

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

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Tax Year 2019

# Agenda

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> IRS Information and Your Responsibilities

> U.S. Resident Taxes

- 1098-T and Other Tax Forms
- Tax Credits and Taxable Income



# Important Information

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- > Deadline for filing tax return is extended to 7/15/2020
- > Standard deduction is \$12,200 for single and \$24,400 for married couples
- > Only use 1040 Tax form. No 1040A or 1040EZ
- > Tuition and fees deduction has been extended to 2018, 2019 & 2020. Review Form 8917 for more information.



# What is the IRS?

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- > The Internal Revenue Service
- > The tax collection agency of the United States
- > Administers the Internal Revenue Code enacted by Congress
- > **Mission Statement:**
  - Provide top quality service
  - Help taxpayers understand and meet tax responsibilities
  - Apply the tax law with integrity and fairness



# IRS Resources

## Great source for:

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



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

IRS Publication 970



**Individual Tax Help**

1-800-829-1040

## Help by phone:

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



**IRS Seattle Office**

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

Call 206-946-3400 for more info.

**Hours:**

Monday - Friday

8:30 am to 4:30 pm by appointment



# At Your Service

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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



# At Your Service

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## UW Federal Tax Clinic

(206) 685-6805

- > Staffed by second-year, third-year, and post-graduate law students and volunteer attorneys
- > Helps taxpayers who do not already have tax representation in a current dispute and cannot afford representation
- > Assists taxpayers with IRS audits and other federal tax controversies
- > Services provided only to those whose income falls at or below a certain level (e.g., \$31,900 for a single person in 2020)
- > The LITC does not prepare tax returns



# Your Rights & Responsibilities

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## **As a U.S. taxpayer you have the right to:**

- > Know that your rights are protected
- > Privacy and confidentiality
- > Professional and courteous service
- > Representation
- > Pay only the correct amount of tax
- > Help with unresolved tax problems
- > Appeals and judicial review
- > Relief from certain penalties and interest





# Your Rights & Responsibilities

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## As a U.S. taxpayer you are responsible for:

- > Filing your federal income taxes every year
- > Filing your taxes on time
- > Completing the form accurately and signing it
- > Attaching required documents and mailing it by April 15th
- > Paying the taxes due or making a payment plan arrangement with the IRS to pay over time
- > Participating in an audit if necessary

If you can't pay, failure to file your return only makes the situation **worse!**



# Who Has to File Taxes?

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## **You must file a federal tax return if you:**

- > Worked in the United States or received United States source income, and
- > The amount of gross income meets a certain threshold amount

If you have a Social Security Number (SSN), file using your SSN

If you do not have a Social Security Number, get an Individual Taxpayer Identification Number (ITIN) from the IRS and file using your ITIN



# What is United States Source Income



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

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**Non-Residents** get taxed **ONLY** on United States source income

Source depends on type of income:

- > Wages are sourced where they are earned
- > Scholarships and grants are sourced where the payer of the funds resides



# What is NOT Included in Gross Income?

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Scholarships, Fellowships, and Grants are not included in gross income if:

- > You are a degree candidate
- > Your money is for tuition, books, and supplies

**AND**

- > The amounts you received were not payments to you for performance of services (for example, a wage for a part-time job)



# What is Included in Gross Income?

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Amounts received for living expenses are taxable

Amounts received as payment for services are taxable

- > Most stipends for services performed as an ASE (Academic Student Employee), regardless of the purpose for which these stipends are awarded, are fully taxable



# What is Included in Gross Income?

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## Other common forms of gross income

- > Interest and dividend income from savings and investments
- > Gambling winnings
- > Summer job abroad (if you are a U.S. resident)
- > Discharge of debt (there are exceptions)
- > Unemployment

**Beware! Just because the payer does not withhold taxes does not mean the income is not taxable**



# What is the Threshold Amount?

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You must file a federal tax return if:

- > You are a dependent of someone else, and you earned:
  - \$1,050 unearned income (e.g. interest, dividends)
  - \$12,200 of earned income (e.g. wages, compensation)
- > You are **not** a dependent, Single Filing Status, and you earned
  - \$12,200 **any** type of income (\$24,000 if Married Filing Joint)
  - \$400 of self-employed income

Whether you are a dependent relies on several factors:

- Who is claiming you (parent, other relative, non-relative)
- Age and whether in school
- Support provided by you or the person claiming you as a dependent
- Best to consult directions to 1040



# Standard Deduction of \$12,200

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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 more expenses, like mortgage interest or property tax.
- > If you cannot do the itemized deduction, the IRS gives you a standard deduction amount.

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





# Tax Credit or Deduction

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A **tax credit** reduces the amount of income tax you may have to pay.

A **deduction** reduces the amount of income subject to tax.



# Tax Credit or Deduction

## Example of a Deduction:

Wages	3,000
Gambling Winnings!	<u>1,000</u>
Gross Income	4,000
<b>(Less Deduction)</b>	<b><u>250</u></b>
Taxable Income	3,750
Tax Percentage	<u>10%</u>
Tax	375
<b><i>Tax Owed</i></b>	<b><i>375</i></b>

## Example of a Credit:

Wages	3,000
Gambling Winnings!	<u>1,000</u>
Gross Income	4,000
Taxable Income	4,000
Tax Percentage	<u>10%</u>
Tax	400
<b>(Less Credit)</b>	<b><u>250</u></b>
<b><i>Tax Owed</i></b>	<b><i>150</i></b>

**Note that the \$250 Credit is**  
**far more valuable to this student!**



# Lifetime Learning Tax Credit

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- > For students enrolled in graduate or any fee based programs
- > For any type of post-secondary education, including classes taken to improve or acquire job skills
- > For an unlimited number of years
- > Equal to 20% of the first \$10,000 of qualified expenses (maximum \$2,000) paid in 2019



# When you CAN claim a Tax Credit

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- > If you pay qualified education expenses
- > 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 the Earned Income or Lifetime Learning Tax Credit

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- > 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 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 Education Expenses – Lifetime Learning

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> Per IRS regulations, qualified education expenses are:

- 1) Tuition and fees required for enrollment
- 2) Course related books
- 3) Supplies
- 4) Equipment needed for a course of study

*\*\*Only if paid for an eligible student that is required for enrollment or attendance at an eligible institution\*\**



# Qualified Education Expenses

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## **Do NOT include:**

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



# Departmental Scholarships, Fellowships and Grants

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**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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1. The money will affect a student's financial aid status and can affect a student's tax credit
  - When departments award money onto the student tuition account, the UW does not withhold tax
2. When departments award money in the student account system, the Financial Aid Office will receive all payment information to determine the needs of students when they apply for financial aid
3. Prizes, awards, and stipends are taxable income



# 1098T Form (prepared by UW)

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## For the Lifetime Learning Credit:

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

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

- > Summarizes all tuition and fee charges in **Box 1**
- > Summarizes scholarship, fellowship and financial aid in **Box 5**
- > Helps students determine if they qualify for tax credit or if the scholarship and grant aid money is taxable
- > Non Resident Alien Students do not qualify and will not receive the 1098T form



# 1098T Form (prepared by UW)

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UW reports tuition payments plus scholarships and financial aid grants payment 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



## UNIVERSITY OF WASHINGTON Educational Tax Credits Report

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

1/23/20

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:

SOC SEC NUMBER:

Student Number:

### INFORMATION SUBMITTED TO THE IRS

The following information is being sent to the IRS. Box numbers correspond to IRS form 1098-T, also called the "Tuition Statement". Any box number not listed should be considered to have a zero dollar amount.

Box 1 : Payments for qualified tuition & related expenses... \$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

### 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 2019

Charged	Transaction	Expense	Paid
8/28/19	AUTUMN 2019 TUITION	12,638.00	12,638.00
	REGULAR COURSE FEES	30.00	30.00
	REGULAR COURSE FEES	70.00	70.00
	TOTAL:	12,738.00	12,738.00

**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**



# 1098T Form – Scholarship Income



## UNIVERSITY OF WASHINGTON

### Educational Tax Credits Report

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

1/27/20

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:

SOC SEC NUMBER:

Student Number:

**Box 1:** \$ 3,738.00  
**Box 5:** - \$ 5,351.00  
**Difference:** - \$ **1,613.00**

#### 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..... \$5,351.00  
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

#### 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 2019

Charged	Transaction	Expense	Paid
8/28/19	AUTUMN 2019 TUITION	3,738.00	3,738.00

#### SCHOLARSHIPS OR GRANTS RECEIVED IN 2019

Date	Transaction	Grant Aid	Total
10/15/19	UNDERGRAD TUITION EXEMPTION	153.00	
	STATE NEED GRANT	2,508.00	
	COLLEGE BOUND	1,241.00	
	FEDERAL SUPPLEMENTAL GRANT	100.00	
11/07/19	FEDERAL PELL GRANT	130.00	
	FEDERAL PELL GRANT	1,219.00	5,351.00

Extra scholarship funds to report as  
income: **\$1,613.00**



# 1098T Form – Stipend



## UNIVERSITY OF WASHINGTON

### Educational Tax Credits Report

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

2/04/20

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.

SOC SEC NUMBER:

Student Number:

#### INFORMATION SUBMITTED TO THE IRS

The following information is being sent to the IRS. Box numbers correspond to IRS form 1098-T, also called the "Tuition Statement". Any box number not listed should be considered to have a zero dollar amount.

Box 1 : Payments for qualified tuition & related expenses... \$19,086.00  
Box 5 : Scholarships or grants..... \$29,581.00  
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..... Yes

#### DETAIL OF CHARGES AND FINANCIAL ASSISTANCE RECEIVED

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

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

Charged	Transaction	Expense	Paid
1/02/19	WINTER 2019 TUITION	9,543.00	9,543.00
3/27/19	SPRING 2019 TUITION	9,543.00	9,543.00
TOTAL:		19,086.00	19,086.00

#### SCHOLARSHIPS OR GRANTS RECEIVED IN 2019

Date	Transaction	Grant Aid	Total
1/02/19	TARA SERV APPTMNT NONRES EXMPT	4,097.00	
1/07/19	ENGLISH PROGRAM SUPPORT	5,208.00	
3/27/19	POLLOCK ENDOWED FUND CREATIVE	5,170.00	
4/02/19	TARA SERV APPTMNT NONRES EXMPT	4,097.00	
4/05/19	KLEPSEY ENDOWED FUND	200.00	
12/31/19	STIPEND PAID VIA PAYROLL	10,809.00	29,581.00

**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 increase tax liability



# Deductible Student Loan Interest

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- > Your student loan interest may be deductible up to \$2,500 per year
- > Some restrictions apply:
  - > You are not claimed as a dependent by someone else
  - > Your AGI does not exceed \$85,000 (\$170,000 for married filing jointly)
  - > Deduction is reduced when income exceeds \$70,000 (\$140,000 for married filing jointly)
  - > You are legally liable for the loan



# Earned Income Credit

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## **“Refundable” Credit**

- > You may receive a refund even if you did not pay taxes!

## **How to qualify**

- > Must have Earned Income
- > Must be a U.S. Resident
- > Must either have one or more qualifying children or be 25 years of age
- > Meet the income threshold. Cannot have investment income of more than \$3,500





# Earned Income Credit

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## Earned income includes:

- > Wages from employment
- > Scholarship or fellowship reported on a W-2

**Amount of credit varies depending upon your filing status, income and number of kids**

## Income ceilings for Married filing Joint

- > More than Two Qualifying Children - \$55,952
- > Two Qualifying Children - \$52,493
- > Only One Qualifying Child - \$46,884
- > No Qualifying Child & over age 25 - \$21,370



# Additional Dependent Issues



Issues can arise with divorced parents with dependent children

Generally, the parent who has custody of the child can claim the Dependent Deduction

“Custodial parent” may give up that right by signing a Form 8332



# IRS Form 1040

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2019** 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 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.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).		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. <input type="checkbox"/> You <input type="checkbox"/> Spouse
Foreign country name	Foreign province/state/county	Foreign postal code
If more than four dependents, see instructions and ✓ here ▶ <input type="checkbox"/>		

**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, 1955 ☐ Are blind Spouse: ☐ Was born before January 2, 1955 ☐ Is blind

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) ✓ If qualifies for (see instructions):	
(1) First name	Last name			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"/>

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

**Standard Deduction for—**  
• Single or Married filing separately, \$12,200  
• Married filing jointly or Qualifying widow(er), \$24,400  
• Head of household, \$18,350  
• If you checked any box under **Standard Deduction**, see instructions.

To report excess scholarship as income use:

LINE 1: "amount & SCH"

W

# IRS Form 1040

Form 1040 (2019)

Page **2**

<b>12a</b>	Tax (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>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>	
<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>23</b>	Amount you <b>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>	

**Refund**

Direct deposit? See instructions.

**Amount You Owe**

**Third Party Designee**

Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions. ☐ Yes. Complete below. ☐ No

Designee's name \_\_\_\_\_ Phone no. \_\_\_\_\_ Personal Identification number (PIN) \_\_\_\_\_

**Sign Here**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature \_\_\_\_\_ Date \_\_\_\_\_ Your occupation \_\_\_\_\_ If the IRS sent you an Identity Protection PIN, enter it here (see inst.) \_\_\_\_\_

Spouse's signature. If a joint return, both must sign. \_\_\_\_\_ Date \_\_\_\_\_ Spouse's occupation \_\_\_\_\_ If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.) \_\_\_\_\_

Phone no. \_\_\_\_\_ Email address \_\_\_\_\_

**Paid Preparer Use Only**

Preparer's name \_\_\_\_\_ Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ PTIN \_\_\_\_\_ Check if: ☐ 3rd Party Designee ☐ Self-employed

Firm's name \_\_\_\_\_ Phone no. \_\_\_\_\_

Firm's address \_\_\_\_\_ Firm's EIN \_\_\_\_\_

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

Form **1040** (2019)

To report tax credits from form 8863 use:

**LINE 18 C**



# IRS Form 8863 – Calculate Tax Credit

Form **8863** **Education Credits**  
(American Opportunity and Lifetime Learning Credits)

OMB No. 1545-0074  
2019  
Attachment  
Sequence No. 50

Department of the Treasury  
Internal Revenue Service (IRS)  
Name(s) shown on return

Go to [www.irs.gov/Form8863](http://www.irs.gov/Form8863) for instructions and the latest information.

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 8b. 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, stop; you can't take any education credit . . . . . 4

5 Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er) . . . . . 5

6 If line 4 is:  
• Equal to or more than line 5, enter 1.000 on line 6 . . . . . 6  
• Less than line 5, divide line 4 by line 5. Enter the result as a decimal (rounded to at least three places) . . . . . 6

7 Multiply line 1 by line 6. **Caution:** If you were under age 24 at the end of the year and meet the conditions described in the instructions, you can't take the refundable American opportunity credit; skip line 8, enter the amount from line 7 on line 9, and check this box ☐ 7

8 Refundable American opportunity credit. Multiply line 7 by 40% (0.40). Enter the amount here and on Form 1040 or 1040-SR, line 18c. 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 II, 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: \$136,000 if married filing jointly; \$68,000 if single, head of household, or qualifying widow(er) . . . . . 13

14 Enter the amount from Form 1040 or 1040-SR, line 8b. 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:  
• Equal to or more than line 16, enter 1.000 on line 17 and go to line 18  
• Less than line 16, divide line 15 by line 16. Enter the result as a decimal (rounded to at least three places) . . . . . 17

18 Multiply line 12 by line 17. Enter here and on line 1 of the Credit Limit Worksheet (see instructions) ▶ 18

19 Nonrefundable education credits. Enter the amount from line 7 of the Credit Limit Worksheet (see instructions) here and on Schedule 3 (Form 1040 or 1040-SR), line 3 . . . . . 19

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Form **8863** (2019) 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 2019? ☐ Yes ☐ No (2) Did the student receive Form 1098-T from this institution for 2019? ☐ Yes ☐ No

(3) Did the student receive Form 1098-T from this institution for 2018 with box 7 checked? ☐ Yes ☐ No (3) Did the student receive Form 1098-T from this institution for 2018 with box 7 checked? ☐ Yes ☐ 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 2019? ☐ Yes — Stop! Go to line 31 for this student. ☐ 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 2019 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential? See instructions. ☐ Yes — Go to line 25. ☐ No — Stop! Go to line 31 for this student.

25 Did the student complete the first 4 years of postsecondary education before 2019? See instructions. ☐ Yes — Stop! Go to line 31 for this student. ☐ No — Go to line 26.

26 Was the student convicted, before the end of 2019, of a felony for possession or distribution of a controlled substance? ☐ Yes — Stop! Go to line 31 for this student. ☐ 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 II, line 31, on Part II, line 10 . . . . . 31

Form **8863** (2019)



# Electronic Filing



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# On-Campus Tax Help

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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](http://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](http://www.spl.org)**





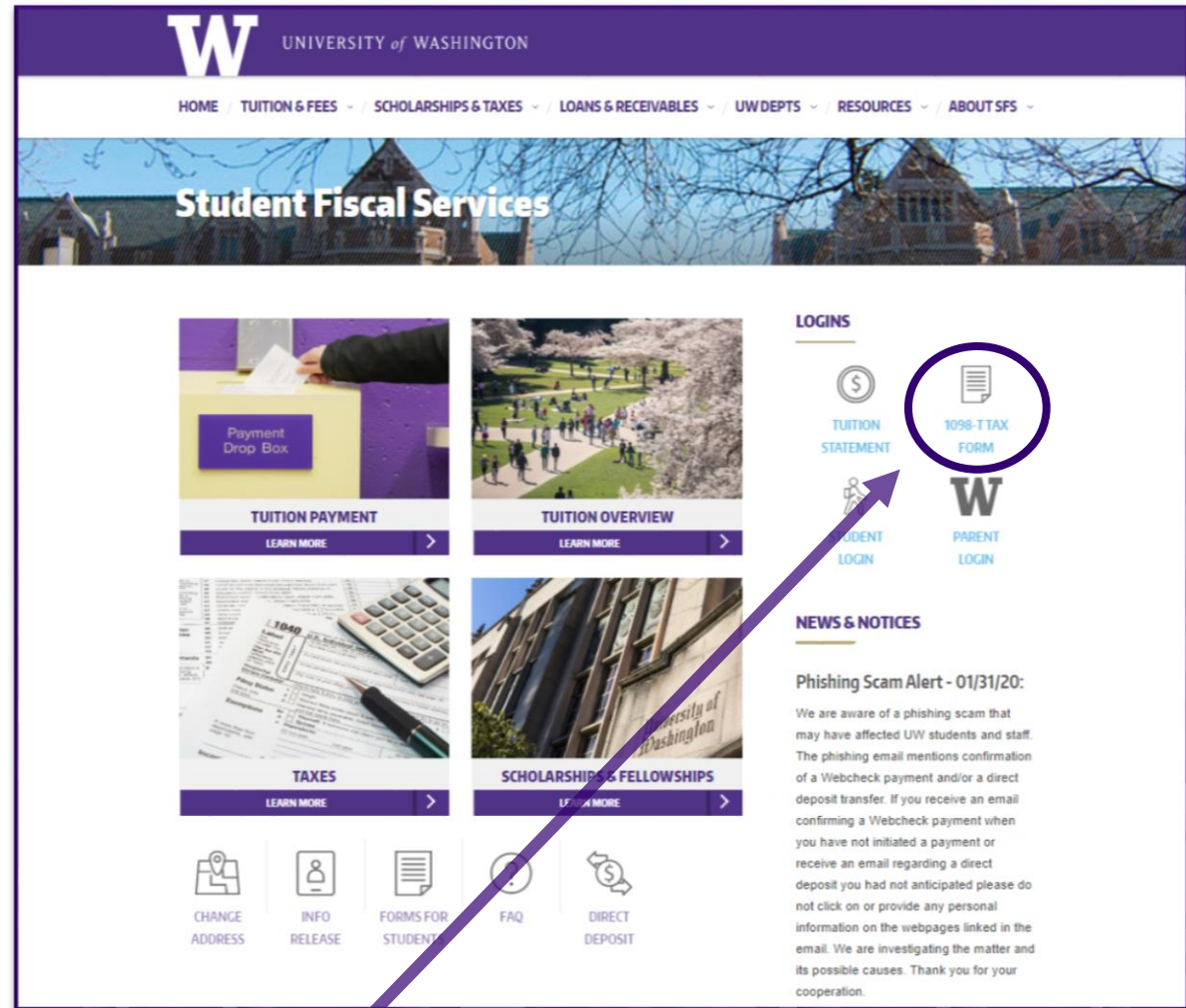
# Opting out the Paper 1098-T

For a no-hassle,  
paperless, environmentally  
friendly 1098T, sign up to

**“Opt Out”**

of receiving the paper  
1098T form

**Student Fiscal Services  
will send you an email as  
soon as the 1098T is on  
your MyUW page!**



For more information go to:

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

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

206-543-4694



## UW student tax website:

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



# Contacts



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clyncher@u.washington.edu

206-685-6805

**Li Chang Wong**

**Student Fiscal Services**

taxquest@uw.edu

206-221-2609

