



## Filing Basics



# Form 1040 Schedules

- Schedules provide in depth information that is not shown on Form 1040.
- These schedules are automatically done by TaxSlayer.

<b>Schedule 1</b>	<b>Additional Income and Adjustments to Income</b>
<b>Schedule 2</b>	<b>Additional Taxes</b>
<b>Schedule 3</b>	<b>Additional Credits and Payments</b>
<b>Schedule A</b>	<b>Itemized Deductions</b>
<b>Schedule B</b>	<b>Interest and Dividends</b>
<b>Schedule C</b>	<b>Self-Employment Income</b>

# Filing Returns

- Who **Must** File:

- For individuals in general, whether they must file depends on three factors – gross income, filing status, and age
  - The federal filing requirement is based on gross income compared to the standard deduction.
- Special rules apply for dependents, along with other situations

- Who **Should** File:

- Some clients should file to recover withholding or collect refundable credits, even if they are not required to file by the gross income guidelines.
- If eligible for Michigan credits even if no refund or tax due for federal or state

# Who Must File

If your filing status is...	AND at the end of 2024 you were... <sup>1</sup>	THEN file a return if your gross income was at least... <sup>2</sup>
Single	under 65	\$14,600
	65 or older	\$16,550
Married filing jointly <sup>3</sup>	under 65 (both spouses)	\$29,200
	65 or older (one spouse)	\$30,750
	65 or older (both spouses)	\$32,300
Married filing separately (see the Instructions for Form 1040)	any age	\$5
Head of household (see the Instructions for Form 1040)	under 65	\$21,900
	65 or older	\$23,850
Qualifying Surviving Spouse (see the Instructions for Form 1040)	under 65	\$29,200
	65 or older	\$30,750

## Examples of Taxable Income:

- Wages
- Alimony
- Disability Benefits
- IRA Distributions
- Annuities
- Business Income/Self-Employment
- Cash Income
- Pensions
- Unemployment Compensation
- Nonemployee Compensation
- Canceled Debts
- Dividends
- Gambling Winnings
- Interest
- Jury Duty Fees
- Railroad Retirement- Tier I, Tier II
- Royalties
- Social Security Benefits
- Taxable Scholarship and Grants
- Tips and Gratuities
- Refund of State and Local Income Tax
- Supplemental Unemployment Benefits
- Rents

Note: Refer to Pub 4012, pages A-3 and D-3 for more information.

# Filing Requirements Based on Gross Income

(Pub 4012: Page A-3)

## Chart A – For Most People Who Must File



*If you may be claimed as a dependent by another taxpayer, you must file as a dependent whether you are being claimed or not. See Chart B.*

<b>If your filing status is...</b>	<b>AND at the end of 2024 you were...<sup>1</sup></b>	<b>THEN file a return if your gross income was at least...<sup>2</sup></b>
Single	under 65	\$14,600
	65 or older	\$16,550
Married filing jointly <sup>3</sup>	under 65 (both spouses)	\$29,200
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	65 or older	\$23,850
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	65 or older	\$30,750

# Filing Requirements for Children and Other Dependents

## Chart B - For Children and Other Dependents

(Pub 4012: Page A-4)

See Pub 4012 for what is included in earned income and in unearned income

Single Dependents	
Either 65 or over or blind	<p>You must file a return if any of the following apply.</p> <ol style="list-style-type: none"><li>1. Your unearned income was over \$3,250 (\$5,200 if 65 or older and blind).</li><li>2. Your earned income was over \$16,550 (\$18,500 if 65 or older and blind).</li><li>3. Your gross income was more than the larger of —<ol style="list-style-type: none"><li>a. \$3,250 (\$5,200 if 65 or older and blind) or</li><li>b. Your earned income (up to \$14,150) plus \$2,400 (\$4,350 if 65 or older and blind).</li></ol></li></ol>
Under 65 and not blind	<p>You must file a return if any of the following apply.</p> <ol style="list-style-type: none"><li>1. Your unearned income was over \$1,300.</li><li>2. Your earned income was over \$14,600.</li><li>3. Your gross income was more than the larger of —<ol style="list-style-type: none"><li>a. \$1,300, or</li><li>b. Your earned income (up to \$14,150) plus \$450.</li></ol></li></ol>

# Filing Requirements for Children and Other Dependents

## Chart B - For Children and Other Dependents

(Pub 4012: Page A-4)

<b>Married Dependents</b>	
Either age 65 or older or blind	<p>You must file a return if any of the following apply.</p> <ol style="list-style-type: none"><li>1. Your unearned income was over \$2,850 (\$4,400 if 65 or older and blind).</li><li>2. Your earned income was over \$16,150 (\$17,700 if 65 or older and blind).</li><li>3. Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.</li><li>4. Your gross income was more than the larger of —<ol style="list-style-type: none"><li>a. \$2,850 (\$4,400 if 65 or older and blind), or</li><li>b. Your earned income (up to \$14,150) plus \$2,000 (\$3,550 if 65 or older and blind).</li></ol></li></ol>
Under age 65 and not blind	<p>You must file a return if any of the following apply.</p> <ol style="list-style-type: none"><li>1. Your unearned income was over \$1,300.</li><li>2. Your earned income was over \$14,600.</li><li>3. Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.</li><li>4. Your gross income was more than the larger of —<ol style="list-style-type: none"><li>a. \$1,300, or</li><li>b. Your earned income (up to \$14,150) plus \$450.</li></ol></li></ol>

# Kiddie Tax

- Children under age 18 and certain older children **who are required to file a tax return and have unearned income over \$2,600** must file *Form 8615, Tax for Certain Children Who Have Unearned Income (Kiddie Tax)*.
- For this purpose, “unearned income” includes all taxable income other than earned income, such as taxable interest, ordinary dividends, capital gains, rents, royalties, etc.
  - It also includes taxable social security benefits, pension and annuity income, taxable scholarship and fellowship grants not reported on Form W-2, unemployment compensation, alimony, and income received as the beneficiary of a trust.
- Form 8615 is in scope for Native Americans receiving per capita payments and Alaska residents receiving permanent fund dividends.
- For all other purposes, Form 8615 remains Out of Scope.

# Kiddie Tax (cont.)

- Note the difference on how taxable scholarships are treated as earned income or unearned income for different purposes:
  - For the purpose of determining if a dependent must file a tax return (Chart B) and for calculating the standard deduction for dependents, taxable scholarships and fellowship grants are considered as earned income
  - For the purpose of calculating kiddie tax, taxable scholarships and fellowship grants not reported on Form W-2 are considered to be unearned income
    - Students who opt to include scholarships in income that exceed the unearned income ceiling amount may be subject to the Kiddie Tax, in which case the return is out of scope. (See Maximizing the Education Credit later in this presentation.)
- If a child's unearned income exceeds the limit for kiddie tax (\$2,600) and they are required to file a tax return, see page H-5 in Pub 4012 to determine if Form 8615 needs to be completed to figure the child's tax.

# Chart C - Other Situations When You Must File

## (Pub 4012, pages A-5 – A-6)

- You owe any special taxes, including any of the following:
- Alternative Minimum Tax (Out of Scope)
  - Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if you file a return only because you owe this tax, you can file Form 5329 by itself.
  - Social security and Medicare tax on tips you did not report to your employer or on wages you received from an employer who did not withhold these taxes.
  - Recapture of first-time homebuyer credit. See instructions for Form 1040, Schedule 2.
- You (or your spouse, if filing jointly) received HSA distributions (in scope), Archer MSA distributions (Out of Scope), or Medicare Advantage MSA distributions (Out of Scope).
- You had net earnings from self-employment of at least \$400.
- Advance payments of the premium tax credit were made for you, your spouse, or a dependent who enrolled in coverage through the Marketplace. You or whoever enrolled you should have received Form(s) 1095-A showing the amount of the advance payments.

# Chart D – Who Should File (Pub 4012, page A-6)

Even if a taxpayer is not required to file a federal income tax return, they should file if any of the following situations below apply:

- You had income tax withheld from your pay, pension, Social Security or other income.
- You made estimated tax payments for the year or had any of your overpayment from last year's tax return applied to this year's taxes.
- You qualify for the earned income credit, the additional child tax credit, a refundable American Opportunity Credit, and/or the Premium Tax Credit.
- You receive a 1099-B, Proceeds from Broker and Barter Exchange Transactions, and the gross proceeds plus other income exceeds the filing limits in Chart A.
- You receive Form 1099-S, Proceeds From Real Estate Transactions.
- You are required to file a state return.
- You want to file a return to prevent tax identity theft, to claim a state credit, or for other assistance.
- Form 4136, Credit for Federal Tax Paid on Fuels (Out of Scope)
- Form 8801, Credit for Prior Year Minimum Tax - Individuals, Estates, and Trusts (Out of Scope)
- See Pub 4012, page A-6, for other situations when a taxpayer should file.

# Filing for Decedents

If you are assisting someone who is filing a return for a decedent (deceased individual):

- Be aware that volunteers need to take steps to protect a taxpayer's identity and avoid possible identity theft.
- Ask to see the surviving spouse's identification or a copy of the death certificate.
- A personal representative may be filing the return for the deceased taxpayer. Verify the identity of the person who is filing for the decedent and ask if they have court documents or other documentation authorizing them to file the tax return.
- Representatives or surviving spouses who do not have the necessary documentation with them should be advised to return once they have the information. If they cannot provide the information, refer them to a professional tax preparer.
- If you have this situation come up, get your site coordinator involved.