

# Tax Filing Guide for College Students

Tax season is around the corner, and it can be an overwhelming process, but with the right information, the process can be straightforward. Here's a helpful guide to get you started:

## 1. Determine If You Need to File

As a college student, you may need to file a tax return if:

### **Dependent Students:**

- Your earned income exceeds \$13,850 (for tax year 2024).
- Your unearned income (e.g., investments) exceeds \$1,250.
- You had self-employment income over \$400.

### **Independent Students:**

- Your earned income exceeds \$14,000.
- Unearned income exceeds \$1,100.
- Any self-employment income above \$400.

Even if you are not required to file, you might still want to do so to receive a refund for taxes withheld from your paycheck.

**Use the IRS ['Do I Need to File?'](#) tool to determine your filing requirements.**

**Why You Should Consider Filing:** Filing your taxes, even if not required, can provide benefits such as:

- Claiming refunds for taxes already withheld from paychecks.
- Accessing valuable tax credits may reduce education expenses.
- Building a record of responsible financial activity.

**What Happens If You Don't File?** If you are required to file and do not, you could face penalties, including:

- Late filing fees and potential interest on any unpaid taxes.
- Losing out on tax refunds or credits you might be eligible for.
- Potential issues with financial aid verification or future tax filings

## 2. Dependent vs. Independent Student Filing

Understanding whether you are considered a dependent or independent student for tax purposes is crucial.

**Dependent Students:** You are likely a dependent if:

- You are under the age of 24 and a full-time student.
- Your parents or guardians provide more than half of your financial support.
- You lived with your parents for more than half the year (even if away from school temporarily).

#### **How This Affects Your Taxes:**

- Your parents may be able to claim education-related credits like the American Opportunity Tax Credit (AOTC).
- You can still file a tax return, but you must indicate that someone else is claiming you as a dependent.
- You cannot claim personal exemptions.

#### **Independent Students:** You are likely an independent if:

- You are over the age of 24.
- You are married, have dependents of your own, or are financially self-sufficient.
- You are a veteran or are actively serving in the armed forces.
- You were in foster care, a legal ward of the court, or considered homeless after turning 13.

#### **How This Affects Your Taxes:**

- You are eligible to claim education credits for yourself.
- You can claim personal exemptions and deductions.

**Tip:** If unsure, consult with your college coach!

## **3. Gather Necessary Documents**

Before you start filing, collect these important documents:

- **Form W-2** (if you worked a job; issued by your employer by January 31st)
- **Form 1098-T** (tuition statement from your school, showing eligible educational expenses)
- **Form 1099** (if applicable, for freelance work or interest earned)
- **Bank account information** (for direct deposit of refunds- check out our previous [post](#) about this)
- **Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN)**
- **Records of scholarships, grants, and financial aid**, as some portions may be taxable
- **Receipts for qualified education expenses** (books, supplies, etc.)

## 4. Understand Available Tax Credits and Deductions

Maximize your refund by exploring these options:

- **American Opportunity Tax Credit (AOTC):** Up to \$2,500 per eligible student for qualified education expenses. This credit is partially refundable.
- **Lifetime Learning Credit (LLC):** Up to \$2,000 for tuition and education-related expenses. This credit is non-refundable but can reduce taxes owed.
- **Student Loan Interest Deduction:** Deduct up to \$2,500 of student loan interest paid during the year, even if you do not itemize deductions.
- **Earned Income Tax Credit (EITC):** Available if you have low to moderate income, even if you are not enrolled full-time.
- **State-Specific Education Benefits:** Check if your state offers additional education-related tax breaks.

## 5. Decide How to File

You have several options for filing your taxes:

- **Free Online Tools:** If your income is below a certain threshold, you can use [IRS Free File](#), [Free Tax USA](#), [Cash App Taxes](#).
- **Tax Preparation Software:** [TurboTax](#), [H&R Block](#), and others offer step-by-step guidance and student discounts.
  - [BECU](#) members save up to 20% on TurboTax when filing their 2024 taxes
- **Professional Help:** Consider a tax professional if your situation is complex (e.g., multiple sources of income, dependents).
- **VITA ([Volunteer Income Tax Assistance](#)):** Free services for students with lower incomes, available on many campuses and community centers.

## 6. Filing Deadlines

- **Tax filing opens:** January 27, 2025
- **Deadline to file:** April 15, 2025
- If you need more time, file for an extension using Form 4868, but remember this does not extend the time to pay taxes owed.

## 7. Beware of Scams and Identity Theft

Protect yourself by:

- Only use trusted tax filing services like IRS Free File, TurboTax, H&R Block, or VITA
- Ignoring suspicious emails or phone calls claiming to be from the IRS (**the IRS will never contact you via phone or email**).
- Filing early to prevent tax identity theft.

- Using strong passwords and multi-factor authentication for online tax accounts

## 8. What If You Owe Taxes?

If you owe taxes, you can:

- Pay online through the IRS website via direct debit, credit card, or other methods.
- Set up a payment plan if you cannot pay in full.
- Consider using your tax refund to offset future tuition costs.
- Contact the IRS to discuss hardship options if you are unable to pay.

## 9. Track Your Refund

After filing, you can track your refund status through the IRS "[Where's My Refund?](#)" tool at [www.irs.gov](http://www.irs.gov). Be prepared to enter your Social Security number, filing status, and refund amount. By staying informed and organized, you can tackle tax season with confidence. If you need further assistance, reach out to your [college coach](#), a tax professional, or visit the [IRS website](#) for more resources.