Sacramento Cal-SOAP Consortium

Completing the FAFSA: Tips for Students with Jobs

Consider completing the FAFSA On The Web Worksheet before filling out the FAFSA online: www.fafsa.ed.gov

Section 4 on the FAFSA On The Web Worksheet asks for the student's tax information.

Who must file taxes?

- People who earn more than $5,150 as a dependent (or $8,450 as an independent). Most high school seniors are considered dependents.
- If you earned less than these amounts, consider filing anyway because you might get a refund!
- You can file taxes even if your parent/s claim you as a dependent.

What should you file first: your taxes or the FAFSA?

- You can submit the FAFSA first (early in January is best), then file your federal income tax return once you've received your W-2 form/s in the mail.
- You and your parent/s are allowed to estimate tax information on the FAFSA and can update tax information later on your Student Aid Report (SAR).
- How to estimate tax information: look at a December pay stub or W-2. Or, you can make an educated guess of your yearly earnings. Also, you or your parent/s can refer to 2005 tax returns.

How do I file taxes?

- You will receive a "W-2 Wage and Tax Statement" from each job that you had in 2006. Employers are required to send it by by January 31st.
- Contact your employer if your W-2 does not arrive by the first week of February.
- Use your W-2 form/s to complete your taxes.
- Most students can use the 1040EZ tax form. It's easy! Forms and instruction booklets are available at libraries, post offices, or at www.irs.gov.
- You can also file your taxes online. Go to www.irs.gov and click on the e-file icon. Check out Free File!
- IRS Live Telephone Assistance: 1-800-829-1040

Here's an example of what a blank W-2 form looks like. You will receive four small copies:

a Control number / OMB No. 1545-0008	This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.	
b Employer identification number (EIN)	1 Wages, tips, other compensation	2 Federal income tax withheld
c Employer's name, address, and ZIP code	3 Social security wages	4 Social security tax withheld
	5 Medicare wages and tips	6 Medicare tax withheld
	7 Social security tips	8 Allocated tips
d Employee's social security number	9 Advance EIC payment	10 Dependent care benefits
e Employee's first name and initial · Last name · Suff.	11 Nonqualified plans	12a See instructions for box 12
	13 Statutory employee · Retirement plan · Third-party sick pay	12b
	14 Other	12c
		12d
f Employee's address and ZIP code		

15 State · Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement **2006**

Department of the Treasury—Internal Revenue Service

Copy C—For EMPLOYEE'S RECORDS (see Notice to Employee on back of Copy B.)

Safe, accurate, FAST! Use e-file

Tips for the FAFSA on the Web Worksheet: Section 4 – Student Finances

** These are tips for students who have not filed a tax return, but want to submit their FAFSA. Students can provide estimates now and update tax information later on your SAR (Student Aid Report).*

Have you completed a 2006 IRS income tax return or other income tax return? →

- ❑ Already Completed
- ❑ Will File
- ❑ Will not file

What income tax return did you file or will you file for 2006? →

- ❑ IRS 1040
- ❑ IRS 1040A or1040EZ
- ❑ A foreign tax return
- ❑ A tax return for a U.S. Territory or a Freely Associated State

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If you filed or will file a 1040, were you eligible to file a 1040A or 1040EZ? →

- ❑ Yes
- ❑ No
- ❑ Don't Know

What was your adjusted gross income for 2006?

$

Adjusted gross income is on your IRS tax return.
***TIP**: *"Adjusted gross income" will be close to the amount that you earned from your job. Estimate the amount if you have not filed a tax return yet.*

What was your income tax for 2006?

$

Income tax amount is on your IRS tax return.
***TIP**: *If you have not completed your taxes, you can enter a zero and update the information later.*

Enter your exemptions for 2006.
Exemptions are on your IRS tax return.

***TIP**: *Most high school students will put zero or one for exemptions. You can enter zero now and update later.*

How much did you earn from working (wages, salaries, tips, combat pay, etc.) in 2006?

$

Answer this question whether or not you filed a tax return. This information may be on your W-2 forms or on your IRS tax return.

***TIP**: *Estimate the amount if you have not filed a tax return yet.*

***NOTE**: Married students must also provide spouse's information.*

Form **1040EZ**

Department of the Treasury—Internal Revenue Service

Income Tax Return for Single and Joint Filers With No Dependents (99) 2006

OMB No. 1545-0074

Label

(See page 11.)

Use the IRS label. Otherwise, please print or type.

LABEL HERE

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 page 11.		Apt. no.	▲ You **must** enter your SSN(s) above. ▲
City, town or post office, state, and ZIP code. If you have a foreign address, see page 11.			Checking a box below will not change your tax or refund.

Presidential Election Campaign (page 11) ▶ Check here if you, or your spouse if a joint return, want $3 to go to this fund . . . . ▶ ☐ **You** ☐ **Spouse**

Income

Attach Form(s) W-2 here.

Enclose, but do not attach, any payment.

1	Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2.	1	
2	Taxable interest. If the total is over $1,500, you cannot use Form 1040EZ.	2	
3	Unemployment compensation and Alaska Permanent Fund dividends (see page 13).	3	
4	Add lines 1, 2, and 3. This is your **adjusted gross income.**	4	
5	If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back. ☐ **You** ☐ **Spouse** If no one can claim you (or your spouse if a joint return), enter $8,450 if **single;** $16,900 if **married filing jointly.** See back for explanation.	5	
6	Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your **taxable income.** ▶	6	

Payments and tax

7	Federal income tax withheld from box 2 of your Form(s) W-2.	7	
8a	**Earned income credit (EIC).**	8a	
b	Nontaxable combat pay election. 8b		
9	Credit for federal telephone excise tax paid. Attach Form 8913 if required.	9	
10	Add lines 7, 8a, and 9. These are your **total payments.** ▶	10	
11	**Tax.** Use the amount on **line 6 above** to find your tax in the tax table on pages 24–32 of the booklet. Then, enter the tax from the table on this line.	11	

Refund

Have it directly deposited! See page 18 and fill in 12b, 12c, and 12d or Form 8888.

12a	If line 10 is larger than line 11, subtract line 11 from line 10. This is your **refund.** If Form 8888 is attached, check here ▶ ☐	12a	
▶ b	Routing number ☐☐☐☐☐☐☐☐☐ ▶ **c** Type: ☐ Checking ☐ Savings		
▶ d	Account number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐		

Amount you owe

13	If line 11 is larger than line 10, subtract line 10 from line 11. This is the **amount you owe.** For details on how to pay, see page 19. ▶	13	

Third party designee

Do you want to allow another person to discuss this return with the IRS (see page 20)? ☐ **Yes.** Complete the following. ☐ **No**

Designee's name ▶ Phone no. ▶ ( ) Personal identification number (PIN) ▶ ☐☐☐☐☐

Sign here

Joint return? See page 11.

Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number ( )
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	

Paid preparer's use only

Preparer's signature ▶	Date	Check if self-employed ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ▶		EIN	
		Phone no. ( )	

Use this form if

- Your filing status is single or married filing jointly. If you are not sure about your filing status, see page 11.
- You (and your spouse if married filing jointly) were under age 65 and not blind at the end of 2006. If you were born on January 1, 1942, you are considered to be age 65 at the end of 2006.
- You do not claim any dependents. For information on dependents, use TeleTax topic 354 (see page 6).
- Your taxable income (line 6) is less than $100,000.
- You do not claim any adjustments to income. For information on adjustments to income, use TeleTax topics 451-453, 455, and 456 (see page 6).
- The only tax credits you can claim are the earned income credit and the credit for the federal telephone excise tax. For information on credits, use TeleTax topics 601-608 and 610 (see page 6).
- You had only wages, salaries, tips, taxable scholarship or fellowship grants, unemployment compensation, or Alaska Permanent Fund dividends, and your taxable interest was not over $1,500. But if you earned tips, including allocated tips, that are not included in box 5 and box 7 of your Form W-2, you may not be able to use Form 1040EZ (see page 12). If you are planning to use Form 1040EZ for a child who received Alaska Permanent Fund dividends, see page 13.
- You did not receive any advance earned income credit payments. If you cannot use this form, use TeleTax topic 352 (see page 6).

Filling in your return

For tips on how to avoid common mistakes, see page 20.

If you received a scholarship or fellowship grant or tax-exempt interest income, such as on municipal bonds, see the booklet before filling in the form. Also, see the booklet if you received a Form 1099-INT showing federal income tax withheld or if federal income tax was withheld from your unemployment compensation or Alaska Permanent Fund dividends.

Remember, you must report all wages, salaries, and tips even if you do not get a Form W-2 from your employer. You must also report all your taxable interest, including interest from banks, savings and loans, credit unions, etc., even if you do not get a Form 1099-INT.

Worksheet for dependents who checked one or both boxes on line 5

(keep a copy for your records)

Use this worksheet to figure the amount to enter on line 5 if someone can claim you (or your spouse if married filing jointly) as a dependent, even if that person chooses not to do so. To find out if someone can claim you as a dependent, use TeleTax topic 354 (see page 6).

A. Amount, if any, from line 1 on front . ________
\+ 300.00 Enter total ► **A.** ________

B. Minimum standard deduction . . . . **B.** 850.00

C. Enter the **larger** of line A or line B here . . . . **C.** ________

D. Maximum standard deduction. If **single,** enter $5,150; if **married filing jointly,** enter $10,300 . . . . **D.** ________

E. Enter the **smaller** of line C or line D here. This is your standard deduction **E.** ________

F. Exemption amount.
- If single, enter -0-.
- If married filing jointly and—
  —both you and your spouse can be claimed as dependents, enter -0-.
  —only one of you can be claimed as a dependent, enter $3,300.

F. ________

G. Add lines E and F. Enter the total here and on line 5 on the front . . . **G.** ________

If you did not check any boxes on line 5, enter on line 5 the amount shown below that applies to you.

- Single, enter $8,450. This is the total of your standard deduction ($5,150) and your exemption ($3,300).
- Married filing jointly, enter $16,900. This is the total of your standard deduction ($10,300), your exemption ($3,300), and your spouse's exemption ($3,300).

Mailing return

Mail your return by **April 16, 2007.** If you live in Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont, or the District of Columbia, you have until April 17, 2007. Use the envelope that came with your booklet. If you do not have that envelope or if you moved during the year, see the back cover for the address to use.