



Basic Tax Workshop for UCSF Students for the 2017 tax year

Tuesday February 27, from 12-1pm in N517
and Monday March 5, from 12-1pm in N217


Zoom: <https://ucsf.zoom.us/j/8531229278>

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Resource Advisor

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Our Agenda

- 
1. Who has to file a tax return? (1040)
 2. Is my scholarship/grant/stipend taxable?
 3. Student Loan Interest Deduction (1098-E)
 4. Education Tax Credits (1098-T)
 5. Miscellany, Bells & Whistles
 - Other Deductions and Credits
 - The new tax brackets
 6. A Note on Retirement Accounts
 7. Helpful Resources

Financial Aid cannot serve as a tax advisor.

1. Do I have 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...

\$10,400 for Single

\$20,800 for Married Filing Jointly

\$ 4,050 for Married Filing Separately

\$13,400 for Head of Household

\$16,750 for Qualifying Widow(er)

Form 1040	Department of the Treasury—Internal Revenue Service (99)	2017	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.																									
For the year Jan. 1–Dec. 31, 2017, or other tax year beginning , 2017, ending , 20			See separate instructions.																										
Your first name and initial		Last name	Your social security number																										
If a joint return, spouse's first name and initial		Last name	Spouse's social security number																										
Home address (number and street). If you have a P.O. box, see instructions.			Apt. no.	▲ Make sure the SSN(s) above and on line 6c are correct.																									
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).			Presidential Election Campaign																										
Foreign country name		Foreign province/state/county	Foreign postal code	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																									
Filing Status	1 <input type="checkbox"/> Single 2 <input type="checkbox"/> Married filing jointly (even if only one had income) 3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶ 4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ 5 <input type="checkbox"/> Qualifying widow(er) (see instructions)																												
Exemptions	6a <input type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a b <input type="checkbox"/> Spouse <table border="1"> <thead> <tr> <th colspan="2">c Dependents:</th> <th>(2) Dependent's social security number</th> <th>(3) Dependent's relationship to you</th> <th>(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)</th> </tr> </thead> <tbody> <tr> <td>(1) First name</td> <td>Last name</td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> If more than four dependents, see instructions and check here ▶ <input type="checkbox"/> d Total number of exemptions claimed				c Dependents:		(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)	(1) First name	Last name			<input type="checkbox"/>					<input type="checkbox"/>					<input type="checkbox"/>					<input type="checkbox"/>
c Dependents:		(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)																									
(1) First name	Last name			<input type="checkbox"/>																									
				<input type="checkbox"/>																									
				<input type="checkbox"/>																									
				<input type="checkbox"/>																									
				Boxes checked on 6a and 6b No. of children on 6c who: • lived with you • did not live with you due to divorce or separation (see instructions) Dependents on 6c not entered above Add numbers on lines above ▶ <input type="text"/>																									

1. Do I have to file?

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

Form	1040	Department of the Treasury — Internal Revenue Service (99)	2017	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
U.S. Individual Income Tax Return					
For the year Jan. 1–Dec. 31, 2017, or other tax year beginning		, 2017, ending		, 20	
Your first name and initial		Last name		See separate instructions.	
If a joint return, spouse's first name and initial		Last name		Your social security number	
Home address (number and street). If you have a P.O. box, see instructions.		Apt. no.		<div style="text-align: center;">▲</div> Make sure the SSN(s) above and on line 6c are correct.	
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/country		Foreign postal code	
Filing Status		<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> 1 <input type="checkbox"/> Single 2 <input type="checkbox"/> Married filing jointly (even if only one had income) 3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ► </div> <div style="width: 45%;"> 4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ► 5 <input type="checkbox"/> Qualifying widow(er) (see instructions) </div> </div>			
Check only one box.		<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> 6a <input type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a. b <input type="checkbox"/> Spouse </div> <div style="width: 45%;"> Boxes checked on 6a and 6b No. of children on 6c who: • lived with you • did not live with you due to divorce or separation (see instructions) Dependents on 6c not entered above </div> </div>			
Exemptions		<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions) </div> <div style="width: 45%;"> Add numbers on lines above ► </div> </div>			
If more than four dependents, see instructions and check here ► <input type="checkbox"/>		d Total number of exemptions claimed			

Your **unearned income** was over \$1,050

Your **earned income** was over \$6,350 (includes taxable portion of grants/scholarships/fellowships—more about that later.)

1. 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
- You qualify for a refundable credit such as Earned Income Tax Credit, Additional Child Tax Credit, or Premium Tax Credit

Even if you are not required to file, you **MIGHT** decide to file in your last year of school

- Tip: If you are considering the Income-Driven Repayment (IDR) plans for your student loans or Public Service Loan Forgiveness (PSLF) your reported income on the tax return is what can be used to document income and consequently the reduced payments.

1. Which form should I use?

Form 1040

Must be used if:

- *Taxable income is greater than \$100,000*
- *You wish to itemize deductions*
- *Along with many other specific situations*

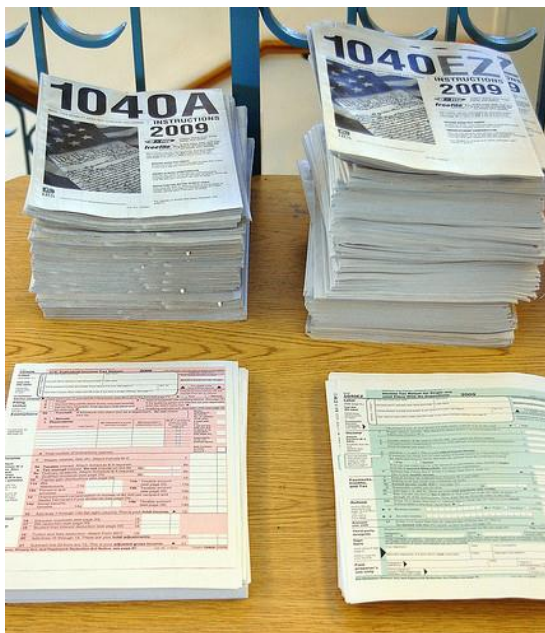
Allows filers to include:

- *Student Loan Interest Deduction*
- *Education Tax Credit*
- *Child Tax Credit*

Form 1040A

Allows filers to include:

- *Student Loan Interest Deduction*
- *Education Tax Credit*
- *Child Tax Credit*



2. Is my grant/stipend taxable?

- Using the IRS worksheet 1.1 designed for Taxable Scholarship and Fellowship Income. www.irs.gov/pub/irs-pdf/p970.pdf
- Tip: You will find that you may be able to infer this from your 1098-T by subtracting the amount in Box 1 from Box 5 to find out how much of your received scholarships are taxable.
- Amounts received for teaching or research are not considered in this determination. Neither is an NHSC Scholarship.

Income		7	Wages, salaries, tips, etc. Attach Form(s) W-2	7
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.	8a	Taxable interest. Attach Schedule B if required	8a	
	b	Tax-exempt interest. Do not include on line 8a	8b	
	9a	Ordinary dividends. Attach Schedule B if required	9a	
	b	Qualified dividends	9b	
If you did not get a W-2, see instructions.	10	Taxable refunds, credits, or offsets of state and local income taxes	10	
	11	Alimony received	11	
	12	Business income or (loss). Attach Schedule C or C-EZ	12	
	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
	14	Other gains or (losses). Attach Form 4797	14	
	15a	IRA distributions	15a	
	b	Taxable amount	15b	
	16a	Pensions and annuities	16a	
	b	Taxable amount	16b	
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
	18	Farm income or (loss). Attach Schedule F	18	
	19	Unemployment compensation	19	
	20a	Social security benefits	20a	
	b	Taxable amount	20b	
21	Other income. List type and amount	21		
22	Combine the amounts in the far right column for lines 7 through 21. This is your total income	22		

Any taxable amount is included on Line 7 of both the 1040 or 1040A forms.

3. Student Loan Interest Deduction

Student Loan Interest Deduction

- You can deduct up to \$2,500 of interest **paid** during 2017.
 - You do not have to itemize to claim this deduction.
 - Tip: Instead of forbearance during Residency, you may wish to make interest-only payments.
 - Taxable income (MAGI) must be less than: \$80K single, \$160k if married filing jointly

Adjusted Gross Income	23	Educator expenses	23			
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24			
	25	Health savings account deduction. Attach Form 8889	25			
	26	Moving expenses. Attach Form 3903	26			
	27	Deductible part of self-employment tax. Attach Schedule SE	27			
	28	Self-employed SEP, SIMPLE, and qualified plans	28			
	29	Self-employed health insurance deduction	29			
	30	Penalty on early withdrawal of savings	30			
	31a	Alimony paid b Recipient's SSN ►	31a			
	32	IRA deduction	32			
	33	Student loan interest deduction	33			
	34	Reserved for future use	34			
	35	Domestic production activities deduction. Attach Form 8903	35			
	36	Add lines 23 through 35	36			
	37	Subtract line 36 from line 22. This is your adjusted gross income ►	37			

*Eligible credit goes on
Line 33 of the 1040 form
or Line 18 of the 1040A.*

- \$2,000 non-refundable credit
 - You must have qualified educational expenses
 - You, the filer, must be the person paying the expenses and are either the student, the spouse of the student or the student is your dependent
 - Taxable income must be less than \$66,000 if single, below \$132,000 if married, and if married, cannot file separately and claim this credit.

UCSF provides the 1098-T, Tuition Statement, to students and former students who had fee payment, scholarship, or grant activity in the previous year. It is accessible online at www.1098t.com

Please direct questions if needed, to 877-467-3821.

4. The 1098-T Form

Box 1 (Payments received for qualified tuition and related expenses)
minus **Box 5** (Scholarships or grants received in 2017)
 = the net amount. Up to \$2,000 of that can be added as a credit.

<div style="display: flex; justify-content: space-between;"> <div> <p>1 Payments received for qualified tuition and related expenses</p> <p>\$</p> </div> <div> <p>2 Amounts billed for qualified tuition and related expenses</p> <p>\$</p> </div> </div>		<p>OMB No. 1545-1574</p> <p style="font-size: 2em; font-weight: bold;">2017</p> <p>Form 1098-T</p>	<p>Tuition Statement</p>
<p>3 If this box is checked, your educational institution changed its reporting method for 2017 <input type="checkbox"/></p>			
<p>4 Adjustments made for a prior year</p> <p>\$</p>	<p>5 Scholarships or grants</p> <p>\$</p>	<p>Copy B For Student</p> <p>This is important tax information and is being furnished to the Internal Revenue Service. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.</p>	
<p>6 Adjustments to scholarships or grants for a prior year</p> <p>\$</p>	<p>7 Checked if the amount in box 1 or 2 includes amounts for an academic period beginning January—March 2018 <input type="checkbox"/></p>		
<p><input type="checkbox"/> 9 Checked if a graduate student <input type="checkbox"/></p>	<p>10 Ins. contract reimb./refund</p> <p>\$</p>		

www.irs.gov/form1098t

Department of the Treasury - Internal Revenue Service

*That amount, up to \$2,000,
goes on Line 50 of the 1040
or Line 33 of the 1040A form.*

Remember, these amounts are for January 1 to December 31, 2017—based on the actual date that you paid your tuition and fees.

5. Other Deductions

Deduct Moving Expenses (form 3903)

- Tip: Graduating student consider this in next year's return!
- Eligible if relocating over 50 miles for Residency.
- And if moving within same year you start.
- (Residency Interview expenses not deductible.)

Tuition and Fees Deduction

** ACCORDING TO IRS PUBL. 970, THIS EXPIRED IN 2016. **

- No double benefit allowed: you can't claim this deduction if you claim a Lifetime Learning credit in the same year.
- This is more complicated than a credit, consult a professional.
- Taxable income must be less than: \$80K single, \$160K if MFJ.
- California does not allow this deduction for state income taxes.

5. Tax credit for Health Insurance Marketplace premiums

Health Insurance Requirement

All taxpayers must indicate that either

- they have health care,
- claim an exemption from the requirement,
- or make a “shared responsibility payment”

Premium Tax Credit

If you purchased healthcare from the Health Insurance Marketplace (healthcare.org, Covered California, etc.)

You may qualify for this tax credit

It is a refundable credit

You should receive a Form 1095-A

You will fill out form 8962 to claim the credit

<http://www.irs.gov/Affordable-Care-Act>



5. New Tax brackets

Single / Unmarried Individual Filers	
Old (2017 return you file now)	New (next year's return)
10 percent: \$0 to \$9,525	10 percent: \$0 to \$9,525
15 percent: Over \$9,525 to \$38,700	12 percent: Over \$9,525 to \$38,700
25 percent: Over \$38,700 to \$93,700	22 percent: Over \$38,700 to \$82,500
28 percent: Over \$93,700 to \$195,450	24 percent: Over \$82,500 to \$157,500
33 percent: Over \$195,450 to \$424,950	32 percent: Over \$157,500 to \$200,000
35 percent: Over \$424,950 to \$426,700	35 percent: Over \$200,000 to \$500,000
39.6 percent: Over \$426,700	37 percent: More than \$500,000
Married Filing Jointly	
Old (2017 return you file now)	New (next year's return)
10 percent: \$0 to \$19,050	10 percent: \$0 to \$19,050
15 percent: Over \$19,050 to \$77,400	12 percent: Over \$19,050 to \$77,400
25 percent: Over \$77,400 to \$156,150	22 percent: Over \$77,400 to \$165,000
28 percent: Over \$156,150 to \$237,950	24 percent: Over \$165,000 to 315,000
33 percent: Over \$237,950 to \$424,940	32 percent: Over \$315,000 to 400,000
35 percent: Over \$424,950 to \$480,050	35 percent: Over \$400,000 to \$600,000
39.6 percent: Over \$480,050	37 percent: More than \$600,000

Caveat: Capital gains have their own tax brackets! See [irs.gov](https://www.irs.gov)

5. Tax Deductions and Credits



Deductions and Credits with regard to Family Size	
Old (2017 return)	New (next year's return)
Standard Deductions	
\$6,500 Single	\$12,000 Single
\$12,700 MFJ	\$24,000 MFJ
\$9,350 HOH	\$18,000 HOH
Personal Exemptions	
\$4,050 per dependent*	None
* but only \$1,300 ea. if over 65 or disabled	
Child Tax Credit	
\$1,000 per child	\$2,000 per child

6. Retirement Accounts

Retirement Accounts are helpful because mostly it's pre-tax. Therefore it reduces your potential tax base. You can contribute up to \$18,000. This could reduce how much the rest is taxed!

Retirement Accounts, Pre-Tax

- 401K usually for profit
 - 403B usually non-profit
 - 457 usually State agencies
 - TSP (Thrift Saving Plan) VA
- Employer matching also pre-tax*
Taxed when withdrawn

Retirement Account, After Tax

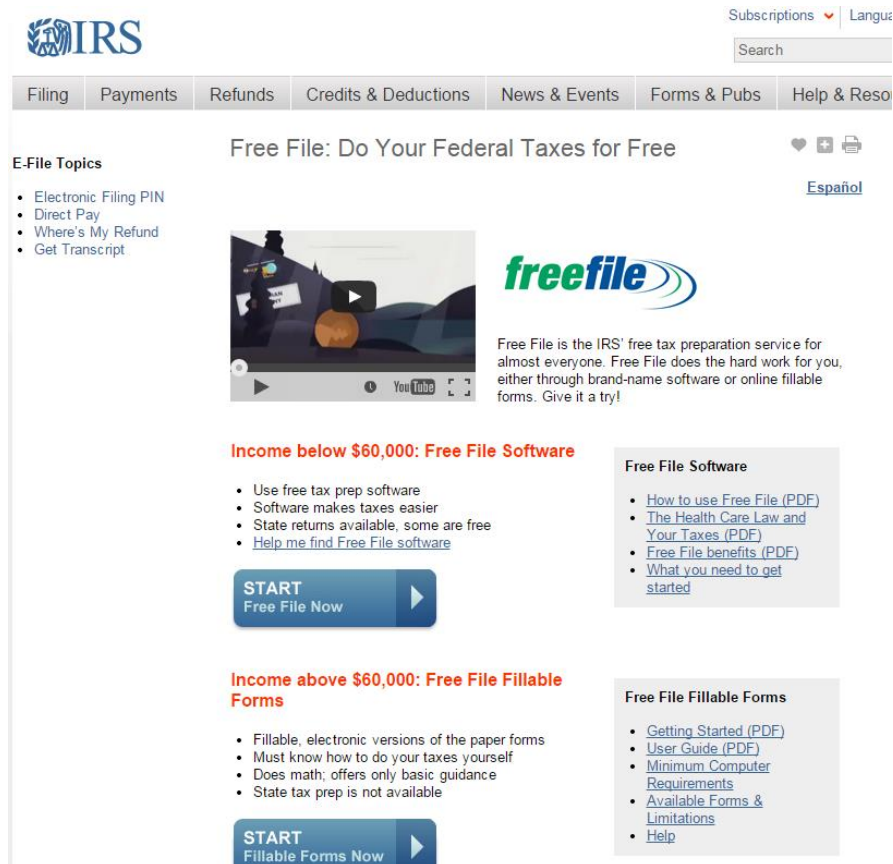
- *Roth IRA*
 - *Can be taken out tax-free and without penalty*
 - *Only for those with income under \$117,000 (single)*
 - *Limited contribution of \$5,500/yr.*
 - *Like an emergency fund folks, but with a better return.*

7. E-file for free

IRS Federal returns:
www.irs.gov/uac/Free-File:-Do-Your-Federal-Taxes-for-Free

Myfreetaxes.com

Free filing for federal and state for incomes <\$66K sponsored by the United Way, and other partners uses H&RBlock software.



The screenshot shows the IRS website's 'Free File' section. At the top, there's a navigation bar with links: Filing, Payments, Refunds, Credits & Deductions, News & Events, Forms & Pubs, and Help & Reso. Below this, the main heading is 'Free File: Do Your Federal Taxes for Free'. To the left, under 'E-File Topics', there's a list: Electronic Filing PIN, Direct Pay, Where's My Refund, and Get Transcript. In the center, there's a video player showing a person at a desk with a large orange coin. To the right of the video is the 'freefile' logo. Below the video, there's a section for 'Income below \$60,000: Free File Software' with a list of bullet points: 'Use free tax prep software', 'Software makes taxes easier', 'State returns available, some are free', and 'Help me find Free File software'. Below this list is a blue button that says 'START Free File Now'. To the right of this section is a sidebar titled 'Free File Software' with links: 'How to use Free File (PDF)', 'The Health Care Law and Your Taxes (PDF)', 'Free File benefits (PDF)', and 'What you need to get started'. Below the main heading, there's another section for 'Income above \$60,000: Free File Fillable Forms' with a list of bullet points: 'Fillable, electronic versions of the paper forms', 'Must know how to do your taxes yourself', 'Does math; offers only basic guidance', and 'State tax prep is not available'. Below this list is a blue button that says 'START Fillable Forms Now'. To the right of this section is a sidebar titled 'Free File Fillable Forms' with links: 'Getting Started (PDF)', 'User Guide (PDF)', 'Minimum Computer Requirements', 'Available Forms & Limitations', and 'Help'.

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freefile

Free File is the IRS' free tax preparation service for almost everyone. Free File does the hard work for you, either through brand-name software or online fillable forms. Give it a try!

Income below \$60,000: Free File Software

- Use free tax prep software
- Software makes taxes easier
- State returns available, some are free
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START
Free File Now

Free File Software

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Income above \$60,000: Free File Fillable Forms

- Fillable, electronic versions of the paper forms
- Must know how to do your taxes yourself
- Does math; offers only basic guidance
- State tax prep is not available

START
Fillable Forms Now

Free File Fillable Forms

- [Getting Started \(PDF\)](#)
- [User Guide \(PDF\)](#)
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7. Where can I get help?

Volunteer Income Tax Assistance

Find a provider by zip code: <http://irs.treasury.gov/freetaxprep/>

Toll-free Assistance from the IRS <https://www.irs.gov/>

1-800-829-1040 - ask tax questions

1-800-829-3676 - order forms and publications

1-800-829-4477 – pre-recorded information

1-800-829-1954 – refund information

UCSF Grad Division Information: <http://graduate.ucsf.edu/tax-info>

Tax Workshop for Students Paid Via Stipend

IRS Tax Assistance Centers

450 Gold Gate Ave, San Francisco

1301 Clay Street, Oakland



Student Financial Aid
Student Academic Affairs

Questions?

Thank you!

UCSF Financial Aid Office:

<https://finaid.ucsf.edu/financial-literacy>

Loan Resource Advisor:

Daniel.Roddick@ucsf.edu

Financial Aid cannot serve as your tax advisor.