

Graduate Division & Tax Services

Income Tax 101 Workshop for U.S. Citizens, Resident Aliens and DACAs

Presented by:
UC Merced Tax Services

February 23, 2023

UNIVERSITY OF CALIFORNIA
MERCED



Agenda

- Disclaimer
- U.S income taxes overview
 - Tax Basics
 - Forms you may receive
 - Fellowships/Scholarships
 - Common Tax Deductions/Credits
- State of CA income taxes
- Ways to file your return(s)
- Frequently Asked Questions
- DACA Tax information
- Additional Resources and Links
- Q&A Session

Disclaimer about this Workshop

This presentation contains general information only and UC Merced and The Regents of the University of California are not, by means of this presentation, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services.

This workshop is designed to give you the basic requirements and only be used as a guide. UC Merced assumes no responsibility for changes in tax law and the information contained herein.

Students are solely responsible for the proper completion of their tax filings and should not rely completely on this workshop to complete their income tax returns. Students should refer to the official IRS and state filing instructions and consider using the services of a licensed professional tax preparer, if necessary.

UC Merced cannot complete or review your tax filings or answer questions specific to your personal income taxes.

Basic U.S. tax overview

- Money withheld from your paychecks and fellowship and scholarship awards during the year is called **tax withholding**
 - It is used as a credit against your year's anticipated taxes until you complete the tax return.
- You may be required to complete income tax return(s) each spring to determine if additional income taxes are owed or if you overpaid income taxes and a refund is due back to you.

What is a Tax Return?

- It is the act of “returning” a report to the US Government (Internal Revenue Service or IRS) that states:
 - What income you received during the previous calendar year (1/1/22 to 12/31/2022)
 - What you were taxed on this income
 - What taxes you should have paid in 2022
- Discover that you paid too much in taxes = **tax refund**
Discover that you did not pay enough in taxes = **tax liability**
(you will owe money to the IRS)

Federal and State Taxation

- All individuals that are required to pay tax in the U.S., will pay at both the federal and state levels
 - **Federal** refers to the U.S. government and taxes are collected by the Internal Revenue Service (IRS)



- Taxpayers may also be required to pay tax in the state where they live or work
 - In **California**, taxes are collected by the California Franchise Tax Board (FTB)
 - If you lived in another state in 2022, you may need to file that State's Income Tax Return if you earned or received income in that state.
 - If you lived in multiple states, you may need to file two state income tax returns.
 - Review the filing requirements for all applicable state(s) to determine if you are required to file for that state.



STATE OF CALIFORNIA
Franchise Tax Board

www.ftb.ca.gov/

IRS Form W-4 – Employee’s Withholding Certificate

Federal income tax is a pay-as-you-go tax.

Two ways to pay as you go:

- **Withholding** – your employer withholds income tax from your pay
- **Estimated tax payments** – if you don’t pay your tax through withholding, you might have to pay estimated tax payments (you send in payments yourself with the 1040-ES form)

What is the IRS Form W-4?

Form that helps employers know how much taxes to withhold from their employees’ paychecks in order to cover their federal income taxes due.

Based on one’s tax status:

- Single or Married filing separately
- Married filing jointly or Qualified surviving spouse
- Head of Household

Form W-4 Employee's Withholding Certificate OMB No. 1545-0074
 Department of the Treasury Internal Revenue Service
 Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Give Form W-4 to your employer. Your withholding is subject to review by the IRS.
2023

Step 1: Enter Personal Information
 (a) First name and middle initial Last name
 Address
 City or town, state, and ZIP code
 (b) Single or Married filing separately
 Married filing jointly or Qualifying surviving spouse
 Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)
 Social security number
 Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov.

Step 2: Multiple Jobs or Spouse Works
 Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs. Do **only one** of the following.
 (a) Reserved for future use.
 (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below; or
 (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is generally more accurate than (b) if pay at the lower paying job is more than half of the pay at the higher paying job. Otherwise, (b) is more accurate.
 TIP: If you have self-employment income, see page 2.

Step 3: Claim Dependent and Other Credits
 If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly):
 Multiply the number of qualifying children under age 17 by \$2,000 \$ _____
 Multiply the number of other dependents by \$500 \$ _____
 Add the amounts above for qualifying children and other dependents. You may add to this the amount of any other credits. Enter the total here 3 \$ _____

Step 4 (optional): Other Adjustments
 (a) **Other income (not from jobs).** If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income 4(a) \$ _____
 (b) **Deductions.** If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here 4(b) \$ _____
 (c) **Extra withholding.** Enter any additional tax you want withheld each pay period 4(c) \$ _____

Step 5: Sign Here
 Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.
 Employee's signature (This form is not valid unless you sign it.) Date

Employers Only
 Employer's name and address First date of employment Employer identification number (EIN)

For Privacy Act and Paperwork Reduction Act Notice, see page 3. Cat. No. 102900 Form W-4 (2023)

Estimated Federal Taxes

- Estimated tax payments are generally done when individuals are self-employed and/or **received income other than wages that did not have Federal taxes deducted but should have** under Federal tax laws.
- Estimated Federal tax payments are made by completing a Form 1040-ES and mailing the form and a check payment to the IRS or paid online at www.irs.gov.
- If you had taxes deducted from salaries/wage payments made to you by UC Merced, those tax deductions are NOT considered to be estimated taxes.

Source: <https://www.irs.gov/businesses/small-businesses-self-employed/estimated-taxes>

Do I need to file taxes?

- It depends on several factors. You must file income tax return(s) if your income is above a certain level.
 - The income level varies depending on your filing status, age, and the type of income you receive.
 - You can also use the [Interactive Tax Assistant](#) available on the IRS website to determine if you need to file a federal tax return.
 - You can use the information on the FTB website link here <https://www.ftb.ca.gov/file/personal/do-you-need-to-file.html> to determine if you need to file a California income tax return.

When is the 2022 Tax Return Filing Deadline?

- Federal Tax Return: **April 18, 2023** (*possibly extended to Nov 16, 2023...please review handout to see if you qualify for the automatic extension for the disaster relief from the flooding in CA in 2022-2023*)
- State of California Tax Return: **April 18, 2023** (*possibly extended to Nov 16, 2023...please review handout to see if you qualify for the automatic extension for the disaster relief from the flooding in CA in 2022-2023*)
- **NOTE: EXTENSION COVERS BOTH THE FILING AND PAYMENT OF YOUR RETURN.**


What's my Tax Filing Status?

- Your filing status is used to determine your filing requirements, standard deduction, eligibility for certain credits, and your correct tax.
- Options are:
 - Single
 - Married Filing Joint
 - Married Filing Separate
 - Head of Household
 - Qualifying Widow(er) with Dependent Child
- To determine your Federal tax filing status, use the IRS tool at:
 - <https://www.irs.gov/help/ita/what-is-my-filing-status>

Tax Forms You Might Receive

IRS Form W-2

- If you worked in the U.S. during 2022, you will receive a W-2 Form from each of your employer(s).
 - You will receive this form if you are an employee (includes TA/GSR appointments)
 - If you did not work during 2022 you will not receive, and do not need, any W-2 Forms.
- This form states income earned and tax withholdings from your salaries/wages.
- Can be obtained by accessing the [UCPath Portal](#)

a Employee's social security number		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile	
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 Control number		9		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 <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b			
		14 Other		12c			
f Employee's address and ZIP code				12d			
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

2022

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

Tax Forms You Might Receive

IRS Form 1098-T (Tuition Statement)

- The Form 1098-T may be provided to students for information purposes only and is used for tax return filings for purposes of the educational tax credit eligibility.

CORRECTED

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	OMB No. 1545-1574
REGENTS OF THE UNIVERSITY OF CALIFORNIA 5200 N LAKE RD TRA COORDINATOR MERCED, CA 95343 209-228-4114 Call Center 888-220-2540		\$ 0.00	2022 Form 1098-T
FILER'S employer identification no.	STUDENT'S TIN	2	
27-0093858	XXX-XX-XXXX	3	Tuition Statement Copy B For Student 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.
STUDENT'S name		4 Adjustments made for a prior year	
Street address (including apt. no.)		5 Scholarships or grants	
City or town, state or province, country, and ZIP or foreign postal code		\$ 6285.00	
Service Provider/Acct. No. (see instr.)		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 2023 <input type="checkbox"/>
XXXXXXXXXX	8 Checked if at least half-time student <input checked="" type="checkbox"/>	9 Checked if a graduate student <input checked="" type="checkbox"/>	10 Ins. contract reimb./refund
Form 1098-T (keep for your records)		www.irs.gov/Form1098T Department of the Treasury - Internal Revenue Service	

IRS Form 1099-INT (Dividend/Interest Income)

- The Form 1099-INT may be provided by financial institutions regarding interest income earned.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112
		1 Interest income	Form 1099-INT (Rev. January 2022)
		\$	For calendar year 20 22
PAYER'S TIN	RECIPIENT'S TIN	2 Early withdrawal penalty	Interest Income Copy B For Recipient This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
		\$	
RECIPIENT'S name		3 Interest on U.S. Savings Bonds and Treasury obligations	
Street address (including apt. no.)		\$	
City or town, state or province, country, and ZIP or foreign postal code		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
		\$	\$
		12 Bond premium on Treasury obligations	13 Bond premium on tax-exempt bond
		\$	\$
Account number (see instructions)		14 Tax-exempt and tax credit bond CUSIP no.	15 State 16 State identification no.
			17 State tax withheld
			\$
Form 1099-INT (Rev. 1-2022) (keep for your records)		www.irs.gov/Form1099INT Department of the Treasury - Internal Revenue Service	

Tax Forms You Might Receive

IRS Form 1099-MISC (Independent Contractor work/Awards)

- Used to report miscellaneous payments of \$600 or more during the tax year
- You will receive this form if you received a gift card or other miscellaneous award payment in the amount of \$600 or more (excluding wages or financial aid)
- If you are receiving this form, it will be mailed to you

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents \$	OMB No. 1545-0115 Form 1099-MISC (Rev. January 2022) For calendar year 20 <u>22</u>	Miscellaneous Information
		2 Royalties \$		
		3 Other income \$	4 Federal income tax withheld \$	
		5 Fishing boat proceeds \$	6 Medical and health care payments \$	
PAYER'S TIN	RECIPIENT'S TIN	7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest \$	This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name		9 Crop insurance proceeds \$	10 Gross proceeds paid to an attorney \$	
Street address (including apt. no.)		11 Fish purchased for resale \$	12 Section 409A deferrals \$	
City or town, state or province, country, and ZIP or foreign postal code		13 FATCA filing requirement <input type="checkbox"/>	14 Excess golden parachute payments \$	
		15 Nonqualified deferred compensation \$		
Account number (see instructions)		16 State tax withheld \$	17 State/Payer's state no. \$	
		18 State income \$		

**Copy B
For Recipient**

Form **1099-MISC** (Rev. 1-2022) (keep for your records) www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service

Tax Forms You Might Receive

IRS Form 1095-A, B, or C (Health Insurance Statements)

- Used to provide information only about healthcare coverage.
- You will receive this form if you were enrolled in health coverage for 2022.
- If receiving this form, it will be mailed to you.

Form 1095-C Department of the Treasury Internal Revenue Service		Employer-Provided Health Insurance Offer and Coverage Do not attach to your tax return. Keep for your records. Go to www.irs.gov/Form1095C for instructions and the latest information.						OMB No. 1545-2251 2022					
<input type="checkbox"/> VOID		<input type="checkbox"/> CORRECTED											
Part I Employee				Applicable Large Employer Member (Employer)									
1 Name of employee (first name, middle initial, last name)		2 Social security number (SSN)		7 Name of employer		8 Employer identification number (EIN)							
3 Street address (including apartment no.)				9 Street address (including room or suite no.)		10 Contact telephone number							
4 City or town		5 State or province		6 Country and ZIP or foreign postal code		11 City or town		12 State or province		13 Country and ZIP or foreign postal code			
Part II Employee Offer of Coverage				Employee's Age on January 1				Plan Start Month (enter 2-digit number):					
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
15 Employee Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)													
17 ZIP Code													

Fellowship vs Employment Income

Fellowships

- Qualified educational expenses for tuition & fees **are exempt** from income tax
- Nonqualified expenses for housing, transportation, travel, meals, etc. **may be subject to income tax**
- Tax Withholdings
 - US Citizens and Permanent Residents do not have taxes withheld on fellowships

Employment

- TA/GSR/GRA appointments are not fellowships
- Salary paid from these appointments may be subject to income and payroll tax withholdings

Do I Include my Scholarship, Fellowship, or Education Grant as Income on my Tax Return?

- <https://www.irs.gov/help/ita/do-i-include-my-scholarship-fellowship-or-education-grant-as-income-on-my-tax-return>

Tax Credits and Deductions

Earned Income Tax Credit (EITC)

<https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/do-i-qualify-for-earned-income-tax-credit-eitc>

<https://www.irs.gov/publications/p596>

- Refundable tax credit for qualifying low-income taxpayers (meet criteria)
- Must have *earned* income from being an employee or from being self-employed
- You must provide a valid SSN for yourself and your children (if any)
- You cannot claim EITC if your filing status is married filing separately

Child Tax Credit (CTC)

<https://www.irs.gov/publications/p972>

- A nonrefundable tax credit of up to \$2,000 per qualifying child
- Qualifying child must have an SSN

Additional Child Tax Credit (ACTC)

- A refundable tax credit of up to \$1,400 per qualifying child
- For certain individuals who get less than the full amount of the CTC
- Qualifying child must have an SSN
ITIN holders are eligible

Other Dependent Credit (ODC)

- A nonrefundable tax credit of up to \$500 per qualifying dependent
- For each eligible dependent who cannot be claimed for on the CTC

Student Loan Interest

- In some cases, the interest paid on a qualified student loan can be deducted from your income to reduce your taxes owed.

Tax Credits and Deductions – Tax Benefits for Higher Education

American Opportunity Tax Credit (AOTC)

<https://www.irs.gov/credits-deductions/individuals/aotc>

- **Must have received a 2022 Form 1098-T from your educational institution to claim this credit.**
- Eligible individuals include taxpayer, spouse, and taxpayer's dependents
 - Must be attending an accredited school at least as a *half time student for at least one academic period*.
- Eligible expenses:
 - Qualifying tuition and related expenses (including books and other required course materials) up to a maximum of \$2,500 per year for the *first 4 years* of your postsecondary education
- Ineligible expenses:
 - Room and board, parking permit, student health insurance, travel and research expenses
- To claim AOTC, complete Form [8863](#) and attach the completed form to your Form 1040

Lifetime Learning tax credit

- **Must have received a 2022 Form 1098-T from your educational institution to claim this credit.**
- Eligible individuals include taxpayer, spouse, and taxpayer's dependents
- Eligible expenses:
 - Qualifying tuition and related expenses up to a maximum of \$2,000
- Ineligible expenses:
 - Room and board
- Cannot be claimed in same year the AOTC is claimed
- No time limit on the number of years this credit can be claimed
- No requirement for course load in an academic term
- The credit amount may be limited by the amount of your income and the tax on your return.

Source: IRS Publication 970, <https://www.irs.gov/pub/irs-pdf/p970.pdf>

Amended or Prior Year Tax Returns?

- Q: Did you need to “amend” and correct an error on a tax return already submitted to the IRS or another tax agency?
- Q: Did you forget to file a prior year tax return?
- Filing correct and timely tax returns is required to ensure compliance and for FASFA filings (which may impact your financial aid availability)
- If you owe taxes and do not file, the U.S. Internal Revenue Services (IRS) can assess penalty and interest and seize U.S. bank assets for repayment.
- Fines and penalties can often amount to more than the original tax debt.

Need Help?

- For assistance with amended or prior year tax returns, seek out a licensed tax professional proficient in amended and late prior year tax returns.
- UC Merced and VITA assistance are unable to legally assist with your personal Amended or late Prior Year Tax Returns.



STATE OF CALIFORNIA
Franchise Tax Board

STATE OF CALIFORNIA INCOME TAXES

Tax Forms available at <http://www.ftb.ca.gov>

CalFile available at <https://www.ftb.ca.gov/file/ways-to-file/online/calfile/index.asp>

California Income Tax Returns

What is my filing status for State of California?

- Use the same filing status that you used on your federal income tax return
 - Unless you are in a same-sex marriage or a registered domestic partnership (RDP)
- Additional filing requirement information can be found at:
<https://www.ftb.ca.gov/file/personal/residency-status/index.html#Filing-requirements>

Who is a CA resident for tax purposes?

- **CA Resident is every person who is:**
 - In this state for other than a temporary or transitory purpose *or*
 - Domiciled in CA and who is outside CA for a temporary or transitory purpose
- **CA Nonresident is every person other than a resident**
 - Academic assignments are considered “temporary or transitory”, and foreign scholars will not be considered CA residents solely because of the presumption of residency.

Sourcing of Income

Tangible Income	Has a California Source if:
Wages, tips, commissions, fellowships	Work was performed in California – regardless of the location of the employer, where the payment was issued, or the individual’s residence upon the receipt of the payment
Trade or business, property sales	Activity carried on in California or property located in California
Prizes or awards	Entity awarding the prize OR award was located in California
Intangible Income	Has a California Source if:
Interest and dividends (i.e. bank account interest)	CA Nonresident: Never California resident: Always
Sales of stocks and bonds	CA Nonresident: Never California resident: Always

Fellowships, Stipends and Scholarships

California Source Taxable Income:

- **Wages/Salary payments, including:**
 - Fellowships, teaching/research assistantships
 - Amounts received from foreign employers while working in California
- **Fellowship, Scholarship, and Stipends**
 - Amounts not used for payment of tuition and fees or books, supplies and equipment required for courses of instruction which can only be purchased at UC Merced

California Income Tax Returns - 2022

- Need to prepare CA FTB Form **540** (*if you have dependents*) or **540 2EZ** (*no dependents*)
 - You can use the table on the FTB's website to determine if you are required to file a return:
 - <https://www.ftb.ca.gov/forms/2022/2022-540-booklet.html>
 - https://www.ftb.ca.gov/individuals/fileRtn/index.shtml?WT.mc_id=Forms_Sidebar_Completing_Requirement

REMINDERS:

- Complete the CA state tax return only **after** completing the Federal Tax Return.
- **You should complete only one complete federal and CA state tax return.** Do NOT prepare a return for each year-end tax statement you receive.

How can I file my income tax return(s)?

Examples of paid file-on-your-own services:



Examples of paid in-person services:



Private tax accountants

IT'S FAST. IT'S SAFE. IT'S FREE.
VISIT **IRS.GOV/FREEFILE** TO START NOW



HOW DOES IT WORK?



VISIT

IRS.gov/freefile.
Convenience at your
finger tips. It's ready
when you are, 24/7.



REVIEW

Select the best match
for you from our
partner's offerings or
use a "help me" tool to
narrow your choices.



CONTINUE

Click "Leave IRS site"
to continue. You'll be
directed to our
partner's website to
begin your return
safely and securely.

- **What do I need to FreeFile?** Email address, copy of prior year's tax return, documents for your income and deductions (Form W-2, 1098-T, etc.)



- Use CalFile to e-file your state tax return directly to the California Franchise Tax Board.
 - Get real-time confirmation and the fastest refund possible.
- Cost: It's free!
- For qualifications and limitations:
<https://www.ftb.ca.gov/file/ways-to-file/online/calfile/calfile-qualifications.html>



Local VITA Resources

- The IRS Volunteer Income Tax Assistance (VITA) program offers free tax help for qualifying taxpayers:
 - <https://www.irs.gov/Individuals/Free-Tax-Return-Preparation-for-You-by-Volunteers>

Provider	Distance	Dates	Hours	Languages	Appointment
UWMC - LifeLine Meadows CC 3135 Meadows Ave Suite 59 Merced, CA 95348 209-354-4914 Volunteer Prepared Taxes Get Directions and Service Details	4.5 MI	30 JAN 2023 - 17 APR 2023		English Spanish	Required
UWMC United Way of Merced 531 W Main St Merced, CA 95340 Volunteer Prepared Taxes Get Directions and Service Details	4.8 MI	04 FEB 2023 - 17 NOV 2023	SAT 9:00AM - 4:00PM	English Spanish	Not Required



Local VITA Resources

Things to bring with you:

- A copy of last year's federal return if available
- Valid Photo ID for all adults on the return
- Social Security Cards or ITIN letters for everyone on the return
- All wage and earning statements: Form W-2, W-2G, 1099-R, 1099-MISC
- Form 1095-A health insurance marketplace information (if applicable)
- Interest and dividend statements
- Routing and Account numbers if you want to receive a direct deposit into your bank account.
- If you are married and filing jointly, your spouse must be present

FREQUENTLY ASKED QUESTIONS

QUESTION:

I cannot complete my 2022 Federal or State tax return by the 4/18/2023 deadline. How do I request an extension to file?

- Complete and mail [IRS Form 4868](#) to apply for a 6-month extension to file IRS Form 1040 or 1040NR.

To get the extra time to file your return, you must:

- Estimate the amount you owe.
- Enter that amount on Line 4 of IRS Form 4868 and include your payment with the form.
- Mail IRS Form 4868 **no later than April 18, 2023**. Must be postmarked by this date.

Note: An extension to file your return does not extend your time to pay any taxes owed!

PLEASE NOTE THAT THE EXTENSION IS AUTOMATIC FOR 2023 FOR THOSE IN COVERED DISASTER RELIEF AREAS AND YOU WOULD NOT BE REQUIRED TO REQUEST THE EXTENSION IF YOU ARE IN A COVERED DISASTER RELIEF AREA.

PLEASE SEE HANDOUT TO CONFIRM YOU RESIDE IN A DISASTER RELIEF AREA AND THE AUTOMATIC EXTENSION APPLIES.

THIS AUTOMATIC EXTENSION COVERS BOTH THE FILING AND PAYMENT OF YOUR RETURN.

QUESTION:

I received a Form 1098-T from UCM which shows the amount I spent on tuition. Can I use this form for a deduction or for education tax credits?

- You may use some of the tuition cost and qualified expenses to deduct on your tax return.
- You will need to meet certain criteria to be eligible for either of the educational tax credits.
- You should keep the 1098-T with your tax documents for your records

For more information please visit: <https://studentbilling.ucmerced.edu/1098T-information>

QUESTION:

How can I find out if I am an eligible for the Earned Income Tax Credit (EIC)?

- You may be eligible for the Earned Income Tax Credit (EIC) if you had earned income in 2022.
- There is specific criteria that must be met to be eligible.
- Use the [EITC Assistant](#) to see if you qualify.

For more information please visit:

<https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit>

- You can also use [Publication 5334, Do I Qualify for EITC?](#).



DACA RECIPIENTS & UNDOCUMENTED INDIVIDUALS

UC Merced Services for Undocumented Students:

<https://undoc.ucmerced.edu/home>

Outside DACA Information:

<https://www.dhs.gov/deferred-action-childhood-arrivals-daca>

<https://latinotaxpro.com/blogs/news/how-to-prepare-taxes-for-daca-recipients>

DACA Recipient – General Tax Information

By law, the IRS currently guarantees the confidentiality of your tax data. Information on tax forms and supporting documents is not shared with any other agency or person, including government agencies such as ICE and Homeland Security, except in criminal or terrorist investigations.

- If you are a Deferred Action for Childhood Arrival (DACA) recipient or a non-citizen US resident, and have earnings from work, you may be required to file a tax return and pay taxes on your earnings.
- Filing taxes can **strengthen** your application for an adjustment in residency status by demonstrating work history, physical presence in the United States, and positive moral character.

DACA Recipient - General Tax Information

Earned Income Tax Credit (EITC) & Child Tax Credit (CTC)

- To claim the Earned Income Tax Credit you must file your taxes with a valid work-authorized SSN and meet the eligibility requirements.
- You may also claim the Child Tax Credit and other tax credits if you meet the eligibility rules.

Eligibility:

- If unable to renew your DACA status and have lost work authorization, you are ineligible to claim the EITC.
 - Your SSN must be valid for employment **at the time of tax filing** to obtain the EITC.
 - However, you remain eligible to claim the CTC and education tax credits if you qualify.

DACA Recipient - General Tax Information

Affordable Care Act/Health Insurance

- For tax year 2022, the ACA penalty has been reduced to \$0. If the DACA recipient did not have insurance, they will not face a penalty.
- IRS Form 8965 has been discontinued
 - (used to claim DACA penalty exemption in 2017 and 2018 tax filings)

Advanced Premium Tax Credit (APTC) [Health Insurance tax credit]

- If a DACA recipient has lawfully present resident or citizen children, they can apply for the Advanced Premium Tax Credit (APTC) for their health insurance costs on their behalf.
 - Visit the healthcare marketplace and apply as a non-applicant.
 - Need to fill out IRS [Form 8962](#) with tax return to reconcile the credit.

DACA Recipient - Information to Know

- For DACA recipients, even if your Employment Authorization Document (EAD) from the Department of Homeland Security has expired, you should continue to file taxes with your SSN.
- DACA recipients who previously used an ITIN to file tax returns should use the SSN they received after DACA approval.

What do I do about previous tax years?

- Amend past returns if any incorrect information
- Payment of back taxes are NOT REQUIRED for DACA

LINKS AND RESOURCES

Additional Resources

UCM Tax Services

(email us at tax@ucmerced.edu)

- General Tax Guidance page

<https://bfs.ucmerced.edu/departments/tax-services/general-tax-guidance-uc-merced-students>

UCM Student Billing Services

- IRS Form 1098-T Reporting

<https://studentbilling.ucmerced.edu/1098T-information>

DISCLAIMER: UC MERCED AND THE REGENTS OF THE UNIVERSITY OF CALIFORNIA AND ITS EMPLOYEES DO NOT ASSIST IN TAX PREPARATION, ACT AS A TAX CONSULTANT FOR INDIVIDUALS OR ENTITIES, PROVIDE TAX ADVICE, AND CANNOT ANSWER YOUR TAX QUESTIONS. PLEASE CONSULT A LICENSED TAX PROFESSIONAL, THE IRS, OR A FINANCIAL PLANNER WHO IS PROFICIENT WITH TAXATION WITH YOUR TAX QUESTIONS.

Additional Resources

UCM Graduate Division

- [Quick Guide to Graduate Student Tax Information](#)

IRS Volunteer Income Tax Assistance (VITA)

- <https://www.unitedwaymerced.org/vita>

IRS Understanding Taxes – Student

- <https://apps.irs.gov/app/understandingTaxes/student/index.jsp>

Additional Resources

Franchise Tax Board <https://www.ftb.ca.gov/>

- Do I need to file?
https://www.ftb.ca.gov/individuals/fileRtn/index.shtml?WT.mc_id=Forms_Sidebar_Completing_Requirement
- Which form should I file?
<https://www.ftb.ca.gov/file/ways-to-file/paper/what-form-you-should-file.html>
- What is my filing status?
<https://www.ftb.ca.gov/file/personal/filing-status/index.html>
- CalFile
<https://www.ftb.ca.gov/file/ways-to-file/online/calfile/index.asp>

Additional Resources

Internal Revenue Service <https://www.irs.gov/>

See the [Tax Information for Students](#) page on the IRS website for detailed information about Federal taxes.

- Filing your taxes <https://www.irs.gov/filing>
- Do I need to file? <https://www.irs.gov/uac/Do-I-Need-to-File-a-Tax-Return%3F>
- What is my filing status? <https://www.irs.gov/help/ita/what-is-my-filing-status>

In addition, the IRS has several publications that may be helpful in understanding Federal tax requirements found at [Forms and Pubs](#):

- [IRS Tax Topic 421](#) - Scholarships and Grants
- [IRS Publication 17](#) - Your Federal Income Tax (for Individuals)
- [IRS Publication 505](#) - Tax Withholding and Estimated Taxes (for paying estimated taxes on a quarterly basis)
- [IRS Publication 970](#) - Tax Benefits for Education

UCM Graduate Division Contacts



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Any Questions?

UCM Tax Services email: tax@ucmerced.edu

*Thank You
For
Coming!!*

*Have a
Great Day!*

