

Great Lakes, a non-profit organization, posted the following Tax-Time Questions that may be helpful to you:

Do students need to file a tax return?

Whether or not students need to file a tax return depends on their gross income, filing status, and age. If they're single, under 65, and claiming themselves as an exemption for the 2014 tax filing year, they must file if their gross income was at least \$10,150. If they can be claimed as a dependent on someone else's tax return, single, under 65, and not blind, they must file if they meet one of the following criteria:

- Their unearned income was more than \$1,000.
- Their earned income was more than \$6,200.
- Their gross income was more than the larger of \$1,000 or their earned income (up to \$5,850) + \$350.

And, just because a student isn't required to complete a tax return doesn't mean they shouldn't. If money was withheld from their paychecks, they should file. It's possible they'll get back most or all of what was withheld.

What counts as income?

The following forms of income count for students filling out a tax return.

- Any interest from financial institutions
- Income reported by employers on W2 forms
- Business income earned through freelance or entrepreneurial work (e.g., selling t-shirts, designing a website for a fee, etc.)
- Some education grants, especially those used for other purposes, such as room and board
- Income from work study programs

What forms should students use when filing their taxes?

- **W2:** A W2 is the United States federal tax form issued by employers that states how much an employee was paid and the amount of taxes withheld from their paychecks in the previous year. The amount of taxes withheld is based on the withholding status determined by the W-4 form that's filled out when an employee begins a new job. An employee's withholding status takes into account marital status, dependents, and whether or not the employee wishes to have more than the standard amount withheld from each paycheck.
- **1098-E:** The 1098-E is a form filed with the IRS that details the amount of interest paid on qualified student loans during the previous year. Students may be able to deduct all or part of the interest paid on qualified student loans, which could reduce the amount they pay in income tax.
- **1040:** The 1040 form is the standard IRS form individuals use to file their annual income tax returns. Taxpayers use this form to disclose their financial income status for the previous year in order to determine whether additional taxes are owed, or whether the taxpayer is due for a tax refund.
- **1040EZ:** The 1040EZ form is an alternative to the 1040 income tax form and offers a faster, easier way to file taxes. It's most often used by taxpayers with simple tax situations.

How should students file their tax return?

Students have a variety of options available to them when filing their tax return.

- **In Person:** In addition to local accounting firms, there are numerous tax preparation companies that advertise during tax season. For a small fee, students have the opportunity to work with a tax professional who will complete their income tax returns and walk through the process with them. This may be beneficial for first-time filers, or students with complicated financial situations.
- **Online:** Many tax preparation companies also offer their services online. Some of these companies even allow for simple forms, such as the 1040EZ, to be filed without charge. This option is great for students who want to file their own taxes quickly and cheaply.
- **VITA:** For students who want to tackle their income tax returns on their own, there are still some safety nets available to them. Many schools work with Volunteer Income Tax Assistance (VITA), a national organization that offers free tax assistance for simple tax questions and has many branches available on college campuses. If your students have questions about their tax returns, find out if VITA is available near you.

More Information

For additional information, including [a helpful table that describes available 2014 education tax credits](#) such as the American Opportunity Credit and the Lifetime Learning Credit, refer to [Publication 17, Your Federal Income Tax](#) available from <http://www.irs.gov>.

Source:

<https://schools.mygreatlakes.org/web/FAP/news/article.html?id=150213> handy list of tax time answers for your students.fap