

**University of Oklahoma Financial Aid Services
2008 Federal Tax Return: 1040 Required?**

For the purposes of determining eligibility for the Simple Need Analysis, was the tax filer REQUIRED to file a 1040 instead of a 1040A or 1040EZ?

YES, IF Line 43, Taxable Income is GREATER THAN \$100,000* OR YES IF amounts other than zero appear on the following lines:

<u>Section</u>	<u>Line #</u>	<u>Description</u>
Income	10	Taxable refunds/credits of local/state taxes
	11	Alimony received
	12	Business Income or Loss
	13	Capital Gain or Loss (ignore if Schd D was not required)
	14	Other Gains or Losses (Form 4797)
	17	Rental Real Estate/Royalties/Partnerships/ S Corp (Schd E)
	18	Farm Income
	21	Other Income
	Adjustments	24
25		Health Savings Account deduction
26		Moving Expenses
27		Half of Self-Employment Tax
28		Self-Employed Health Insurance deduction
29		Self-Employed SEP, SIMPLE & Qualified Plans
30		Penalty on Early Withdrawal of Savings
31a		Alimony paid
35		Domestic Production Activities
Taxes & Credits	40	If Itemized Deductions from Schedule A were used
	43	If Taxable Income is more than \$100,000*
	44	If Form 8814, or Form 4972 is checked
	47	Foreign Tax Credit
	53	Credits from Form 8396 or 8839 or 5695
	54	Other Tax Credits from Form 3800, 8801 or other
Other Taxes	57	Self-Employment Tax
	58	Soc. Sec./Medicare Tax from Form 4137 or 8817
	59	Tax on Qualified Plans, including IRAs
	60	Additional Taxes on AEIC payments or Household Employment tax
Payments	65	Excess social security and RRTA tax withheld
	67	Amount Paid with Request for Extension to File
	68	Other credits from Forms 2439 or 4136 or 8801 or 8885

If none of the above conditions apply, the tax filer was eligible to file a 1040A or 1040EZ but CHOSE to file a 1040 for other reasons. Therefore, the tax filer should answer YES to question 34 (student) or 84 (parent) on the 2009-2010 Free Application for Federal Student Aid (FAFSA).

The income threshold to file a 1040A or 1040EZ increased to \$100,000 effective on 2004 returns. The AGI limit to be eligible for the simplified needs analysis is still less than \$50,000.

Effective 2007-2008, to be eligible for the simplified needs analysis, an independent student or the parents of a dependent student must

- have an AGI of less than \$50,000 **AND****
- o **be eligible to file a 1040A or EZ, or not be required to file a tax return** **OR**
- o **in 2007 OR 2008, a person included in the household on the FAFSA received benefits from a means-tested federal benefit program (SSI, Food Stamps, Free/Reduced Price School Lunch, TANF, WIC)** **OR**
- o **a PARENT is a dislocated worker (new for 2009-2010)**

Note: Per HERA 2006 changes, the tax filing status (1040, 1040A or 1040EZ) of a dependent student no longer affects eligibility for simplified needs analysis. Taxpayers who file a 1040 solely to itemize deductions (see line 40 on 1040, page 2 of FAFSA instructions) are considered to be REQUIRED to file a 1040 and INELIGIBLE for Simple Need Analysis.

New for 2009-2010, the AGI Threshold for Automatic Zero EFC is now \$30,000 or less. See pages 4-6 of "The EFC Formula, 2009-2010" for complete information on the Simplified EFC Formulas and Automatic Zero EFCs.