



Tax Primer

For parents completing the SSS Parents'
Financial Statement | PFS

Introduction

Use this primer to get an understanding of which few tax forms will be most helpful to you as you complete your Parents' Financial Statement (PFS).

This primer does not provide an overview of every possible tax form you might receive or need to file with IRS. Instead, it focuses only on the main forms families will need to have on hand to complete the PFS accurately and correctly.

Tax forms covered in this tax primer:

- [Form W-2](#)
- [Form 1040](#)
- [Form 1040 Schedule 1](#)
- [Schedule C](#)
- [Form 1099-MISC](#)

For each of these tax forms, the primer answers three questions:

1. What is the form used for?
2. What does the form look like?
3. Which lines on the form matter the most for completing the PFS?

– Important –

Be sure to send all your tax forms as required by each school you are applying to for financial aid.

Do not limit what you submit to schools to the documents covered in this primer.

If a school requires your tax forms and schedules, be sure to send or upload the full set of tax that you submit to the IRS when filing your tax return. Doing so ensures that you complete each school's document requirements correctly, avoiding possible delays in the process.

Form W-2

What is Form W-2 used for?

The W-2 is an annual statement of your earnings provided by your employer for the calendar year. It also shows how much of your pay was withheld for taxes, Social Security, and Medicare. It also indicates how much of your income you put into certain types of pre-tax retirement plans.

What does the Form W-2 look like?

a Employee's social security number		OMB No. 1545-0008	
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	
f Employee's address and ZIP code		11 Nonqualified plans	
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 20XX | Department of the Treasury—Internal Revenue Service
 Copy 2—To Be Filed With Employee's State, City, or Local Income Tax Return

Which lines on Form W-2 matter most for completing the PFS?

If you are a W-2 earner or pay yourself a salary from your business, this salary will appear in Box 1. Report the salary in Box 1 of your W-2 on line 7A of the PFS for the parent listed as "Parent A." Use 7B for the parent listed as "Parent B." Be sure to report the totals from all W-2s if either parent receives more than one for the year.

Look at Box 12. If amounts appear in this section with a code D-H, be sure to report that amount as "Payments to tax-deferred retirement plans" in PFS line 8D of the Nontaxable Income Worksheet. If you have multiple W-2s, report the total amount.

You do not have to report any other information from the W-2 on the PFS; however, it is possible that one or more schools you're applying to might ask you to supply other information from the W-2. You'll likely be required to submit or upload a copy of each W-2 you receive as part of your financial aid application.

Form 1040

What is Form 1040 used for?

The 1040 is used to report your sources of income, as well as any adjustments, deductions, and credits against your income that determine how much and what types of federal taxes you should have paid for the tax year. If you paid too much in taxes, it will show a refund from the federal government you are entitled to receive. If you paid too little in taxes, it will show how much you owe and must pay to the IRS.

What does the Form 1040 look like?

The 1040 is the base form plus additional schedules based on your types of income. Let's look at the 1040 base form:

► 1040 Page 1

The image shows the top portion of Form 1040, U.S. Individual Income Tax Return (20XX). The form includes sections for Filing Status, Personal Information, Standard Deduction, and Dependents. Two callouts highlight where to report information for the Parental Form Submission (PFS):

- Callout 1:** Points to the "Your first name and middle initial" field, stating "Report this on PFS Line 6B".
- Callout 2:** Points to the "Social security number" field for a dependent, stating "Report this in PFS Section 2 and 3".

The bottom portion of the form shows the summary table with the following rows:

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	PFS Line 7A, 7B
2a	Tax-exempt interest	2a	PFS Line 8k
3a	Qualified dividends	3a	Do not report
4a	IRA distributions	4a	
4c	Pensions and annuities	4c	
5a	Social security benefits	5a	
6	Capital gain or (loss). Attach Schedule D if required. If not required, check here	6	PFS Line 7M
7a	Other income from Schedule 1, line 9	7a	Schedule 1
7b	Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your total income	7b	
8a	Adjustments to income from Schedule 1, line 22	8a	
8b	Subtract line 8a from line 7b. This is your adjusted gross income	8b	
9	Standard deduction or itemized deductions (from Schedule A)	9	
10	Qualified business income deduction. Attach Form 8995 or Form 8995-A	10	
11a	Add lines 9 and 10	11a	
11b	Taxable income. Subtract line 11a from line 8b. If zero or less, enter -0-	11b	

► 1040 Page 2

Form 1040 (2019) Page 2

12a Tax (see inst.) Check if any from Form(s): 1 8814 2 4972 3 **12a**

b Add Schedule 2, line 3, and line 12a and enter the total

13a Child tax credit or credit for other dependents **13a**

b Add Schedule 3, line 7, and line 13a and enter the total

14 Subtract line 13b from line 12b. If zero or less, enter -0-

15 Other taxes, including self-employment tax, from Schedule 2, line 10

16 Add lines 14 and 15. This is your **total tax**

17 Federal income tax withheld from Forms W-2 and 1099

18 Other payments and refundable credits:

a Earned income credit (EIC) **18a** PFS Line 8I

b Additional child tax credit. Attach Schedule 8812 **18b**

c American opportunity credit from Form 8863, line 8 **18c**

d Schedule 3, line 14 **18d**

e Add lines 18a through 18d. These are your **total other payments and refundable credits** **18e**

19 Add lines 17 and 18e. These are your **total payments**

Refund

20 If line 19 is more than line 16, subtract line 16 from line 19. This is the amount you **overpaid**

21a Amount of line 20 you want **refunded to you**. If Form 8888 is attached, check here **21a**

Direct deposit? See instructions.

b Routing number **c** Type: Checking Savings

d Account number

22 Amount of line 20 you want **applied to your 2020 estimated tax** **22**

Amount You Owe

23 **Amount you owe.** Subtract line 19 from line 16. For details on how to pay, see instructions **23**

24 Estimated tax penalty (see instructions) **24**

Third Party Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions. Yes Complete below

Which lines on Form 1040 matter most for completing the PFS?

Nearly every line of the 1040’s Income section has a corresponding line on the PFS where the income information should be reported. Most are straightforward one-to-one matches; however, a few lines warrant a little more guidance:

► **1040 Page 1: Household Information**

Be sure your tax filing status on PFS Line 6B matches what is checked at the top of your 1040 form. An incorrect choice on the PFS can cause a miscalculation of the credit you receive for federal income taxes you pay.

When listing your dependents on the PFS, make sure it is consistent with those listed on your 1040 Dependents section. If you support children or others in your household that you cannot claim as a dependent, be sure to list them and explain their relationship to you in the PFS “Other Considerations” section.

► **1040 Page 1 Line 1: Salary/Wages**

Salary and wages reported here are a total of salaries earned by the parents in the household. The PFS asks you to report each parent’s salary separately, so you won’t see a single line item on the PFS for the total salaries. Be sure, though, that the total of the salaries you enter in line 7A and 7B for each parent is the same as the total shown on Line 1 of your 1040 Page 1. Business owners must be careful not to report profit taken from the business as salary or wages. If you own a business and paid yourself or your spouse a salary from the business, and reported it with a W-2, only enter the amount of salary from the W-2 in Lines 7A or 7B.

▶ **1040 Page 1 Lines 4B, 4D, and 5B: Distributions from IRA, Pensions, and Social Security**

1040 Lines 4A, 4C, and 5A each show the total income you received from IRA, Pensions, and Social Security. Lines 4B, 4D, and 5B show the portion of that total that was taxable. Report taxable amount of IRA on PFS line 7O, taxable amount of Pension on PFS line 7P. Report Line 5B taxable amount of Social Security on PFS Line 7S.

To report the nontaxable portion correctly, take the difference and report it in the appropriate PFS line item in the Nontaxable Income section (PFS Section 8).

- Report your nontaxable IRA and Pension income in PFS Line 8M.
- Report your nontaxable Social Security benefits in PFS Line 8B.

▶ **1040 Page 2 Line 16**

This shows what you owe for the different types of federal taxes on your income. PFS Line 6G asks you to report your federal taxes paid. Be sure to report the amount shown on 1040 Line 16. If you also have Self-Employment taxes reported on 1040 Schedule 2 Line 4, do not include those in PFS Line 6G, since you will report those separately for each business. If you paid self-employment taxes, for PFS Line 6G, report the total tax on Line 16 of Page 2 minus any Schedule 2 Line 4 Self-Employment tax.

▶ **1040 Page 2 Line 17a**

Earned income credits shown are considered non-taxable income and should be reported on PFS Line 8I.

Form 1040 Schedule 1

What is the 1040 Schedule 1 used for?

The Schedule 1 is used to report additional income received such as alimony, unemployment compensation, proprietorship business, corporation/partnerships, and rental income. Schedule 1 also lists deductions from self-employment tax.

What does the Schedule 1 look Like?

SCHEDULE 1 (Form 1040 or 1040-SR)		Additional Income and Adjustments to Income		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040 or 1040-SR. ▶ Go to www.irs.gov/Form1040 for instructions and the latest information.		20 XX Attachment Sequence No. 01
Name(s) shown on Form 1040 or 1040-SR			Your social security number	
At any time during 2019, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Part I Additional Income				
1	Taxable refunds, credits, or offsets of state and local income taxes	1		
2a	Alimony received	2a		PFS Line 7E
b	Date of original divorce or separation agreement (see instructions) ▶			
3	Business income or (loss). Attach Schedule C	3		PFS Line 15-18
4	Other gains or (losses). Attach Form 4797	4		
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5		PFS Line 7Q
6	Farm income or (loss). Attach Schedule F	6		PFS Line 15-18
7	Unemployment compensation	7		PFS Line 7R
8	Other income. List type and amount ▶	8		PFS Line 7T
9	Combine lines 1 through 8. Enter here and on Form 1040 or 1040-SR, line 7a	9		
Part II Adjustments to Income				
10	Educator expenses	10		
11	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	11		
12	Health savings account deduction. Attach Form 8889	12		
13	Moving expenses for members of the Armed Forces. Attach Form 3903	13		
14	Deductible part of self-employment tax. Attach Schedule SE	14		PFS Line 7I
15	Self-employed SEP, SIMPLE, and qualified plans	15		PFS Line 7H
16	Self-employed health insurance deduction	16		
17	Penalty on early withdrawal of savings	17		
18a	Alimony paid	18a		
b	Recipient's SSN ▶			
c	Date of original divorce or separation agreement (see instructions) ▶			
19	IRA deduction	19		PFS Line 7G
20	Student loan interest deduction	20		
21	Tuition and fees. Attach Form 8917	21		
22	Add lines 10 through 21. These are your adjustments to income. Enter here and on Form 1040 or 1040-SR, line 8a	22		PFS Line 7F

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. 15 71479F

Schedule 1 (Form 1040 or 1040-SR) 20

Which lines on the Form 1040 Schedule 1 matter most for completing the PFS?

▶ **1040 Line 3: Business income or (loss)**

This refers specifically to income or loss you had from a Sole Proprietorship, for which you also completed a Schedule C. On Line 15-18 of the PFS, the total of the net profit or loss from each Schedule C business you own should equal the amount shown on your 1040 Line 3. Be sure to send or upload each Schedule C you file, if you have income or a loss listed on your 1040 Line 3.

▶ **1040 Line 5: Rental Real Estate, royalties, partnerships, S corporations, trusts, etc.**

This line can be complicated, depending on what type of income is included here since many different types of income can be reported on your 1040 Line 5. If any income reported on Line 5 is from rental property, trusts, or royalties, report it on Line 7Q of your PFS.

If any income reported on Line 5 is from S corporations or Partnerships that you share ownership in, report it on Line 15-18 of your PFS in the section that asks you to detail the income and expenses of the business.

Be sure to send or upload each Schedule E that you file if you have income or loss listed on your 1040 Line 5.

▶ **1040 Schedule 1: Adjustments to Income**

Report the total shown on 1040 Line 22 on PFS line 7F. If you have adjustments in 1040 Lines 14, 15, or 19, report them in the proper lines on the PFS. If you have other adjustments in addition to these, be sure to type a note in PFS Item 7J to specify what the adjustments were for (e.g., "alimony paid" or "Educator expenses").

– Important –

If you filed a 1040 Schedule 1 and have reported income from rental real estate, partnerships, S corporations-Line 5 or Farm income-Line 6. Please use our Tax Primer for Self Employed Parents for further instructions on how complete section 15-18 of the PFS.

Other Schedules

SCHEDULE A (Form 1040 or 1040-SR) (Rev. January 2020) Department of the Treasury Internal Revenue Service (99)		Itemized Deductions		OMB No. 1545-0074
		▶ Go to www.irs.gov/ScheduleA for instructions and the latest information. ▶ Attach to Form 1040 or 1040-SR.		20XX Attachment Sequence No. 07
Name(s) shown on Form 1040 or 1040-SR				Your social security number
Medical and Dental Expenses	Caution: Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses (see instructions)	1	PFS Line 14A	
2	Enter amount from Form 1040 or 1040-SR, line 8b	2		
3	Multiply line 2 by 7.5% (0.075)	3		
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4		
Total Itemized Deductions	17 Add the amounts in the far right column for lines 4 through 16. Also, enter this amount on Form 1040 or 1040-SR, line 9	17	PFS Line 6F	
18	If you elect to itemize deductions even though they are less than your standard deduction, check this box <input type="checkbox"/>			
For Paperwork Reduction Act Notice, see the Instructions for Forms 1040 and 1040-SR. Cat. No. 17145C Schedule A (Form 1040 or 1040-SR) 20				

SCHEDULE 2 (Form 1040 or 1040-SR) Department of the Treasury Internal Revenue Service		Additional Taxes		OMB No. 1545-0074
		▶ Attach to Form 1040 or 1040-SR. ▶ Go to www.irs.gov/Form1040 for instructions and the latest information.		20XX Attachment Sequence No. 02
Name(s) shown on Form 1040 or 1040-SR				Your social security number
Part I Tax				
1	Alternative minimum tax. Attach Form 6251	1		
2	Excess advance premium tax credit repayment. Attach Form 8962	2		
3	Add lines 1 and 2. Enter here and include on Form 1040 or 1040-SR, line 12b	3		
Part II Other Taxes				
4	Self-employment tax. Attach Schedule SE	4	PFS Line 17J	
5	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	5		
6	Additional tax on IRAs, other qualified retirement plans, and other tax-favored accounts. Attach Form 5329 if required	6		
7a	Household employment taxes. Attach Schedule H	7a		
7b	Repayment of first-time homebuyer credit from Form 5405. Attach Form 5405 if required	7b		
8	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)	8		
9	Section 965 net tax liability installment from Form 965-A	9		
10	Add lines 4 through 8. These are your total other taxes . Enter here and on Form 1040 or 1040-SR, line 15	10		
For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71478U Schedule 2 (Form 1040 or 1040-SR) 20				

Which Lines Matter for the PFS?

► **Schedule A**

If you filed a Schedule A, you itemized deductions and should say “Yes” to PFS Line 6E and report the amount on PFS Line 6F. If you did not itemize your deductions, say “No” to PFS 6E. No other questions on the PFS ask about any amounts in this section of the 1040.

If your itemized deductions include medical and/or dental expenses, look at your Schedule A Line 1. You can report the total medical and dental expenses shown there in PFS Line 14A. You can still report your medical and dental expenses on PFS Line 14A even if you did not itemize them on a Schedule A.

► **1040 Schedule 2 Line 4**

Report the total amount of self-employment taxes you paid for your business(es). These should also be reported on Line 17J on the PFS. Note that the PFS will ask you how much self-employment tax you paid for each business separately. The total of all of those self-employment tax amounts should be equal to the amount reported on the Schedule 2 Line 4.

Schedule C

What is the Schedule C used for?

The Schedule C is used for reporting specific details about each business you own for which you are the sole proprietor. It shows the name, location, and type of business. It details the total gross income you received for the business. It itemizes the allowable expenses of the business that can be written off against the business's income to ultimately show your net profit or loss for the business. The net profit or loss is then entered on your Form 1040 Schedule 1 Line 3. When you submit your 1040 to the IRS, you are required to attach/include a Schedule C for each sole proprietorship you own.

What does the Schedule C look like?

SCHEDULE C (Form 1040) **Profit or Loss From Business (Sole Proprietorship)** OMB No. 1545-0074
 Department of the Treasury Internal Revenue Service (999) **20XX** Attachment Sequence No. 09
 ▶ Go to www.irs.gov/ScheduleC for instructions and the latest information. ▶ Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor _____ Social security number (SSN) _____

A Principal business or profession, including product or service (see instructions) **B** Enter code from instructions _____

C Business name. If no separate business name, leave blank. **D** Employer ID number (EIN) (see instr.) _____

E Business address (including suite or room no.) ▶ _____
 City, town or post office, state, and ZIP code _____

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶ _____

G Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses Yes No

H If you started or acquired this business during 2018, check here Yes No

I Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) Yes No

J If "Yes," did you or will you file required Forms 1099? Yes No

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked. <input type="checkbox"/>	1	
2	Returns and allowances	2	
3	Subtract line 2 from line 1	3	
4	Cost of goods sold (from line 42)	4	
5	Gross profit. Subtract line 4 from line 3	5	
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7	Gross income. Add lines 5 and 6	7	

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8	Advertising	8		18	Office expense (see instructions)	18	
9	Car and truck expenses (see instructions)	9		19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see instructions):	20	
11	Contract labor (see instructions)	11		a	Vehicles, machinery, and equipment	20a	
12	Depletion	12		b	Other business property	20b	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21	Repairs and maintenance	21	
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)	22	
15	Insurance (other than health)	15		23	Taxes and licenses	23	
16	Interest (see instructions):			24	Travel and meals:	24	
a	Mortgage (paid to banks, etc.)	16a		a	Travel	24a	
b	Other	16b		b	Deductible meals (see instructions)	24b	
17	Legal and professional services	17		25	Utilities	25	
26	Wages (less employment credit)	26		27a	Other expenses (from Form 1099-MISC)	27a	
27a	Other expenses (from Form 1099-MISC)	27a		b	Reserved for future use	27b	
28	Total expenses before expenses for business use of home. Add lines 8 through 27a	28					
29	Tentative profit or (loss). Subtract line 28 from line 7	29					

Expenses for business use of your home. Do not report the expenses for business use of your home if you are using the simplified method (see instructions).

► **Schedule C: Business Expenses and Net Profit/Loss**

Part II Expenses. Enter expenses for business use of your home only on line 30.			
8	Advertising	8	
9	Car and truck expenses (see instructions)	9	
10	Commissions and fees	10	
11	Contract labor (see instructions)	11	
12	Depletion	12	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	PFS Line 17F
14	Employee benefit programs (other than on line 19)	14	PFS Line 17C
15	Insurance (other than health)	15	
16	Interest:		
	a Mortgage (paid to banks, etc.)	16a	
	b Other	16b	
17	Legal and professional services	17	
18	Office expense (see instructions)	18	
19	Pension and profit-sharing plans	19	
20	Rent or lease (see instructions):		PFS Line 17D
	a Vehicles, machinery, and equipment	20a	
	b Other business property	20b	
21	Repairs and maintenance	21	
22	Supplies (not included in Part III)	22	
23	Taxes and licenses	23	
24	Travel, meals, and entertainment:		
	a Travel	24a	
	b Deductible meals and entertainment (see instructions)	24b	
25	Utilities	25	
26	Wages (less employment credits)	26	PFS Line 17A, B
27a	Other expenses (from line 48)	27a	
27b	Reserved for future use	27b	
28	Total expenses before expenses for business use of home. Add lines 8 through 27a	28	PFS Line 17I
29	Tentative profit or (loss). Subtract line 28 from line 7	29	
30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	
31	Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	PFS Line 17L
32	If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Form 1040, line 12 , (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.		

- **Look at Line 13:** If you are writing off any depreciation or “section 179 expense,” you will see an entry here. PFS Line 17F asks you to report this amount. If you claim depreciation, you will likely also file a Form 4562. If you have a 4562, be sure to send or upload that with your tax forms. Doing so allows the school to clarify how much of the amount on Line 13 is actual depreciation and not “section 179 expense.” This is to your advantage, typically.
- **Look at Line 26:** If you paid wages to employees for your business (as reported on W2’s that you filed for them), the PFS will ask you to separate out any wages you paid for yourself or your spouse from wages you paid to others. If Schedule C Line 26 includes wages for yourself and/or your spouse, report the amount you paid to yourself and/or your spouse on PFS Line 17A. Only report this amount if you provided a W2 as documentation of those earnings. Do NOT report your net profit as your salary.

If Schedule C Line 26 includes wages paid for anyone other than yourself or your spouse, report the amount that went to other employees on PFS Line 17B.

By definition, a sole proprietorship doesn’t share the profit or loss of the business with any other person or entity. Report the amount on Schedule C Line 31 on PFS Line 17L to reflect your share of the total business profit or loss (in other words, the amount that belongs to you).

Complete a separate PFS section on expenses and net profit for each sole proprietorship you own.

Form 1099-MISC

What is the Form 1099-MISC used for?

The Form 1099-MISC is provided to you by a person or firm for whom you performed work or service by hiring yourself out as a freelancer, contractor, consultant, or the like. 1099s can also show other types of income such as royalties, commissions, or rents received. Basically, it shows income you earned that wasn't provided to you as someone else's employee or from your investments.

Other types of 1099s you might receive:

- 1099-DIV (reports income from dividends, distributions, and capital gains from investments accounts such as stocks, bonds, and mutual funds)
- 1099-INT (tracks interest income you earned from investments such as savings accounts).

What does the Form 1099-MISC look like?

<input type="checkbox"/> 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	Miscellaneous Income Copy B For Recipient		
		\$	20 XX			
		2 Royalties	Form 1099-MISC			
PAYER'S federal identification number		3 Other income	4 Federal income tax withheld	This is important tax information and is being furnished to the Internal Revenue Service. 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		5 Fishing boat proceeds	6 Medical and health care payments	Report amounts here on PFS Line 7T		
		\$	\$			
Street address (including apt. no.)		7 Nonemployee compensation	8 Substitute payments in lieu of dividends or interest	This is important tax information and is being furnished to the Internal Revenue Service. 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.		
		\$	\$			
City or town, state or province, country, and ZIP or foreign postal code		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds	This is important tax information and is being furnished to the Internal Revenue Service. 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.		
		\$	\$			
Account number (see instructions)		FATCA filing requirement <input type="checkbox"/>	11	12	This is important tax information and is being furnished to the Internal Revenue Service. 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.	
			13 Excess golden parachute payments	14 Gross proceeds paid to an attorney		
15a Section 409A deferrals		15b Section 409A income	16 State tax withheld	17 State/Payer's state no.	18 State income	
\$		\$	\$		\$	

Form 1099-MISC (keep for your records) www.irs.gov/form1099misc Department of the Treasury - Internal Revenue Service

Which lines on Form 1099-MISC matter most for completing the PFS?

Income reported on your 1099s should already be included in certain lines of your 1040. On the PFS, any income reported on a 1099-MISC (other than rents and royalties) should be reported on PFS Line 7T.

If you and/or your spouse received multiple 1099s, be sure to add the amounts and report the total income on PFS line 7T.

Important Notes

- ▶ Do not report any amounts reported on a 1099-MISC as salary or wages, even if you earned it by working for someone as a contractor, freelancer, etc. When reporting your salary or wages on the PFS, ONLY include income for which you received a W-2.
- ▶ Many schools will require you to submit a W2 as part of your financial aid application. If you didn't receive a W-2 (meaning you didn't earn a salary as someone else's employee), but you did receive a 1099-MISC as a contractor or freelancer, submit your 1099-MISC in place of the W-2 the school requires.