

It's Tax Time!



As college students, most of us don't have a lot of experience with filing taxes, and we have lots of questions about when, if, and how to file tax returns. Here are some answers to important tax questions.

Q: Who needs to file a tax return?

A: Anyone who has more than 950 dollars of unearned income OR 5,700 dollars of earned income must file a federal tax return. Additionally, you should file a federal tax return if you have had any federal taxes withheld from your pay checks in 2009 because the federal government may owe you a refund on that money.

Q: What is the difference between earned and unearned income?

A: Unearned income refers to any money that you received that did not come from your employment in a job. Earned income is any money that you received as a result of a job you held.

Q: Is all of my income taxable?

A: As a college student, all earned income, including Work Study funds are taxable except the first 5,700 dollars you made in 2009. If you made 5,700 dollars or less, you should not owe any federal income tax, but you may have had some withheld from your paycheck, so filing your tax return could actually MAKE you money!

Q: What about state taxes?

A: Washington state has no state income taxes. Residents from other states should check with their state tax offices to find out if you need to file in your home state.

Q: When should I file my tax return?

A: The deadline for the federal tax return is April 15th, but don't put it off, you can file as soon as you have your W2 (or W2s) from anywhere you worked in 2009.

Q: Which tax return should I file?

Individuals who have no dependents should file a 1040EZ tax form. If you have a dependant, you will probably need to file a regular 1040

Q: How do I file my tax return?

A: You can file online at www.irs.gov using eFile, which will walk you through the steps or you can download and print the forms from the website to mail them in if you prefer. The 1040 EZ is just two pages long, so you won't become overwhelmed by the process!

Information from this article came from www.irs.gov, taxadmin.org, and turbotax.com

THREE QUICK MONEY RULES TO LIVE BY

Rule 1: Spend less than you make

No matter how much money you make, get in the habit of saving a small percentage each time you get any. This will allow you to form a good habit and slowly build savings

Rule 2: Develop a savings strategy

Once you get in the habit of saving, maintain an emergency fund in case unexpected costs come up. Be careful not to spend this money unless you have a real emergency, though.

Rule 3: Have financial goals

Thinking about your future now will help motivate you to save money as well as develop the important skill of goal-setting for later in your life.

This information came from Woodridge Money Management Articles

This newsletter was made possible through an EDSHARE® grant from EdFund.

If you have any questions or comments about this newsletter or suggestions for future newsletter topics, please email Diana Mallon, Grant Coordinator at: dmallon@gonzaga.edu



SAVE THE DATE!

The last event in the Spring Speaker Series on Money Management will be held in Herak Club room in the McCarthy Center on April 6th. Watch your emails and flyers around campus for more information!