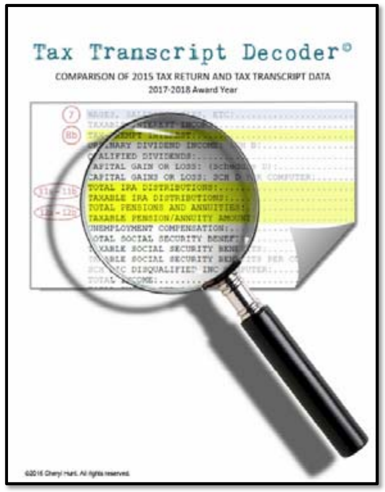
Tax Returns and Transcripts



CASFAA Summer Training – 2017

Agenda

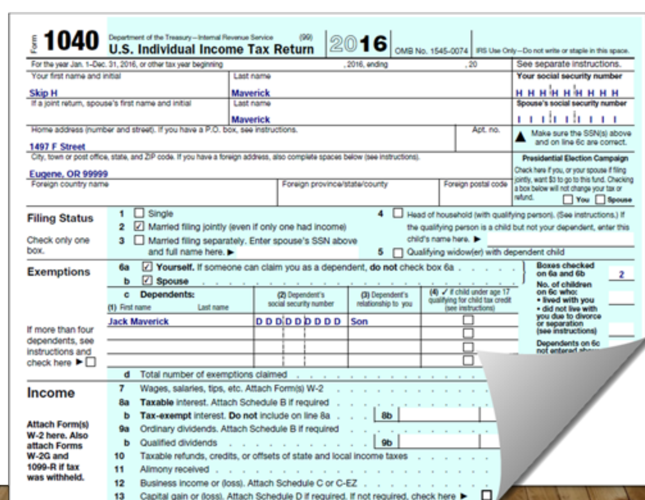
- New Guidance
- 2017-2018 Tax Transcript Decoder
  - Fifty-Cent Tour
- Tax Transcript Basics
  - Types
  - Requesting
    - Registering for IRS Online Self-Help Tools
- Resources

This Session Will **Not** Cover…

- How to complete verification
- Tax filing requirements
- Resolution of certain types of conflicting information:
  - 399 codes, etc.
- Special situations:
  - Nonresidents
  - Foreign tax returns

New Guidance: Effective April 24, 2017
2016-2017 and 2017-2018 Award Years

- May use signed paper copy of 2015 IRS tax return


Form 1040 Department of the Treasury—Internal Revenue Service (99) U.S. Individual Income Tax Return 2016 OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2016, or other tax year beginning , 2016, ending , 20 See separate instructions.

Your first name and initial: Skip H — Last name: Maverick — Your social security number: H H H H H H H H H

If a joint return, spouse's first name and initial — Last name: Maverick — Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.: 1497 F Street — Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).: Eugene, OR 99999

Foreign country name — Foreign province/state/county — Foreign postal code

Presidential Election Campaign: Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

Filing Status — Check only one box.
1 ☐ Single
2 ☑ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶
4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child

Exemptions
6a ☑ Yourself. If someone can claim you as a dependent, do not check box 6a
b ☑ Spouse
c Dependents: (1) First name, Last name — (2) Dependent's social security number — (3) Dependent's relationship to you — (4) ✓ if child under age 17 qualifying for child tax credit (see instructions)
Jack Maverick — D D D D D D D D D — Son
If more than four dependents, see instructions and check here ▶ ☐
d Total number of exemptions claimed
Boxes checked on 6a and 6b: 2 — No. of children on 6c who: • lived with you • did not live with you due to divorce or separation (see instructions) — Dependents on 6c not entered above

Income — Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.
7 Wages, salaries, tips, etc. Attach Form(s) W-2
8a Taxable interest. Attach Schedule B if required
b Tax-exempt interest. Do not include on line 8a — 8b
9a Ordinary dividends. Attach Schedule B if required
b Qualified dividends — 9b
10 Taxable refunds, credits, or offsets of state and local income taxes
11 Alimony received
12 Business income or (loss). Attach Schedule C or C-EZ
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐

New Guidance: Effective April 24, 2017
2016-2017 and 2017-2018 Award Years

- Verification of Nonfiling letter <u>no longer</u> required

Taxpayer's Name: Henry T James
Taxpayer Identification Number: XXXXXXXX
Tax Period or Periods: December, 2015
Return: 1040

Information About the Request We Received

Why We're Contacting You

We're contacting you to report on the status of the request we received.

Information About the Status of The Request

On March 09, 2017, your office submitted a request for taxpayer information.

We received a request dated March 09, 2017 for verification of non-filing of returns for the above tax period or periods. We have no record of a filed Form 1040, 1040A, or 1040EZ using the above Social Security Number. You can consider this letter a verification of non-filing.

How To Contact Us

Please call us at 1-800-829-0922 if you have any questions regarding letter or if you need additional information.

New Guidance: Effective April 24, 2017
2016-2017 and 2017-2018 Award Years

- Verification of Nonfiling letter <u>no longer</u> required

2017–2018 Suggested Verification Text

Verification of 2015 Income Information for Student Nontax Filers

The instructions and certifications below apply to the student and spouse, if the student is married. Complete this section if the student and spouse will not file and <u>are not required</u> to file a 2015 income tax return with the IRS.

Check the box that applies:

1

☐ The student and spouse were not employed and had no income earned from work in 2015.

☐ The student and/or spouse were employed in 2015 and have listed below the names of all employers, the amount earned from each employer in 2015, and whether an IRS W-2 form is provided. [Provide copies of all 2015 IRS W-2 forms issued to the student and spouse by their employers]. List every employer even if the employer did not issue an IRS W-2 form.

If more space is needed, provide a separate page with the student's name and ID number at the top.

Employer's Name	IRS W-2 Provided?	Annual Amount Earned in 2015
(Example) ABC's Auto Body Shop	*Yes*	*$4,500.00*
2	3	4
Total Amount of Income Earned From Work		$

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- **2017-2018 Tax Transcript Decoder**
  - Fifty-Cent Tour
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  - Types
  - Requesting
    - Registering for IRS Online Self-Help Tools
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2017-2018 Tax Transcript Decoder
The Fifty-Cent Tour

2017-2018 Tax Transcript Decoder

Page 3 – Color Key

Red – Cross-referenced tax return line items with corresponding data on tax transcript

Yellow – Required verification data elements for 2017-2018

Blue – Items to review for potential conflicting information

2017-2018 Tax Transcript Decoder

Page 3 – Tax Return Line Items

Tax Return Line Items for 2017-2018 Verification

	2015 1040 EZ	2015 1040A	2015 1040
AGI	4	21	37
Income tax paid	10	28 minus 36	56 minus 46
Education credits	N/A	33	50
IRA deductions and payments		17	28 plus 32
Tax-exempt interest income		8b	8b
Untaxed portions of IRA distributions*		11a minus 11b	15a minus 15b
Untaxed portions of pensions*		12a minus 12b	16a minus 16b

2017-2018 Tax Transcript Decoder

Page 3 – Tax Return Transcript Line Items

Tax Return Transcript Line Items for 2017-2018 Verification

	2015 1040 EZ	2015 1040A	2015 1040
AGI	"ADJUSTED GROSS INCOME PER COMPUTER"		
Income tax paid**	"TOTAL TAX LIABILITY TP FIGURES PER COMPUTER" *less* "HEALTH CARE: INDIVIDUAL RESPONSIBILITY"	"TENTATIVE TAX PER COMPUTER" *less* "TOTAL CREDITS PER COMPUTER"	"INCOME TAX AFTER CREDITS PER COMPUTER" *less* "EXCESS ADVANCE PREMIUM TAX CREDIT REPAYMENT AMOUNT"
Education credits	N/A	"EDUCATION CREDIT PER COMPUTER"	
IRA deductions and payments		"IRA DEDUCTION PER COMPUTER"	"KEOGH/SEP CONTRIBUTION DEDUCTION" *plus* "IRA DEDUCTION PER COMPUTER"
Tax-exempt interest income		"TAX-EXEMPT INTEREST"	
Untaxed portions of IRA distributions*		"TOTAL IRA DISTRIBUTIONS" *less* "TAXABLE IRA DISTRIBUTIONS"	
Untaxed portions of pensions*		"TOTAL PENSIONS AND ANNUITIES" *less* "TAXABLE PENSION/ANNUITY AMOUNT"	

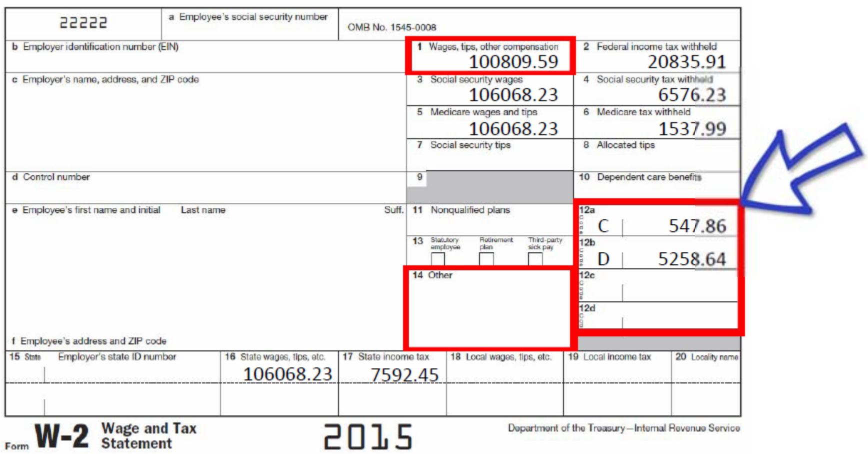
****Exclude rollovers.***
*****For all transcripts, if income tax paid is negative, enter '0' (zero).***

Tax Transcript Decoder

Page 23 – Appendices

1. **Appendix A**: Sample W-2 and Box 12 Codes
2. **Appendix A**: Sample W-2 Wage and Tax Statement
3. **Appendix B**: Criteria for SNT and Auto Zero EFC
4. **Appendix C**: Eligible to File a 1040A/EZ?
5. **Appendix D**: Current Year Transcript Availability
6. **Appendix E**: IRS Online Self-Help Tools Registration

Appendix A: Sample W-2



22222	a Employee's social security number	OMB No. 1545-0008
b Employer identification number (EIN)	1 Wages, tips, other compensation 100809.59	2 Federal income tax withheld 20835.91
c Employer's name, address, and ZIP code	3 Social security wages 106068.23	4 Social security tax withheld 6576.23
	5 Medicare wages and tips 106068.23	6 Medicare tax withheld 1537.99
	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 C 547.86
	13 Statutory employee / Retirement plan / Third-party sick pay	12b D 5258.64
	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
	106068.23	7592.45			

Form **W-2** Wage and Tax Statement 2015 Department of the Treasury—Internal Revenue Service

Appendix A: W-2 Box 12 Codes

Form W-2 Reference Guide for Box 12 Codes

A	Uncollected social security or RRTA tax on tips	K	20% excise tax on excess golden parachute payments	V	Income from exercise of nonstatutory stock option(s)
B	Uncollected Medicare tax on tips (but not Additional Medicare Tax)	L	Substantiated employee business expense reimbursements	W	Employer contributions (including employee contributions through a cafeteria plan) to an employee's health savings account (HSA)
C	Taxable cost of group-term life insurance over $50,000	M	Uncollected social security or RRTA tax on taxable cost of group-term life insurance over $50,000 (former employees only)	Y	Deferrals under a section 409A nonqualified deferred compensation plan
D	Elective deferrals to a section 401(k) cash or deferred arrangement plan (including a SIMPLE 401(k) arrangement	N	Uncollected Medicare tax on taxable cost of group-term life insurance over $50,000 (but not Additional Medicare Tax) (former employees only)	Z	Income under a nonqualified deferred compensation plan that fails to satisfy section 409A
E	Elective deferrals under a section 403(b) salary reduction agreement	P	Excludable moving expense reimbursements paid directly to employee	AA	Designated Roth contributions under a section 401(k)plan
F	Elective deferrals under a section 408(k)(6) salary reduction SEP	Q	Nontaxable combat pay	BB	Designated Roth contributions under a section 403(b) plan
G	Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan	R	Employer contributions to an Archer MSA	DD	Cost of employer-sponsored health coverage
H	Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan	S	Employee salary reduction contributions under a section 408(p) SIMPLE plan	EE	Designated Roth contributions under a governmental section 457(b) plan
J	Nontaxable sick pay	T	Adoption benefits		

2 Appendix A: Sample Wage and Tax Statement

Form W-2 Wage and Tax Statement

Employer:
Employer Identification Number (EIN):

Employee:
Employee's Social Security Number:

Corresponds with Sample W-2 on pg. 24

Submission Type:	Original document	
Wages, Tips and Other Compensation:	$100,809.00	Box 1
Federal Income Tax Withheld:	$20,835.00	Box 2
Social Security Wages:	$106,068.00	Box 3
Social Security Tax Withheld:	$6,576.00	Box 4
Medicare Wages and Tips:	$106,068.00	Box 5
Medicare Tax Withheld:	$1,537.00	Box 6
Social Security Tips:	$0.00	Box 7
Allocated Tips:	$0.00	Box 8
Dependent Care Benefits:	$0.00	Box 10
Deferred Compensation:	$5,258.00	Box 12a-d (D,E,F,G,H)
Code "Q" Nontaxable Combat Pay:	$0.00	
Code "W" Employer Contributions to a Health Savings Account:	$0.00	
Code "Y" Deferrals under a section 409A nonqualified Deferred Compensation plan:	$0.00	
Code "Z" Income under section 409A on a nonqualified Deferred Compensation plan:	$0.00	
Code "R" Employer's Contribution to MSA:	$0.00	
Code "S" Employer's Contribution to Simple Account:	$0.00	Box 12a-d (
Code "T" Expenses Incurred for Qualified Adoptions:	$0.00	
Code "V" Income from exercise of non-statutory stock options:	$0.00	
Code "AA" Designated Roth Contributions under a Section 401(k) Plan:	$0.00	
Code "BB" Designated Roth Contributions under a Section 403(b) Plan:	$0.00	

3 Appendix B: Criteria for SNT and Auto Zero EFC

Criteria for 2017-2018 Simplified Needs Formulas and Automatic Zero EFC Calculation

The following criteria is used to determine if students qualify to have their EFCs calculated using a simplified formula.

	Simplified (assets not considered)	Automatic Zero EFC
Formula A Dependent student	▪ Parents had a 2015 AGI of $49,999 or less (for tax filers), or if non-filers, income earned from work in 2015 is $49,999 or less; **and** ▪ Either - Parents filed or are eligible to file 2015 IRS Form 1040A or 1040EZ (or not required to file any income tax return) **or** - Anyone in the parents' household size (as defined on the FAFSA) received any designated means-tested federal benefits* during 2015 or 2016, **or** - Parent is a dislocated worker.	▪ Parents had a 2015 AGI of $25,000 or less (for tax filers), or if non-filers, income earned from work in 2015 is $25,000 or less; **and** ▪ Either - Parents filed or are eligible to file 2015 IRS Form 1040A or 1040EZ (or not required to file any income tax return) **or** - Anyone in the parents' household size (as defined on the FAFSA) received any designated means-tested federal benefits* during 2015 or 2016, **or** - Parent is a dislocated worker.
Formula B Independent student **without** dependents	▪ Student (and spouse, if any) had a 2015 AGI of $49,999 or less (for tax filers), or if non-filers, income earned from work in 2015 is $49,999 or less; **and** ▪ Either - Student (and spouse, if any) filed or are eligible to file 2015 IRS Form 1040A or 1040EZ (or not required to file any income tax return) **or**	Not applicable.

4 **Appendix C**: Eligible to File a 1040A/EZ?

2015 Federal Tax Year: Eligible to File a 1040A/EZ?

"If you have filed or will file a 1040, were you eligible to file a 1040A or 1040EZ" (2017-2018 FAFSA questions 35 and 83.)

YES, **IF** taxable income from line 43 is less than $100,000 **–AND–**
IF amounts (other than zero) do not appear on the following lines, except as noted below for lines 13, 40 and 44:

1040 Section	Line #	Description
Income	10	Taxable refunds, credits or offsets of state/local income taxes.
	11	Alimony received.
	12	Business income or loss.
	13	Capital gain or loss (ignore amount unless Schedule D was required).
	14	Other gains or losses.
	17	Rental real estate, royalties, partnerships, etc.
	18	Farm income or loss.
	21	Other income.
Adjusted	24	Certain business expenses of reservists, performing artists and fee-basis gove officials.
	25	Health savings account deduction.
	26	Moving expenses.
	27	Deductible part of self-employment tax.

5 **Appendix D**: Current Year Transcript Availability

Use the table below to determine the general timeframe when you can request a transcript for a current year Form 1040, 1040A, or 1040EZ return filed on or before the April due date. Availability varies based on the method you used to file your return and whether you have a refund or balance due.

Note: If you made estimated tax payments and/or applied your overpayment from a prior year tax return to your current year tax return, you can request a tax account transcript to confirm these payments or credits a few weeks after the beginning of the calendar year prior to filing your current year return.

When your original return shows a ...	and you filed *electronically*, then	and you filed on *paper*, then
refund amount or no balance due,	allow 2-3 weeks after return submission before you request a transcript.	allow 6-8 weeks after you mailed your return before you request a transcript.
balance due and you paid in full with your return,	allow 2-3 weeks after return submission before you request a transcript.	we process your return in June and you can request a transcript in mid to late June. **Note:** we process all payments upon receipt.
balance due and you paid in full after submitting the return,	allow 3-4 weeks after full payment before you request a transcript.	
balance due and you didn't pay in full,	we process your return in mid-May and you can request a transcript by late May.	

6 **Appendix E**: IRS Online Self-Help Tools Registration

IRS

Secure Access: How to Register for Certain Online Self-Help Tools

To better protect taxpayers, the IRS recently upgraded its identity verification process for certain online self-help tools. The purpose is to prevent taxpayer impersonations and account takeovers by identity thieves. Because the Secure Access Authentication platform is more rigorous, it helps if you prepare to register in advance.

Currently, the Secure Access Authentication process applies to the Get Transcript Online and Get an IP PIN tools.

Here's what new users need to get started:

- A readily available email address;
- Your Social Security number;
- Your filing status and address from your last-filed tax return;
- Your personal account number from a:
  - credit card, or
  - home mortgage loan, or
  - home equity (second mortgage) loan, or
  - home equity line of credit (HELOC), or
  - car loan

  (The IRS does not retain this data)
- A readily available mobile phone. Only U.S-based mobile phones may be used. Your name must be associated with the mobile phone account. Landlines, Skype, Google Voice or similar virtual phones as well as phones associated with pay-as-you-go plans cannot be used;
- If you have a "credit freeze" on your credit records through Equifax, it must be temporarily lifted before you can successfully complete this process.

Agenda

- New Guidance
- 2017-2018 Tax Transcript Decoder
  - Fifty-Cent Tour
- **Tax Transcript Basics**
  - Types
  - Requesting
    - Registering for IRS Online Self-Help Tools
- Resources

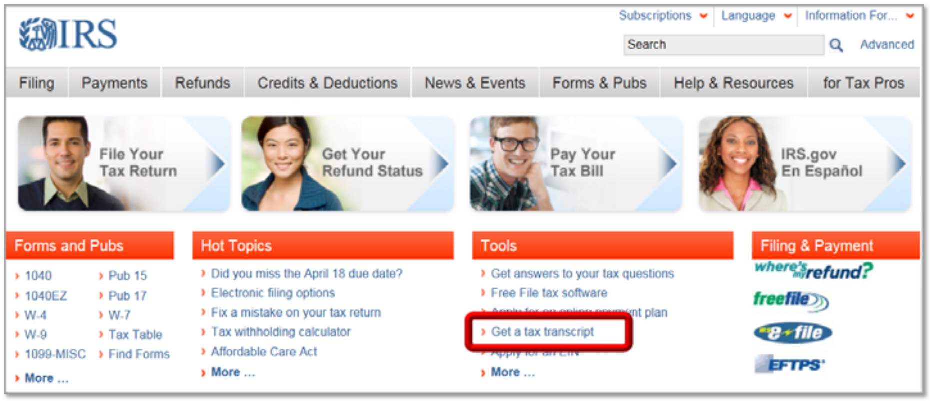
Tax Transcript Basics
Most Common Types

- Return Transcript
- Account Transcript
- Record of Account
- Verification of Nonfiling
- Form W-2 Wage and Tax Statement
- Form 1099, 1098 or 5498 Series

Tax Transcript Basics
Requesting

Request Method	Where?	Tax Transcript Output Document			
		What?	How?	When?	Direct to Third Party?
Get Transcript ONLINE	www.irs.gov/transcript	PDF	Electronic	Immediate	No
Get Transcript by Mail	www.irs.gov/transcript	Paper	Mailed	5-10 days	No
Telephone	(800) 908-9946	Paper	Mailed	5-10 days	No
IRS Form 4506T-EZ	https://www.irs.gov/pub/irs-pdf/f4506tez.pdf	Paper	Mailed	5-10 days	Yes
IRS Form 4506T	https://www.irs.gov/pub/irs-pdf/f4506t.pdf	Paper	Mailed	5-10 days	Yes

Tax Transcript Basics
Requesting



Tax Transcript Basics
Get Transcript ONLINE and Get Transcript by MAIL

Get Transcript ONLINE

What You Need
To register and use this service, you need:

- your SSN, date of birth, filing status and mailing address from latest tax return,
- access to your email account,
- your personal account number from a credit card, mortgage, home equity loan, home equity line of credit or car loan, and
- a mobile phone with your name on the account.

What You Get
- All transcript types are available online
- View, print or download your transcript
- Username and password to return later

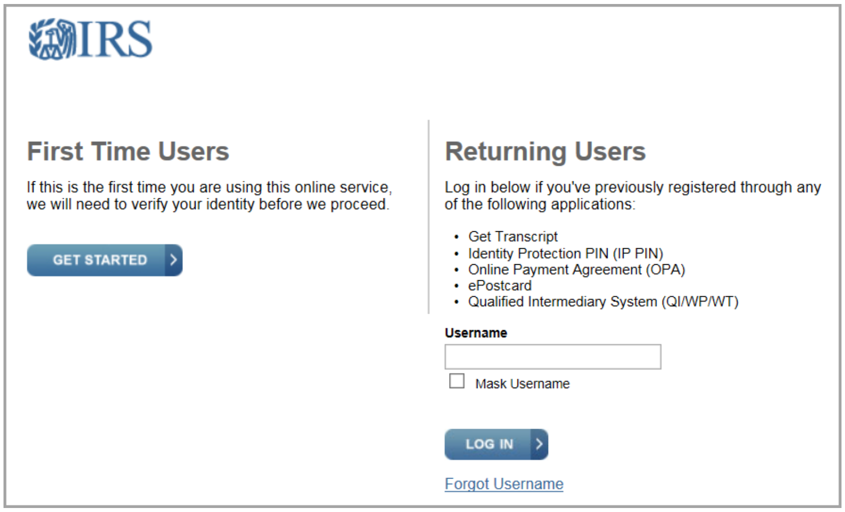
Get Transcript by MAIL

What You Need
To use this service, you need your:

- SSN or Individual Tax Identification Number (ITIN),
- date of birth, and
- mailing address from your latest tax return

What You Get
- Return or Account transcript types delivered by mail
- Transcripts arrive in **5 to 10 calendar days** at the address we have on file for you

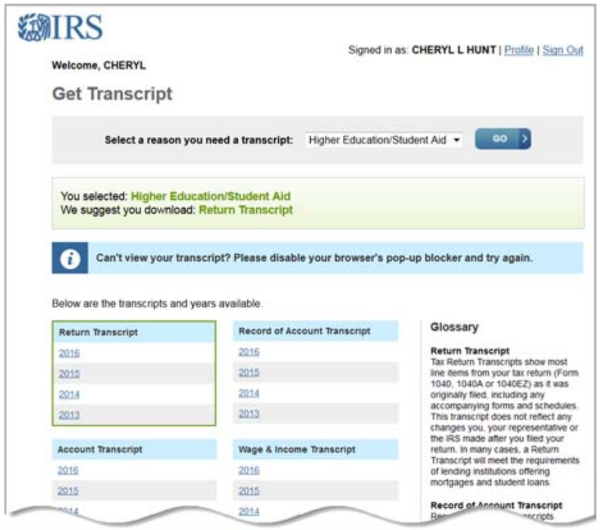
Tax Transcript Basics
Registering for IRS Online Self-Help Tools



Tax Transcript Basics
Registering for IRS Online Self-Help Tools (First-time Users)

1 First and last name	4 SSN or ITN	7 Mobile phone (associated with name) Enter 6-digit activation code sent to mobile phone
2 Email address (readily accessible) Enter confirmation code sent to email	5 Filing status and address from last-filed return	8 Create: ▪ username and password Choose: ▪ site phrase and image
3 DOB	6 Personal account number from <u>one</u> of following: ▪ credit card (last 8 digits) ▪ home mortgage/equity loan ▪ home equity line of credit ▪ car loan	

Tax Transcript Basics
Get Transcript ONLINE – Print or Save



Agenda

- New Guidance
- 2017-2018 Tax Transcript Decoder
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- Tax Transcript Basics
  - Types
  - Requesting
    - Registering for IRS Online Self-Help Tools
- **Resources**

Resources

References, Resources and Websites – Tax Returns and Transcripts

U.S. Department of Education

Dear Colleague Letters
Subject: Changes to 2016-2017 and 2017-2018 Verification Requirements
https://ifap.ed.gov/dpcletters/GEN1704.html

Subject: 2018-2019 Award Year: FAFSA® Information to be Verified and Acceptable Documentation
https://ifap.ed.gov/dpcletters/GEN1705.html

2017-2018 Federal Student Aid Handbook
Application and Verification Guide
Chapter 2: Filling Out the FAFSA
Chapter 4: Verification, Updates, and Corrections
https://ifap.ed.gov/fsahandbook/1718FSAHandbookAVG.html

2017-2018 Free Application for Federal Student Aid
https://fafsa.gov/fotw1718/pdf/PdfFafsa17-18.pdf

Completing the FAFSA℠ 2017-2018
https://studentaid.ed.gov/sa/sites/default/files/2017-18-completing-fafsa.pdf

Program Integrity Information

Questions and Answers

Program Integrity Information
Questions and Answers – VERIFICATION

LAWS & GUIDANCE / HIGHER EDUCATION

Program Integrity Information - Questions and Answers

In order to ensure questions coming into the Department of Education about the Program Integrity Regulations are consolidated and easily accessible to interested parties, we have created this Web site containing questions and answers. We will update this list on a regular basis, therefore be sure to check back for any new information. You will also find links to various resources with additional guidance pertaining to the Program Integrity Issues.

- High School Diploma
- State Authorization
- Retaking Coursework
- Credit Hour
- Ability-to-Benefit
- Incentive Compensation
- Misrepresentation
- Return of Title IV Funds
- Satisfactory Academic Progress
- Gainful Employment
- Verification
  - Verification - Archived Guidance

Program Integrity Information
Questions and Answers – VERIFICATION

LAWS & GUIDANCE / HIGHER EDUCATION

Program Integrity Questions and Answers - Verification

Program Integrity Q&A

Archived Guidance
beginning with the 2012-2013 award year

Questions on this topic are divided into the following categories:

- **Introductory Verification Questions** (IVQ)
- **General Questions** (VER)
- **Applicants Selected for Verification by the Department** (DS)
- **Applicants Selected for Verification by the Institution** (IS)
- **Verification Items** (VI)
- **Updating Applicant's FAFSA Information** (UPD)
- **Acceptable Documentation for FAFSA Information Selected for Verification** (DOC)
- **Changing Applicant's FAFSA Information** (CHD)

UNLESS OTHERWISE NOTED, THE GUIDANCE BELOW APPLIES TO ALL AWARD YEARS BEGINNING WITH **2012-2013.**

Introductory Verification Questions (IVQ)

IVQ-Q1. What is the effective date of the new regulations on the verification and updating of student aid application information for applicants who receive subsidized student financial assistance?

IVQ-A1. The new regulations on the verification and updating of student aid application information for applicants who receive subsidized student financial assistance are effective July 1, 2012. Any FAFSA/ISIR selected for verification for the 2012-2013 award

Program Integrity Information
Questions and Answers – VERIFICATION

2016-2017 Award Year

- Federal Register Notice of Information to be Verified for the 2016–2017 Award Year
- Dear Colleague Letter GEN-15-11
- 2016-2017 Verification Suggested Text Package
- 2016-2017 FAFSA Verification-IRS Tax Return Transcript Matrix
- 2016-2017 Application and Verification Guide
- Reminder to Report Verification Results for Verification Groups V4 and V5 to FAA Access to CPS Online
- Availability of the IRS 'Get Transcript Online' Tool
- 2016-2017 ISIR Guide
- 2016-2017 EDE Technical Reference
- Acceptable Documentation Update for 2016-2017 Award Year Verification
- Changes in Verification Tracking Groups

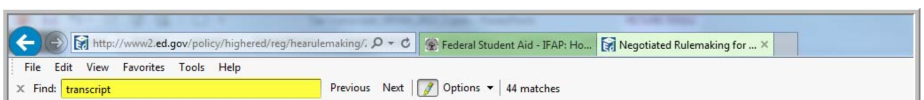
2017-2018 Award Year

- Federal Register Notice of Information to be Verified for the 2017–2018 Award Year
- Dear Colleague Letter GEN-16-07
- 2017-2018 Verification Suggested Text Package
- 2017-2018 ISIR Guide
- 2017-2018 EDE Technical Reference
- Reminder to Report Verification Results for Verification Groups V4 and V5 to FAA Access to CPS online
- 2017-2018 Application and Verification Guide
- 2017-2018 FAFSA Verification-IRS Tax Return Transcript Matrix]
- Verification - IRS Documentation Requests, Uses, and Messaging

IFAP
Questions and Answers – VERIFICATION

File Edit View Favorites Tools Help

Find: transcript



Verification Requirements: Since neither the information from the FAFSA-IRS Data Retrieval Tool nor an IRS Tax Return Transcript will include the tax filer's "Rollover" notation, to verify the amounts that should be included on the FAFSA, the institution must obtain a written statement from the tax filer indicating the amount of the distribution that was excluded because it was an authorized IRS rollover. Acceptable documentation could be a signed statement from the tax filer. Acceptable documentation could also be a notation by the tax filer on the IRS Tax Return Transcript that includes the word "Rollover" beside the applicable item(s) on the transcript, similar to the instructions provided for the IRS Form 1040 or 1040A. If the institution accepts as documentation of the rollover a notation on the IRS Tax Return Transcript, it must ensure that the notation is signed and dated by the tax filer. [Guidance issued 05/04/2012; **revised 04/04/2014**]

VI-Q5/A5. Archived

Tax Return Case Study – V1 Standard Verification Group

(Independent Student - Caroline)

Item	ISIR Data	Document Data	Action / Notes
Household size	3	3	✓
Number in college	1	1	✓
AGI	114,054		
U.S. income tax paid	12,969		
Untaxed portions of IRA distributions	0		
Untaxed portions of pensions	0		
IRA deductions and payments	0		
Tax-exempt interest income	1,543		
Education credits	1,500		
**Type of return filed*	1040		
**Eligible to file 1040A/EZ*	Don't know		
**Wages earned (student)*	11,040		
**Wages earned (spouse)*	102,924		

*Denotes information which should be reviewed for potential conflicting information.

Form **1040** Department of the Treasury—Internal Revenue Service (99)
U.S. Individual Income Tax Return **2015** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2015, or other tax year beginning , 2015, ending , 20 — See separate instructions.

Your first name and initial	Last name	Your social security number
Frank	Brumbach	000 00 0000
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Caroline	Brumbach	111 11 1111

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.
123 Main Street

▲ Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).
La Habra, CA 99999

Foreign country name | Foreign province/state/county | Foreign postal code

Presidential Election Campaign
Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

Filing Status

Check only one box.

1 ☐ Single
2 ☑ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶
4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child

Exemptions

6a ☐ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a
b ☐ **Spouse**

Boxes checked on 6a and 6b: 2

c **Dependents:**

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if child under age 17 qualifying for child tax credit (see instructions)
Jean Brumbach	222 22 2222	daughter	☐
Elwyn Brumbach	333 33 3333	son	☐
			☐
			☐

If more than four dependents, see instructions and check here ▶ ☐

No. of children on 6c who:
- **lived with you**: 2
- **did not live with you due to divorce or separation (see instructions)**:

Dependents on 6c not entered above:

Add numbers on lines above ▶ 4

d Total number of exemptions claimed

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

7	Wages, salaries, tips, etc. Attach Form(s) W-2		7	102,924
8a	**Taxable** interest. Attach Schedule B if required		8a	15
b	**Tax-exempt** interest. **Do not** include on line 8a	8b		
9a	Ordinary dividends. Attach Schedule B if required		9a	2,225
b	Qualified dividends	9b 1,543		
10	Taxable refunds, credits, or offsets of state and local income taxes		10	
11	Alimony received		11	
12	Business income or (loss). Attach Schedule C or C-EZ		12	9,548
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐		13	17
14	Other gains or (losses). Attach Form 4797		14	
15a	IRA distributions	15a	b Taxable amount 15b	
16a	Pensions and annuities	16a	b Taxable amount 16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17	
18	Farm income or (loss). Attach Schedule F		18	
19	Unemployment compensation		19	
20a	Social security benefits	20a	b Taxable amount 20b	
21	Other income. List type and amount		21	114,729
22	Combine the amounts in the far right column for lines 7 through 21. This is your **total income** ▶		22	

Adjusted Gross Income

23	Educator expenses	23			
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24			
25	Health savings account deduction. Attach Form 8889	25			
26	Moving expenses. Attach Form 3903	26			
27	Deductible part of self-employment tax. Attach Schedule SE	27	675		
28	Self-employed SEP, SIMPLE, and qualified plans	28			
29	Self-employed health insurance deduction	29			
30	Penalty on early withdrawal of savings	30			
31a	Alimony paid b Recipient's SSN ▶	31a			
32	IRA deduction	32			
33	Student loan interest deduction	33			
34	Tuition and fees. Attach Form 8917	34			
35	Domestic production activities deduction. Attach Form 8903	35			
36	Add lines 23 through 35			36	675
37	Subtract line 36 from line 22. This is your **adjusted gross income** ▶			37	114,054

	38	Amount from line 37 (adjusted gross income)			38	114,054
Tax and Credits	39a	Check if: ☐ **You** were born before January 2, 1951, ☐ Blind. ☐ **Spouse** was born before January 2, 1951, ☐ Blind. **Total boxes checked ▶ 39a**				
	b	If your spouse itemizes on a separate return or you were a dual-status alien, check here ▶ 39b ☐				
Standard Deduction for— • People who check any box on line 39a or 39b **or** who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, $6,300 Married filing jointly or Qualifying widow(er), $12,600 Head of household, $9,250	40	**Itemized deductions** (from Schedule A) **or** your **standard deduction** (see left margin)			40	12,600
	41	Subtract line 40 from line 38			41	101,454
	42	**Exemptions.** If line 38 is $154,950 or less, multiply $4,000 by the number on line 6d. Otherwise, see instructions			42	16,000
	43	**Taxable income.** Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-			43	85,454
	44	**Tax** (see instructions). Check if any from: **a** ☐ Form(s) 8814 **b** ☐ Form 4972 **c** ☐			44	12,790
	45	**Alternative minimum tax** (see instructions). Attach Form 6251			45	
	46	Excess advance premium tax credit repayment. Attach Form 8962			46	
	47	Add lines 44, 45, and 46 ▶			47	12,790
	48	Foreign tax credit. Attach Form 1116 if required	48	32		
	49	Credit for child and dependent care expenses. Attach Form 2441	49			
	50	Education credits from Form 8863, line 19	50	1,500		
	51	Retirement savings contributions credit. Attach Form 8880	51			
	52	Child tax credit. Attach Schedule 8812, if required	52			
	53	Residential energy credits. Attach Form 5695	53			
	54	Other credits from Form: **a** ☐ 3800 **b** ☐ 8801 **c** ☐	54			
	55	Add lines 48 through 54. These are your **total credits**			55	1,532
	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- ▶			56	11,258
Other Taxes	57	Self-employment tax. Attach Schedule SE			57	1,349
	58	Unreported social security and Medicare tax from Form: **a** ☐ 4137 **b** ☐ 8919			58	
	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required			59	
	60a	Household employment taxes from Schedule H			60a	
	b	First-time homebuyer credit repayment. Attach Form 5405 if required			60b	12,607
	61	Health care: individual responsibility (see instructions) Full-year coverage ☐			61	
	62	Taxes from: **a** ☐ Form 8959 **b** ☐ Form 8960 **c** ☐ Instructions; enter code(s)			62	
	63	Add lines 56 through 62. This is your **total tax** ▶			63	
Payments	64	Federal income tax withheld from Forms W-2 and 1099	64	12,969		
If you have a qualifying child, attach Schedule EIC.	65	2015 estimated tax payments and amount applied from 2014 return	65			
	66a	**Earned income credit (EIC)**	66a			
	b	Nontaxable combat pay election 66b				
	67	Additional child tax credit. Attach Schedule 8812	67			
	68	American opportunity credit from Form 8863, line 8	68	1,000		
	69	Net premium tax credit. Attach Form 8962	69			
	70	Amount paid with request for extension to file	70			
	71	Excess social security and tier 1 RRTA tax withheld	71			
	72	Credit for federal tax on fuels. Attach Form 4136	72			
	73	Credits from Form: **a** ☐ 2439 **b** ☐ Reserved **c** ☐ 8885 **d** ☐	73			
	74	Add lines 64, 65, 66a, and 67 through 73. These are your **total payments** ▶			74	13,969
Refund	75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you **overpaid**			75	1,362
	76a	Amount of line 75 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐			76a	1,362
Direct deposit? See instructions.	▶ b	Routing number ▶ c Type: ☐ Checking ☐ Savings				
	▶ d	Account number				
	77	Amount of line 75 you want **applied to your 2016 estimated tax** ▶	77			
Amount You Owe	78	**Amount you owe.** Subtract line 74 from line 63. For details on how to pay, see instructions ▶			78	
	79	Estimated tax penalty (see instructions)	79			

Third Party Designee

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

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

Sign Here

Joint return? See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
	04/11/16	Sales Director	
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Caroline M. Brumbach	04/11/16	Music Teacher	

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

H-20

References, Resources and Websites – Tax Returns and Transcripts

U.S. Department of Education

Dear Colleague Letters
Subject: Changes to 2016-2017 and 2017-2018 Verification Requirements
https://ifap.ed.gov/dpcletters/GEN1704.html

Subject: 2018-2019 Award Year: FAFSA® Information to be Verified and Acceptable Documentation
https://ifap.ed.gov/dpcletters/GEN1705.html

2017-2018 Federal Student Aid Handbook
Application and Verification Guide
Chapter 2: Filling Out the FAFSA
Chapter 4: Verification, Updates, and Corrections
https://ifap.ed.gov/fsahandbook/1718FSAHandbookAVG.html

2017-2018 Free Application for Federal Student Aid
https://fafsa.gov/fotw1718/pdf/PdfFafsa17-18.pdf

Completing the FAFSA℠ 2017-2018
https://studentaid.ed.gov/sa/sites/default/files/2017-18-completing-fafsa.pdf

Program Integrity Q&A – Verification
https://www2.ed.gov/policy/highered/reg/hearulemaking/2009/verification.html

Internal Revenue Service

Current Year Transcript Availability
https://www.irs.gov/individuals/transcript-availability

Secure Access: How to Register for Certain Online Self-Help Tools
https://www.irs.gov/individuals/secure-access-how-to-register-for-certain-online-self-help-tools

Tips for Successfully Authenticating Your Identity through Secure Access
https://www.irs.gov/individuals/tips-for-successfully-authenticating-your-identity-through-secure-access

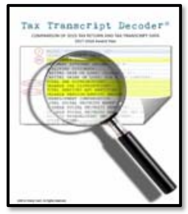
Transcript Types and Ways to Order Them
https://www.irs.gov/individuals/tax-return-transcript-types-and-ways-to-order-them

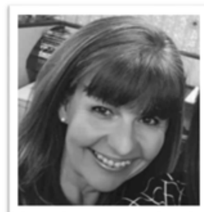
4506T-EZ: Short Form Request for Individual Tax Return Transcript
https://www.irs.gov/pub/irs-pdf/f4506tez.pdf

4506-T: Request for Transcript of Tax Return (transcript and other return information)
https://www.irs.gov/pub/irs-pdf/f4506t.pdf

Get Transcript FAQs
https://www.irs.gov/individuals/get-transcript-faqs

Tax Transcript Decoder





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