, deductions and exemptions. It is the amount of income used to calculate how much you owe in taxes.



# 1. Terms to Know

**Credit:** Tax credits reduce the amount of tax you owe dollar for dollar. A \$2,000 credit, for example, will reduce a \$2,500 tax bill to \$500. Some credits can generate a refund, others are non-refundable even if they zero out taxes owed.

**Deduction:** Subtractions from your taxable income. If you had AGI of \$41,475 and had a \$2,000 deduction, You would only be taxed on \$39,475. This is beneficial because the amount over \$39,475 is taxed at 10% MORE than income below that threshold.

**Progressive Tax:** In the US, the more money you make, the higher the tax rate. If your taxable income (after deductions and exemptions) is \$20,000, the first \$9,700 is taxed at 10% and the rest falls in the next bracket and that portion is taxed at 12%.

**Qualified Tuition & Related Expenses (QTRE):** Mainly tuition and fees paid in the calendar year. This does not include student activity fees, athletic fees, health insurance, or room and board expenses, but could include books & supplies if documented.

**Withholding:** The amount taken out of your paycheck for anticipated taxes owed. Taxes may be withheld from other income such as dividends and interest too.

# 1. Terms to Know

The word “stipend” is not in the IRS publications. Ergo, you must use the alternate IRS terms for the amounts you received in excess of QTRE.



# 1040 and 1040-SR

**INSTRUCTIONS**

Including the instructions for  
Schedules 1 through 3



# 1. Federal Income Tax Brackets

Tax brackets for 2019 filing.

<b>Tax Rate</b>	<b>Single filer</b>	<b>Married, filing jointly (MFJ)</b>	<b>Married, filing separately (MFS)</b>	<b>Head of household (HOH)</b>
10%	\$0 to \$9,700	\$0 to \$19,400	\$0 to \$9,700	\$0 to \$13,850
12%	\$9,701 to \$39,475	\$19,401 to \$78,950	\$9,701 to \$39,475	\$13,851 to \$52,850
22%	\$39,476 to \$84,200	\$78,951 to \$168,400	\$39,476 to \$84,200	\$52,851 to \$84,200
24%	\$84,201 to \$160,725	\$168,401 to \$321,450	\$84,201 to \$160,725	\$84,201 to \$160,700
32%	\$160,726 to \$204,100	\$321,451 to \$408,200	\$160,726 to \$204,100	\$160,701 to \$204,100
35%	\$204,101 to \$510,300	\$408,201 to \$612,350	\$204,101 to \$306,175	\$204,101 to \$510,300
37%	\$510,301 or more	\$612,351 or more	\$306,176 or more	\$510,301 or more

Are you a small business owner? Effective 2018, you may be able to deduct an extra 20% of your gross income! See Publication 535 for instructions!

## 2. Who has to file?

If you are not a dependent on someone else's return and under 65 years old, you must file if your gross income was at least...

\$12,200 for Single  
\$24,400 for Married Filing Jointly  
\$5 for Married Filing Separately  
\$18,35 for Head of Household

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### Non-Resident and Resident Aliens

1. Non-Resident Aliens are usually F-1, J-1, L-1 visa holders. You usually receive a 1042-S. The refund is based on your tax treaty from completed GLACIER paperwork. You can file a 1040NR. See Pub 901 (on tax treaties, last revised 2016) and Pub 519.
  2. Resident Aliens, such as Permanent Residents / green card holders, often file as a US Citizen would using the 1040. Also see Pub 519 for details.
- 

**Other reasons such as...self-employment income.**

**See Pub 17 pages 9-12 for details!**

<https://www.irs.gov/help/ita/do-i-need-to-file-a-tax-return>

## 2. Who has to file?

**For 2019, if you're single and your parent (or someone) can claim you as dependent on the tax return, you still must file if any situations apply below:**

1. Your **earned income** was over \$12,200 (includes taxable portion of gift aid/stipend.)
2. Your **unearned income** was over \$1,100
3. Your **gross income** was more than the larger of:  
\$1,100 or your earned income of at least \$11,850 plus \$400.

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### **The Kiddie Tax. yes, it's a thing.**

A "Qualifying Child" can be claimed as a dependent, defined in part as someone under 19 years old, or under 24 years old and a student. This could impact your taxation of earned or unearned income including taxable gift aid.

- **Doesn't apply if you are filing a joint return with spouse.**
- **See Pub 929 for more details because it gets complicated quick.**



## 2. So should I file?

**Even if you are not required to file, you SHOULD file if you can claim a refund. For example,**

- You had taxes withheld from earnings but didn't make enough or work long enough to owe taxes at the rate you were taxed.
- You qualify for a refundable credit such as Earned Income Tax Credit (usu. modest income, with children). See: <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/eitc-income-limits-maximum-credit-amounts-next-year>

**Even if you are not required to file, you MIGHT decide to file in your last year of school if you want the lowest possible initial payment.**

- If you are considering the Income-Driven Repayment (IDR) plans for your Federal Direct Loans and/or Public Service Loan Forgiveness (PSLF) your reported income on the tax return is what is used to document income and consequently the minimum payments.

## 2. So should I file?

### More about the Earned Income Refundable Tax Credit (EIC)

You could qualify for this credit

- With modest earnings
- With or without children
- Must file jointly if married
- Attach Form EIC to 1040
  
- Amount of credit, based on earnings, can be found in the IRS 1040 Instruction booklet available online.



✓ Tax Year 2020

**Qualifying Children Claimed**

If filing	Zero	One	Two	Three
Single, Head of Household, or Widowed	\$15,820	\$41,756	\$47,440	\$50,594
Married Filing Jointly	\$21,710	\$47,646	\$53,330	\$56,844

**Investment Income Limit**  
Investment income must be \$3,650 or less for the year.

**Maximum Credit Amounts**  
The maximum amount of credit for Tax Year 2020 is:

- \$6,660 with three or more qualifying children
- \$5,920 with two qualifying children
- \$3,584 with one qualifying child
- \$538 with no qualifying children.

# 3. Building Block Approach

IF YOU...	THEN USE...
Have additional income, such as business or farm income or loss, unemployment compensation, prize or award money, or gambling winnings.	<b>Schedule 1, Part I</b>
Have any deductions to claim, such as student loan interest deduction, self-employment tax, or educator expenses.	<b>Schedule 1, Part II</b>
Owe AMT or need to make an excess advance premium tax credit repayment.	<b>Schedule 2, Part I</b>
Owe other taxes, such as self-employment tax, household employment taxes, additional tax on IRAs or other qualified retirement plans and tax-favored accounts.	<b>Schedule 2, Part II</b>
Can claim a nonrefundable credit other than the child tax credit or the credit for other dependents, such as the foreign tax credit, education credits, or general business credit.	<b>Schedule 3, Part I</b>
Can claim a refundable credit other than the earned income credit, American opportunity credit, or additional child tax credit, such as the net premium tax credit or health coverage tax credit. Have other payments, such as an amount paid with a request for an extension to file or excess social security tax withheld.	<b>Schedule 3, Part II</b>

Schedule A: To Itemize Deductions  
 Schedule B: Interest and Dividends  
 Schedule C: Profit /Loss from Business  
 Schedule D: Capital Gains and Losses

Schedules E, EIC, F, H, J, R  
 Schedule SE: Self-Employment Tax  
 Schedule 8812: Child Tax Credit

Various Publications, Forms  
 (for an ITIN for example)

- Filing Statuses:**
- 1) Single
  - 2) Married Filing Jointly (MFJ)
  - 3) Married Filing Separately (MFS)
  - 4) Head of Household (HOH)
  - 5) Qualifying Widow(er)



# 3. The 1040 Form, pg1

<b>Form 1040</b>	Department of the Treasury—Internal Revenue Service (99)	<b>2019</b>	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.																																																											
<b>Filing Status</b> <input type="checkbox"/> Single <input type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately (MFS) <input type="checkbox"/> Head of household (HOH) <input type="checkbox"/> Qualifying widow(er) (QW) Check only one box.    If you checked the MFS box, enter the name of 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.	<b>Presidential Election Campaign</b> 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. <input type="checkbox"/> You <input type="checkbox"/> Spouse																																																											
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).																																																															
Foreign country name		Foreign province/state/county	Foreign postal code	If more than four dependents, see instructions and ✓ here ▶ <input type="checkbox"/>																																																											
<b>Standard Deduction</b> <b>Someone can claim:</b> <input type="checkbox"/> You as a dependent <input type="checkbox"/> Your spouse as a dependent <input type="checkbox"/> Spouse itemizes on a separate return or you were a dual-status alien																																																															
<b>Age/Blindness</b> <b>You:</b> <input type="checkbox"/> Were born before January 2, 1955 <input type="checkbox"/> Are blind <b>Spouse:</b> <input type="checkbox"/> Was born before January 2, 1955 <input type="checkbox"/> Is blind																																																															
<b>Dependents (see instructions):</b> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:30%;">(1) First name</th> <th style="width:15%;">Last name</th> <th style="width:15%;">(2) Social security number</th> <th style="width:15%;">(3) Relationship to you</th> <th style="width:10%;">(4) ✓ if qualifies for (see instructions):</th> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Child tax credit    Credit for other dependents</td> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/>    <input type="checkbox"/></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/>    <input type="checkbox"/></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/>    <input type="checkbox"/></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/>    <input type="checkbox"/></td> </tr> </tbody> </table>					(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) ✓ 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"/>																													
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<b>For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.</b>																																																															
			Cat. No. 11320B	Form <b>1040</b> (2019)																																																											

# 3. The 1040 Form, pg2

Form 1040 (2019)		Page 2	
<b>12a</b>	<b>Tax</b> (see inst.) Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> _____	<b>12a</b>	
<b>b</b>	Add Schedule 2, line 3, and line 12a and enter the total		<b>12b</b>
<b>13a</b>	Child tax credit or credit for other dependents	<b>13a</b>	
<b>b</b>	Add Schedule 3, line 7, and line 13a and enter the total		<b>13b</b>
<b>14</b>	Subtract line 13b from line 12b. If zero or less, enter -0-		<b>14</b>
<b>15</b>	Other taxes, including self-employment tax, from Schedule 2, line 10		<b>15</b>
<b>16</b>	Add lines 14 and 15. This is your <b>total tax</b>		<b>16</b>
<b>17</b>	Federal income tax withheld from Forms W-2 and 1099		<b>17</b>
<b>18</b>	Other payments and refundable credits:		
<b>a</b>	Earned income credit (EIC)	<b>18a</b>	
<b>b</b>	Additional child tax credit. Attach Schedule 8812	<b>18b</b>	
<b>c</b>	American opportunity credit from Form 8863, line 8	<b>18c</b>	
<b>d</b>	Schedule 3, line 14	<b>18d</b>	
<b>e</b>	Add lines 18a through 18d. These are your <b>total other payments and refundable credits</b>		<b>18e</b>
<b>19</b>	Add lines 17 and 18e. These are your <b>total payments</b>		<b>19</b>
<b>Refund</b>	<b>20</b> If line 19 is more than line 16, subtract line 16 from line 19. This is the amount you <b>overpaid</b>		<b>20</b>
	<b>21a</b> Amount of line 20 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>		<b>21a</b>
Direct deposit? See instructions.	<b>b</b> Routing number _____ <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	<b>d</b> Account number _____		
	<b>22</b> Amount of line 20 you want <b>applied to your 2020 estimated tax</b>	<b>22</b>	
<b>Amount You Owe</b>	<b>23</b> <b>Amount you owe</b> . Subtract line 19 from line 16. For details on how to pay, see instructions		<b>23</b>
	<b>24</b> Estimated tax penalty (see instructions)	<b>24</b>	
<b>Third Party Designee</b> (Other than paid preparer)	Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions. <input type="checkbox"/> <b>Yes</b> . Complete below. <input type="checkbox"/> <b>No</b>		
	Designee's name ▶ _____	Phone no. ▶ _____	Personal identification number (PIN) ▶ _____
<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	Your signature _____	Date _____	Your occupation _____
	Spouse's signature. If a joint return, <b>both</b> must sign. _____	Date _____	Spouse's occupation _____
Joint return? See instructions. Keep a copy for your records.	Phone no. _____	Email address _____	If the IRS sent you an Identity Protection PIN, enter it here (see inst.) _____
			If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.) _____
<b>Paid Preparer Use Only</b>	Preparer's name _____	Preparer's signature _____	Date _____
	Firm's name ▶ _____	Phone no. _____	PTIN _____
	Firm's address ▶ _____	Firm's EIN ▶ _____	Check if: <input type="checkbox"/> 3rd Party Designee <input type="checkbox"/> Self-employed

## 4. Is my grant/stipend taxable?

- 1) First, identify your sources of money, often found here.
  - a) Offsets & Awards: 1098-T Box 5
  - b) Employment: W-2 Box 1
  - c) Stipends: 1098-T Box 5 {other schools may put it on a 1099}
  - d) Student Loans: Student Portal
  
- 2) Consider dependencies that impact taxability
  - a) Type of educational support.
    - Loans versus Gift Aid versus Earnings
  - b) Terms of the Funding
    - Tuition-specific versus other expenses
  
- 3) Timing of disbursement/receipt
  - a) Usually funds received within the calendar year
  - Generally tuition offsets are not taxable, but stipends are.
  - See also Topic #421: <https://www.irs.gov/taxtopics/tc421>

## 4. Is my grant/stipend taxable?

- Use the IRS worksheet 1.1 found in the 1040 Instructions designed to help answer the question. [www.irs.gov/pub/irs-pdf/p970.pdf](http://www.irs.gov/pub/irs-pdf/p970.pdf)
  - Often yes, amounts received for teaching or research are taxable.
  - Amount would go on the 1040 Ln 1. [www.irs.gov/pub/irs-pdf/i1040gi.pdf](http://www.irs.gov/pub/irs-pdf/i1040gi.pdf)
- If you receive your “stipend” via payroll, taxes are taken out in “pay-as-you-earn” taxation. Opting for a check from the stipend desk doesn’t avoid taxes. Instead you get the cash upfront and pay later when you file.
- Side notes
  - Work-Study may be exempt from certain tax withholdings such as social security (FICA taxes), but it’s still taxable income for income taxes and from what I understand it must be reported on your 1040 form.
  - Exception: VA Benefits aren’t taxable, even BAH not taxable
  - Funds such as NHSC, Nursing Corps and HPSP Scholarships may be taxable despite commitment to service.
    - Check with the organization directly for details.

# 5. Education Tax Credit

## Lifetime Learning Credit

- Up to \$2,000 non-refundable credit
  - If you are listed as a dependent by someone else, they get to claim the credit. If not, but third party pays the tuition, you may get the credit.
  - MAGI must be less than \$90k single or Head of Household, below \$180k married filing jointly (MFJ) to obtain any deduction. \*

1 Payments received for qualified tuition and related expenses \$		OMB No. 1545-1574 <b>2019</b> Form 1098-T	<b>Tuition Statement</b>
2			
3		<b>Copy B For Student</b>	
4 Adjustments made for a prior year \$	5 Scholarships or grants \$		
6 Adjustments to scholarships or grants for a prior year \$	7 Checked if the amount in box 1 includes amounts for an academic period beginning January – March 2020 <input type="checkbox"/>		
9 Checked if a graduate student <input type="checkbox"/>	10 Ins. contract reimb./refund \$		
www.irs.gov/Form1098T		Department of the Treasury - Inter	

UCSF provides the 1098-T to all students enrolled in the previous calendar year, accessible under the Finances tab in the Student Portal or [www.tsc1098t.com](http://www.tsc1098t.com)

IRS Form 1098-T – Tuition Statement

**Go Paperless!**  
We can notify you by e-mail in January when your Form 1098-T is available. You will be able to view, download, and print your form here in the student portal or at the Web site of our Form 1098-T services vendor.

To receive your Form 1098-T electronically, rather than by mail, please read the [Consent to Electronic Delivery](#).

After December 31, a request to change the delivery method may not take effect until the following tax year.

I Consent to Electronic Delivery





# 5. Education Tax Credit

- Box 1** (Payments received for qualified tuition and related expenses)
  - **Box 5** (Scholarships or grants received in 2019)
- = *net amount*. This amount can usually be put in line 31 of Form 8863.

*Remember, these amounts are based on the actual date that you paid your tuition and fees through December 31, 2019.*

<p><b>SCHEDULE 3</b> (Form 1040 or 1040-SR)</p> <p>Department of the Treasury Internal Revenue Service</p>	<p><b>Additional Credits and Payments</b></p> <p>▶ Attach to Form 1040 or 1040-SR. ▶ Go to <a href="http://www.irs.gov/Form1040">www.irs.gov/Form1040</a> for instructions and the latest information.</p>	<p>OMB No. 1545-0074</p> <p style="font-size: 2em; font-weight: bold;">2019</p> <p>Attachment Sequence No. 03</p>
Name(s) shown on Form 1040 or 1040-SR		Your social security number
<b>Part I Nonrefundable Credits</b>		
1	Foreign tax credit. Attach Form 1116 if required . . . . .	1
2	Credit for child and dependent care expenses. Attach Form 2441 . . . . .	2
3	Education credits from Form 8863, line 19 . . . . .	3
4	Retirement savings contributions credit. Attach Form 8880 . . . . .	4
5	Residential energy credits. Attach Form 5695 . . . . .	5
6	Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/> [ ] . . . . .	6
7	Add lines 1 through 6. Enter here and include on Form 1040 or 1040-SR, line 13b . . . . .	7
<b>Part II Other Payments and Refundable Credits</b>		
8	2019 estimated tax payments and amount applied from 2018 return . . . . .	8
9	Net premium tax credit. Attach Form 8962 . . . . .	9
10	Amount paid with request for extension to file (see instructions) . . . . .	10
11	Excess social security and tier 1 RRTA tax withheld . . . . .	11
12	Credit for federal tax on fuels. Attach Form 4136 . . . . .	12
13	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/> [ ] . . . . .	13
14	Add lines 8 through 13. Enter here and on Form 1040 or 1040-SR, line 18d . . . . .	14
<p>For Paperwork Reduction Act Notice, see your tax return instructions. <span style="float: right;">Cat. No. 71480G Schedule 3 (Form 1040 or 1040-SR) 2019</span></p>		

*Use Form 8863 to determine eligible credit to enter on Schedule 3 Line 3.*

<https://www.irs.gov/pub/irs-pdf/f1040s3.pdf>

## 6. Student Loan Interest Deduction

### Student Loan Interest Deduction

- You can deduct up to \$2,500 of interest **paid** during 2019.
  - You do not have to itemize to claim this deduction.
  - Modified Adjusted Gross Income (MAGI) must be less than: \$85K single, \$170k married filing jointly (MFJ) to obtain any deduction.\*

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		OMB No. 1545-1576
		<b>2019</b>
		Form <b>1098-E</b>
RECIPIENT'S TIN	BORROWER'S TIN	1 Student loan interest received by lender
		\$
BORROWER'S name		
Street address (including apt. no.)		
City or town, state or province, country, and ZIP or foreign postal code		
Account number (see instructions)		2 If checked, box 1 does <b>not</b> include loan origination fees and/or capitalized interest for loans made before September 1, 2004 <input type="checkbox"/>
Form <b>1098-E</b>	(keep for your records)	www.irs.gov/Form1098E Department of the Treasury - I

\* Signifies an income "phase-out"

Eligible deduction goes on Schedule 1 Line 20.  
<https://www.irs.gov/pub/irs-pdf/f1040s1.pdf>

# 6. Student Loan Interest Deduction

<b>SCHEDULE 1</b> (Form 1040 or 1040-SR)  Department of the Treasury Internal Revenue Service	<b>Additional Income and Adjustments to Income</b>  ▶ Attach to Form 1040 or 1040-SR. ▶ Go to <a href="http://www.irs.gov/Form1040">www.irs.gov/Form1040</a> for instructions and the latest information.	OMB No. 1545-0074  <div style="font-size: 2em; font-weight: bold; text-align: center;">2019</div> Attachment Sequence No. <b>01</b>	
Name(s) shown on Form 1040 or 1040-SR		Your social security number	
At any time during 2019, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>			
<b>Part I Additional Income</b>			
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. List type and amount ▶	8	
9	Combine lines 1 through 8. Enter here and on Form 1040 or 1040-SR, line 7a . . . . .	9	
<b>Part II Adjustments to Income</b>			
10	Educator expenses . . . . .	10	
11	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 . . . . .	11	
12	Health savings account deduction. Attach Form 8889 . . . . .	12	
13	Moving expenses for members of the Armed Forces. Attach Form 3903 . . . . .	13	
14	Deductible part of self-employment tax. Attach Schedule SE . . . . .	14	
15	Self-employed SEP, SIMPLE, and qualified plans . . . . .	15	
16	Self-employed health insurance deduction . . . . .	16	
17	Penalty on early withdrawal of savings . . . . .	17	
18a	Alimony paid . . . . .	18a	
b	Recipient's SSN . . . . . ▶		
c	Date of original divorce or separation agreement (see instructions) ▶		
19	IRA deduction . . . . .	19	
20	Student loan interest deduction . . . . .	20	
21	Tuition and fees. Attach Form 8917 . . . . .	21	
22	Add lines 10 through 21. These are your <b>adjustments to income</b> . Enter here and on Form 1040 or 1040-SR, line 8a . . . . .	22	

### Tuition and Fees Deduction

- It's back after a 2018 hiatus, but still a very gray area
- Enter amount from Form 8917 onto Sch 1 Ln 21
- Cannot use on top of 1098-T tax credit

### Child Tax Credit

- \$2,000 per child. And refundable up to \$1,400
- Maximum credit income threshold lifted to \$200k, or \$400k MFJ.
- More info for families: <https://www.irs.gov/pub/irs-pdf/p5307.pdf>

### Employer-Provided Educational Assistance

- Can exclude up to \$5,250 from income and other compensation
- Employer can provide more, but would count as salary
- As with other aid, non-taxable if for QTRE

### Deduction for Work-Related Education

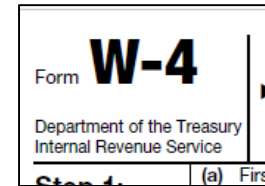
- For those self-employed, contractors, small business owners
- Only to enhance skills in current work not to change jobs.

[www.irs.gov/help/ita/are-my-work-related-education-expenses-deductible](http://www.irs.gov/help/ita/are-my-work-related-education-expenses-deductible)

# 7. Other Tax Items

## W-4 (different than the last 30 years)

- Predicting allowances for the future filing removed.
- Instead allows you to include more information on your household for more accurate withholding.
- Can adjust withholding if multiple jobs.
- Overall simpler version of form.



(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld . . . . .

**TIP:** To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

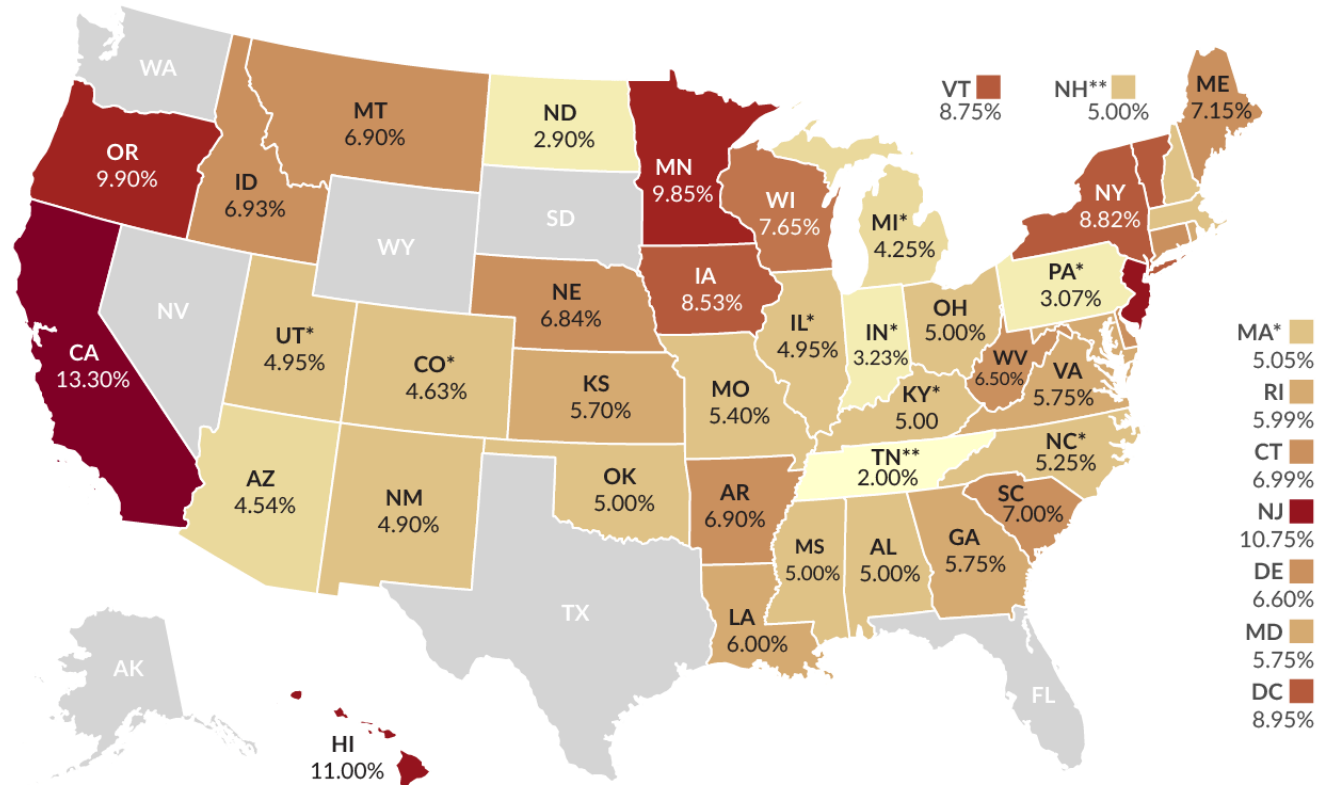
**Complete Steps 3–4(b) on Form W-4 for only ONE of these jobs.** Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3–4(b) on the Form W-4 for the highest paying job.)

<b>Step 3:</b>	If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):		
<b>Claim Dependents</b>	Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$ _____		
	Multiply the number of other dependents by \$500 . . . . . ▶ \$ _____		
	Add the amounts above and enter the total here . . . . .	<b>3</b>	\$ _____
<b>Step 4 (optional): Other Adjustments</b>	(a) <b>Other income (not from jobs).</b> If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income . . . . .	<b>4(a)</b>	\$ _____
	(b) <b>Deductions.</b> If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here . . . . .	<b>4(b)</b>	\$ _____
	(c) <b>Extra withholding.</b> Enter any additional tax you want withheld each pay period . . . . .	<b>4(c)</b>	\$ _____

# 7. State Taxes Too!

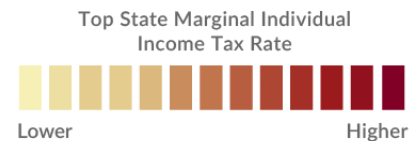
## How High Are Income Tax Rates in Your State?

Top State Marginal Individual Income Tax Rates, 2019



Note: (\*) State has a flat income tax. (\*\*) State only taxes interest and dividends income. Map shows top marginal rates: the maximum statutory rate in each state. This map does not show effective marginal tax rates, which would include the effects of phase-outs of various tax preferences. Local income taxes are not included.

Source: Tax Foundation; state tax statutes, forms, and instructions; Bloomberg BNA.



# 7. State Taxes Too!



## Tax Year 2018 California Income Tax Brackets

TY 2018 - 2019

### California - Single Tax Brackets

Tax Bracket	Tax Rate
\$0.00+	1%
\$8,223.00+	2%
\$19,495.00+	3%
\$30,769.00+	4%
\$42,711.00+	8%
\$53,980.00+	9.3%
\$275,738.00+	10.3%
\$330,884.00+	11.3%
\$551,473.00+	12.3%
\$1,000,000.00+	13.3%

### California - Married Filing Jointly Tax Brackets

Tax Bracket	Tax Rate
\$0.00+	1%
\$16,446.00+	2%
\$38,990.00+	4%
\$61,538.00+	6%
\$85,422.00+	8%
\$107,960.00+	9.3%
\$551,476.00+	10.3%
\$661,768.00+	11.3%
\$1,000,000.00+	12.3%
\$1,074,996.00+	13.3%

## 8. Retirement Accounts

**Retirement Accounts are helpful because mostly it's pre-tax.  
Therefore it reduces your taxable income.**

### *Retirement Accounts, Pre-Tax*

- ✓ *Payroll Deduction*
- ✓ *Employer match, sometimes*
- ✓ *Taxed when withdrawn*
- ✓ *Max contribution for 2019 is \$19k*
  - *401k usually for profit*
  - *403b usually non-profit*
  - *457 usually State agencies*
  - *TSP (Thrift Saving Plan) VA*

*IRA – no payroll deduction, on your own.*

### *Retirement Accounts, After Tax*

- *Roth IRAs*
  - *May be able to withdraw gains early w/out penalty.\**
  - *Income under \$122k single, or 193K MFJ, to be allowed max contribution eff. 2019.*
  - *Limited contribution of \$6,000/yr. starting 2019.*

*\*Please note: some resources say Roth IRAs have restrictions on withdrawal time periods and some say there could be penalties while others claim no penalties. As always, please consult your retirement provider or your employer for details.*



### IRS Federal returns, E-file for free

- [www.irs.gov/uac/Free-File:-Do-Your-Federal-Taxes-for-Free](http://www.irs.gov/uac/Free-File:-Do-Your-Federal-Taxes-for-Free)
- Your local tax advocate's number is at [www.TaxpayerAdvocate.IRS.gov](http://www.TaxpayerAdvocate.IRS.gov)  
You can also call them at 1-877-777-4778.

### Health Insurance Requirement

[www.ucop.edu/ucship/benefits/1095b-proof-of-insurance.html](http://www.ucop.edu/ucship/benefits/1095b-proof-of-insurance.html)

### Protect Yourself, Beware of Tax Scams

- Any message asking for W-2 or other tax information.
- Use a different way to validate any request for W-2 or other tax information, even if it looks like a legitimate request.
- Do not reply to emails asking for your password or SSN.
- <https://www.youtube.com/watch?v=0y5z0kWgBcM>

## 9. Tips & Resources

Websites to look at while on the shuttle...

- UCSF Grad Division Information: <http://graduate.ucsf.edu/tax-info>
- UCSF 1098-T Info: <https://registrar.ucsf.edu/registration/form-1098-t>
- UCSF Financial Aid Office: <https://finaid.ucsf.edu/financial-literacy>
- UCSF Retirement Resource: [netbenefits.fidelity.com](http://netbenefits.fidelity.com)
- Tax Benefits for Education: [www.irs.gov/pub/irs-pdf/p970.pdf](http://www.irs.gov/pub/irs-pdf/p970.pdf)
- Tax tips for Single filers: <https://www.irs.gov/individuals/students>
- Is My Stipend Taxable? [www.irs.gov/help/ita/do-i-include-my-scholarship-fellowship-or-education-grant-as-income-on-my-tax-return](http://www.irs.gov/help/ita/do-i-include-my-scholarship-fellowship-or-education-grant-as-income-on-my-tax-return)

Financial Aid cannot serve as a tax advisor.