

Understanding taxes – The basics and beyond

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Understanding taxes: The basics and beyond

DECEMBER 2021

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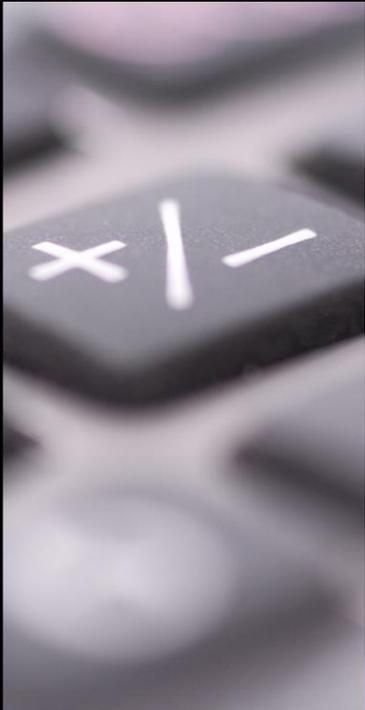
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Our **mission** is to enable individuals to achieve life-long success by empowering schools, students, and families with web-based college, financial aid, career, and financial literacy information and services.

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Agenda

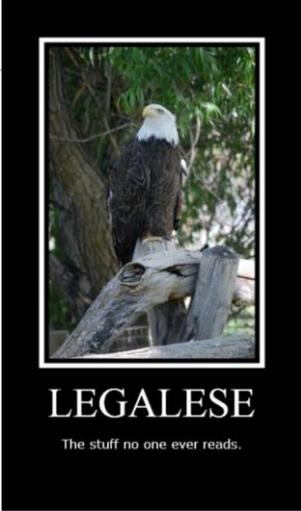
- § Introduction
- § Tax basics
- § Tax transcripts
- § Education-related tax benefits
- § Mapping Your Future services
- § Questions

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Mapping Your Future offers this webinar for information only and as a service to you.

Every tax situation is different and the regulations are complex. If you are uncertain about your rights and responsibilities, contact a qualified tax advisor or visit the Internal Revenue Service (IRS) website.



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Presenter

Carolyn Thomas, CPA

St. Louis, MO



Thomas & Associates does tax planning for businesses and individuals and consulting services for small business owners.



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Tax Cuts and Jobs Act

- 2021 tax returns will still be prepared under the Tax Cuts and Jobs Act
- Eliminated the personal exemption for taxpayers and their dependents
- Increased the standard deduction for all filing statuses
- Decreased the individual income tax rates
- Certain provisions will expire at the end of 2025

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2021 Tax Updates

Note: These are just a few of the 2021 tax updates and this is not meant to be an all-inclusive list. Review the IRS website or speak to a qualified tax advisor for more information.

- Advanced Child Tax Credit**
The IRS began sending out advanced child tax payments over the summer of 2021. These will have to be reconciled on the 2021 return.
- Economic Impact Payments**
If you did not receive the economic impact payment sent out in April or received less than you should have – you will be able to claim it on your 2021 return.
- Special \$300 cash donation deduction**
If you donate up to \$300 in cash (or checks) donations to a charity, you can take this “above the line” deduction even if you take the standard deduction instead of itemizing.
- Unemployment benefits are taxable**
Congress passed a provision to exempt up to \$10,200 of unemployment benefits for 2020. However, it is expected that all unemployment benefits will be taxable on 2021 returns.
- IRA withdrawals**
On 2020 returns, taxpayers were allowed to defer a portion of any withdrawals from their taxable income.
- Cryptocurrency**
Beginning with the 2019 individual tax return, the IRS has been asking taxpayers to affirmatively mark “yes” or “no” as to whether they acquired or disposed of a position in a virtual currency.

As drafted for the 2021 Form 1040, the question reads: “At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency?” This is a question that all taxpayers must address in filing their return. Income from selling or exchanging cryptocurrency is taxable income.

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Special Relief Provisions

Provisions implemented as a result of the pandemic may or may not be available to taxpayers in 2021.



Emergency financial aid grant under the CARES act



Emergency grants from the college, not funded by the CARES act



Waiver of 10 percent penalty for early withdrawal of retirement accounts

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Filing status-Married

You are considered married, if on the last day of the year, you:

- Are living together as a married couple
- Are married according to the law of the state where you live
- Are not separated under a divorce or separate maintenance decree

You will have to file as married filing jointly or married filing separately.

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Filing status-Head of Household

You can file as head of household if you are considered unmarried at the end of the year.

You must pay more than half the cost of maintaining a household and have someone living with you as a qualifying person.



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Filing status-Qualifying widow(er) with child

- You can file this status for two years following the year your spouse died.
- You must have a child as a dependent on your tax return.

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Who needs to file a tax return?

IF your filing status is...	AND at the end of the year, you were...	2021 gross income amounts	2020 gross income amounts
single	under 65	\$12,550	\$12,400
	65 or older	\$14,250	\$14,050
married filing jointly	under 65 (both spouses)	\$25,100	\$24,800
	65 or older (one spouse)	\$26,450	\$26,100
	65 or older (both spouses)	\$27,800	\$27,400
married filing separately	any age	\$5	\$5
head of household	under 65	\$18,800	\$18,650
	65 or older	\$20,500	\$20,300
qualifying widow(er) with dependent child	under 65	\$25,100	\$24,800
	65 or older	\$26,450	\$26,100

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Who needs to file a tax return?

Self-employed individuals, which includes:

- Sole proprietor in a trade or business
- Independent contractor
- Partner in a business
- Anyone who is in business for themselves

You must file a tax return if you have at least \$400 of net income.

May qualify for the Qualified Business Income Deduction

Source: IRS 2020 Publication 17

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Additional requirements to file



Even if you have no income:

- If you, your spouse, or dependent were enrolled in health care coverage through the Marketplace
- If you received HSA, Archer MSA, or Medicare Advantage MSA distributions
- If you are repaying the first-time homebuyer credit
- If you have a household employee
- Additional tax on a qualified plan

Note: You may want to file to receive the Economic Impact Payment if you have not yet received it.

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Dependency exemption

With the 2018 Tax Cuts and Jobs Act, dependents are now only listed on the return for the child tax credit and the new dependent tax credit.

Dependents are still considered for filing status for:

- Head of household
- Qualifying widow(er)

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Who is a dependent?

To be a dependent on your return, a dependent must meet three tests:

- Dependent taxpayer test
- Joint return test
- Citizen or resident test



When Libbie found out she wasn't listed as a tax dependent, she wondered if she was truly part of the family

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Dependent Taxpayer Test

Is the taxpayer being claimed as a dependent by another person?

- If yes, then the taxpayer cannot claim any dependents on his/her return.

If you are filing a joint return, can your spouse be claimed as a dependent by someone else?

- If yes, then the taxpayer cannot claim any dependents on your joint return.

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Joint Return Test

You generally cannot claim a married person as a dependent if he or she files a joint return with their spouse.

Exception exists when a dependent is filing a joint return with a spouse only to receive a refund.

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Citizen Resident Test

You cannot claim a person as a dependent unless that person is a:

- U.S. citizen
- U.S. resident alien
- U.S. national
- Resident of Canada or Mexico

There is an exception for certain adopted children.

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Types of dependents

- A dependent is:
 - A qualifying child
 - A qualifying relative



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Tests to be a qualifying child

- Must be your son, daughter, stepchild, foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them.
- Must be:
 - Under age 19 at the end of the year and younger than you (or your spouse, if filing jointly)
 - Under age 24 at the end of the year, a student, and younger than you (or your spouse, if filing jointly)
 - Any age if permanently and totally disabled.

(Cont. on next slide)

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Tests to be a qualifying child, cont.

- The child must have lived with you for more than half of the year.
- The child must not have provided more than half of his or her own support for the year.
- The child is not filing a joint return for the year (unless that return is filed only to get a refund of income tax withheld or estimated tax paid).

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Tests to be a qualified relative

- The person cannot be your qualifying child or the qualifying child of any other taxpayer.
- The person either:
 - Must be related to you, or
 - Must live with you all year as a member of your household (and your relationship must not violate local law)
- The person's gross income for 2021 must be less than \$4,300 (\$4,300 for 2020).
- You must provide more than half of the person's total support for the year.

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Head of Household

- Unmarried or considered unmarried on the last day of the year
- Paid more than half of the cost of maintaining a home for the year
- A qualifying person lives with you in the home for more than half of the year (except for temporary absences)

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Head of Household

If the person is your...	and...	then that person is...
Qualifying child	If he or she is single	A qualifying person
	If he or she is married and you claim as an dependent	A qualifying person
	If he or she is married and you cannot claim them as a dependent	Not a qualifying person
Qualifying relative who is your father or mother	If you can claim them as your dependent	A qualifying person
	If you cannot claim them as a dependent	Not a qualifying person

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If the person is your...	and...	then that person is...
Qualifying relative other than your father or mother	If he or she lives with you more than half the year and he or she is related to you in one of the ways listed (IRS Pub. 17)	A qualifying person
	He or she lived with the taxpayer for only half of the year or less	Not a qualifying person
	He or she is your qualifying relative only because they lived with you all year as a member of your household	Not a qualifying person
	He or she cannot be claimed as a dependent on the taxpayer's return	Not a qualifying person

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What is income?

- Earned vs. unearned
- Generally, the most common sources of earned income are:
 - W2—wages from employment
 - 1099—income from subcontract work

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Unearned income

- Dividends
- Interest
- Capital gains

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Untaxed income related to the FAFSA

- Payments to tax-deferred pension and savings plans
- IRA deductions and payments to self-employed SEP, SIMPLE, Keogh
- Child support received
- Tax exempt interest income
- Untaxed portions of IRA distributions
- Untaxed portions of pensions
- Housing, food or other living allowances to military, clergy, others
- Veterans non-education benefits
- Alimony (*effective for agreements after 12/31/18*)
- Certain CARES ACT Relief programs are untaxed

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1099 examples

VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.

1 Unemployment compensation
\$

2 State or local income tax refunds, credits, or offsets
\$

3 Box 2 amount is for tax year
\$

4 Federal income tax withheld
\$

5 Taxable grants
\$

6 RTAA payments
\$

7 Agriculture payments
\$

8 Check if box 2 is trade or business income

9 Market gain
\$

10a State
\$

10b State identification no.
\$

11 State income tax withheld
\$

Form 1099-G
www.irs.gov/Form1099G
Department of the Treasury - Internal Revenue Service

Certain Government Payments
Copy 1 For State Tax Department

VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.

1 Interest income
\$

2 Early withdrawal penalty
\$

3 Interest on U.S. Savings Bonds and Treas. obligations
\$

4 Federal income tax withheld
\$

5 Investment expenses
\$

6 Foreign tax paid
\$

7 Foreign country or U.S. possession
\$

8 Tax-exempt interest
\$

9 Specified private activity bond interest
\$

10 Market discount
\$

11 Bond premium
\$

FATCA filing requirement

12 Bond premium or Treas. obligation
\$

13 Bond premium or tax-exempt bond
\$

14 Tax-exempt debt tax credit based on COPI no.
\$

15 State
\$

16 State identification no.
\$

17 State tax withheld
\$

Form 1099-INT
www.irs.gov/Form1099INT
Department of the Treasury - Internal Revenue Service

Interest Income
Copy 1 For State Tax Department

VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.

1 Dividends
\$

2 Royalties
\$

3 Other income
\$

4 Federal income tax withheld
\$

5 Medical and health care payments
\$

6 Fishing boat proceeds
\$

7 Paper made from trees (including \$5,000 or more of composite products for recipient for resale)
\$

8 Substitute payments in lieu of dividends or interest
\$

9 Crop insurance proceeds
\$

10 Social proceeds paid for an attorney
\$

11 Fish purchased for resale
\$

12 Section 528A-2(a) amounts
\$

13 Excess grain purchase payments
\$

14 Nonqualified deferred compensation
\$

15 State tax withheld
\$

16 State Payer's state no.
\$

17 State income
\$

Form 1099-MISC
www.irs.gov/Form1099MISC
Department of the Treasury - Internal Revenue Service

Miscellaneous Information
Copy 1 For State Tax Department

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Filing requirements for dependents

Single dependents – under age 65 and not blind

2021

- Your unearned income was more than \$1,100
- Your earned income was more than \$12,550

2020

- Your unearned income was more than \$1,100
- Your earned income was more than \$12,400

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Filing requirements for dependents

Single dependents – over age 65 or older or blind

2021

- Your unearned income was more than \$2,750; \$4,450 if 65 or older and blind
- Your earned income was more than \$14,250; \$15,950 if 65 or older and blind

2020

- Your unearned income was more than \$2,750; \$4,400 if 65 or older and blind
- Your earned income was more than \$14,050; \$15,700 if 65 or older and blind

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Filing requirements for married dependents

Married dependents – under age 65 and not blind

2021

- Your unearned income was more than \$1,100
- Your earned income was more than \$25,100

2020

- Your unearned income was more than \$1,100
- Your earned income was more than \$24,800

Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions

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Filing requirements for married dependents

Married dependents – age 65 or older or blind

2021

- Your unearned income was more than \$2,400; \$3,700 if 65 or older and blind
- Your earned income was more than \$27,800; \$30,500 if 65 or older and blind

2020

- Your unearned income was more than \$2,400; \$3,700 if 65 or older and blind
- Your earned income was more than \$27,400; \$30,000 if 65 or older and blind

Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions

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What form to file?

- There are now two different forms that can be used:
 - Form 1040
 - Form 1040 SR

1040-SR U.S. Tax Return for Seniors 2021

Department of the Treasury - Internal Revenue Service (99) 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)

Status: If you checked the MFS box, enter the name of your 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. If you have a foreign address, also complete spaces below. State: _____ ZIP code: _____

Foreign country name: _____ Foreign province/state/country: _____ Foreign postal code: _____

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? Yes No

Standard Deduction: Spouse itemizes on a separate return or you were a dual-status alien You as a dependent Your spouse as a dependent

Age/Blindness: You: Were born before January 2, 1957 Are blind Spouse: Was born before January 2, 1957 Is blind

Dependents: (If more than four dependents, see instructions and check here.)

(A) First name	Last name	(B) Social security number	(C) Relationship to you	(D) <input type="checkbox"/> Qualifies for see instructions. Child tax credit	(E) <input type="checkbox"/> Credit for other dependents

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1
2a	Tax-exempt interest	2b
3a	Qualified dividends	3b
4a	IRA distributions	4b
5a	Pensions and annuities	5b
6a	Social security benefits	6b
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here	7
8	Other income from Schedule 1, line 10	8
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9
10	Adjustments to income from Schedule 1, line 26	10
11	Subtract line 10 from line 9. This is your adjusted gross income	11
12a	Standard deduction or itemized deductions (from Schedule A)	12a
12b	Charitable contributions if you take the standard deduction (see instructions)	12b
12c	Add lines 12a and 12b	12c
13	Qualified business income deduction from Form 8995 or Form 8995-A	13
14	Add lines 12c and 13	14
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 71343P Form 1040-SR (2021)

1040 U.S. Individual Income Tax Return 2021

Department of the Treasury - Internal Revenue Service (99) 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)

Status: If you checked the MFS box, enter the name of your 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. If you have a foreign address, also complete spaces below. State: _____ ZIP code: _____

Foreign country name: _____ Foreign province/state/country: _____ Foreign postal code: _____

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? Yes No

Standard Deduction: Spouse itemizes on a separate return or you were a dual-status alien You as a dependent Your spouse as a dependent

Age/Blindness: You: Were born before January 2, 1957 Are blind Spouse: Was born before January 2, 1957 Is blind

Dependents: (If more than four dependents, see instructions and check here.)

(A) First name	Last name	(B) Social security number	(C) Relationship to you	(D) <input type="checkbox"/> Qualifies for see instructions. Child tax credit	(E) <input type="checkbox"/> Credit for other dependents

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1
2a	Tax-exempt interest	2b
3a	Qualified dividends	3b
4a	IRA distributions	4b
5a	Pensions and annuities	5b
6a	Social security benefits	6b
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here	7
8	Other income from Schedule 1, line 10	8
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9
10	Adjustments to income from Schedule 1, line 26	10
11	Subtract line 10 from line 9. This is your adjusted gross income	11
12a	Standard deduction or itemized deductions (from Schedule A)	12a
12b	Charitable contributions if you take the standard deduction (see instructions)	12b
12c	Add lines 12a and 12b	12c
13	Qualified business income deduction from Form 8995 or Form 8995-A	13
14	Add lines 12c and 13	14
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 113200B Form 1040 (2021)

Form 1040 for 2021

Schedules

Schedule 1	Have additional income, such as capital gains, unemployment compensation, prize or award money, or gambling winnings. Have any deductions to claim, such as student loan interest deduction, self-employment tax, or educator expenses.
Schedule 2	Owe AMT or need to make an excess advance premium tax credit repayment
Schedule 3	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.
Schedule 4	Owe other taxes, such as self-employment tax, household employment taxes, additional tax on IRAs or other qualified retirement plans and tax-favored accounts.
Schedule 5	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.
Schedule 6	Have a foreign address or a third-party designee other than a paid preparer.

<https://www.irs.gov/instructions/i1040gi>

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SCHEDULE 1
(Form 1040)
Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income
OMB No. 1545-0045
2021
OMB No. 1545-0045
OMB No. 1545-0045

▶ Attach to Form 1040, 1040-SR, or 1040-NR.
▶ Go to www.irs.gov/Form1040 for instructions and the latest information.
Name(s) shown on Form 1040, 1040-SR, or 1040-NR Your social security number

Part I Additional Income

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:		
a	Net operating loss	8a	
b	Gambling income	8b	
c	Cancellation of debt	8c	
d	Foreign earned income exclusion from Form 2555	8d	
e	Taxable Health Savings Account distribution	8e	
f	Alaska Permanent Fund dividends	8f	
g	Jury duty pay	8g	
h	Prizes and awards	8h	
i	Activity not engaged in for profit income	8i	
j	Stock options	8j	
k	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property	8k	
l	Olympic and Paralympic medals and USOC prize money (see instructions)	8l	
m	Section 951(a) inclusion (see instructions)	8m	
n	Section 951(a) exclusion (see instructions)	8n	
o	Section 461(f) excess business loss adjustment	8o	
p	Taxable distributions from an ABL account (see instructions)	8p	
z	Other income. List type and amount ▶	8z	

Schedule 1

<https://www.irs.gov/pub/irs-pdf/f1040s1.pdf>

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Tax return transcript

Internal Revenue Service
United States Department of the Treasury

Tax Return Transcript Sample

Request Date: 12-04-2012
Response Date: 12-04-2012
IRS Employee Number: 9LXXXX
Tracking Number: 1000232XXX

This Product Contains Sensitive Taxpayer Data

SSN Provided: 123-45-6789
Tax Period Ending: Dec 31, 2011

The following items reflect the amount as shown on the return (PR), and the amount as adjusted (PC), if applicable. They do not show subsequent activity on the account.

SSN: SPOUSE SSN:
123-45-6789 987-65-4321

NAME(S) SHOWN ON RETURN: THOMAS E & TAMARA B TAXPAYER

ADDRESS:	123 MAIN STREET ANYWHERE, USA 00001	Income	
FILING STATUS:	Married Filing Joint	WAGES, SALARIES, TIPS, ETC:	\$ 32,700.00
FORM NUMBER:	1040	TAXABLE INTEREST INCOME: SCH B:	\$ 11.00
CYCLE POSTED:	20072008	TAX-EXEMPT INTEREST:	\$ 0.00
RECEIVED DATE:	Apr 15, 2012	ORDINARY DIVIDEND INCOME: SCH B:	\$ 0.00
REMITTANCE:	0.00		
EXEMPTION NUMBER:	3		
DEPENDENT 1 NAME CTRL:	HNE	QUALIFIED DIVIDENDS:	\$ 0.00
DEPENDENT 1 SSN:	222-33-4444	REFUNDS OF STATE/LOCAL TAXES:	\$ 0.00
DEPENDENT 2 NAME CTRL:		ALIMONY RECEIVED:	\$ 0.00
DEPENDENT 2 SSN:		BUSINESS INCOME OR LOSS (Schedule C):	\$ 15,126.00
DEPENDENT 3 NAME CTRL:		BUSINESS INCOME OR LOSS: SCH C PER COMPUTER:	\$ 15,126.00
DEPENDENT 3 SSN:		CAPITAL GAIN OR LOSS: (Schedule D):	\$ 0.00
DEPENDENT 4 NAME CTRL:		CAPITAL GAINS OR LOSSES: SCH D PER COMPUTER:	\$ 0.00
DEPENDENT 4 SSN:		OTHER GAINS OR LOSSES (Form 4797):	\$ 0.00
		TOTAL IRA DISTRIBUTIONS:	\$ 0.00
		TAXABLE IRA DISTRIBUTIONS:	\$ 0.00
		TOTAL PENSIONS AND ANNUITIES:	\$ 0.00

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Identity theft

- Tax-related identity theft occurs when someone uses another person’s identity to claim a fraudulent tax refund
- Pub. 5027 outlines steps taxpayers must take if they are a victim of tax-related identity theft
- Cannot use automated means to request tax transcripts
 - Identity theft hotline (800) 908-4490
 - Must speak to a representative
 - Have tax forms available to provide specific information
- Starting in January 2021, you can opt in to the IP Pin program.

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When to file?



- Generally, the due date for individual returns is April 15
- Deadline is extended for special circumstances
- Extensions are allowed until October 15

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Education-related tax credits and deductions



Tax credits

- American Opportunity Credit
- Lifetime Learning Credit

Tax deductions

- Student Loan Interest Deduction
- Tuition and Fees Deduction
(not available for 2021 returns)

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1098-T

<input type="checkbox"/> CORRECTED		OMB No. 1545-1574		2021 Form 1098-T	Tuition Statement		
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		1 Payments received for qualified tuition and related expenses					
		\$					
		2					
FILER'S employer identification no.	STUDENT'S TIN	3		Copy B For Student <small>This is important tax information and is being furnished to the IRS. 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.</small>			
STUDENT'S name		4 Adjustments made for a prior year				5 Scholarships or grants	
Street address (including apt. no.)		\$				\$	
City or town, state or province, country, and ZIP or foreign postal code		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 2022 <input type="checkbox"/>	
Service Provider/Acct. No. (see instr.)		\$				10 Ins. contract reimb./refund <input type="checkbox"/>	
		8 Checked if at least half-time student <input type="checkbox"/>		9 Checked if a graduate student <input type="checkbox"/>			
Form 1098-T		(keep for your records)		www.irs.gov/Form1098T Department of the Treasury - Internal Revenue Service			

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Scenario

1

A college student received an emergency grant under the CARES Act. The student used the money to pay tuition and fees.

Can the student claim the Lifetime Learning Credit or American Opportunity Credit for those tuition and fees that were paid with the grant?

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Scenario

2

How does a 529 plan affect the parents' tax return?

How is the 529 plan reported on the FAFSA?

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Scenario

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Since student loan borrowers were not assessed student loan interest in 2021, how does this affect the borrowers' tax returns?

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Resources

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Verification worksheets

Active verification tracking groups remaining are V1, V4, V5

Revised worksheets for 2022-23 will be available soon

- Individual worksheets by data collection item
- Comprehensive worksheets by verification tracking flag

Available to Member schools and schools in Sponsored states

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MappingXpress®

- Document collection service
- Select document types to collect from students and parents
- Other customization options



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MAPPING YOUR FUTURE



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Thank you for your participation!

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