



A Student's Primer on the Tax Season!

By Michael Mannen

There is nothing worse than season. The paperwork, the people(accounts), the time-consuming nature of the process; it is truly unbearable for most Americans. In particular, students have a difficult time with taxes. It can be a particular daunting tax for them and for their parents. This article will attempt to simply the tax process for students and their parents.

Before starting your taxes, you should see if your university or college, offers any help or consultation on filling your taxes. Most universities have tax professionals in their cashier's office or financial aid office. These professionals often help students understand their taxes and how to go about filling them.

Key to filling your taxes requires understanding your dependency status as a student. Do you file your taxes separately from your parents? Do your parents claim you as a dependent? This will ultimately require using different tax forms and different methods for filling out your taxes. Also, depending on your dependency status, you can receive different tax credits for your qualified educational expenses. Most students are also eligible to receive a higher education tax credit to cover general expenses associated with seeking higher education.

Dependency status is tricky for most students. While students are enrolled in college, their parents can still claim them as a dependent. This, in some cases, can even be extended while a student is in graduate school. Students that have income outside of their scholarships or grants, will also need to get a W-2 form. W-2 form is the general tax form used for all labor purposes. W-2 form contains information associated with payroll tax deductions and total earnings earned your respective employer.

There are also a variety of ways to file your taxes online that really simplify the process for students and for parents. A good example of this is TurboTax. TurboTax asks users a set of simple questions and offers an easy to use menu to upload tax documents. The software basically fills out your taxes for you! I have used TurboTax in the past for my taxes and it is really a lifesaver when doing your taxes. H& R Block offers similar tax software that students can use.

Most students receive a 1098-T form from their school each year. The form helps condensed their tax credits and deduction from their educational expenses. Certain educational expenses cannot be deducted on one's taxes. These include monies paid for room board, medical expenses, transportation or other personal expenses while attending school. Most students receive the 1098-T form electronically and it can be downloaded from their school's website. Generally, scholarships not used for paying tuition, are taxed as income. Parents may file a different 1098-T for each child (student) who is enrolled in at an accredited university for the taxable academic period. Ultimately, tax season can be tricky for any person. It is without a doubt, an interesting learning experience for students.

References:

<https://www.thesimpledollar.com/tax-guide-for-college-students/>

https://www.irs.gov/pub/irs-pdf/i1098et_18.pdf