2018 Verification Data and Federal Tax Forms Comparison

This chart indicates the location of FAFSA need analysis data elements on the various 2018 federal tax forms and schedules. These data elements may be subject to verification or resolution of conflicting information requirements. For referenced FAFSA data, **(S)** refers to a **student** data element and **(P)** refers to a **parent** data element.

Effective with the 2018 tax year, the IRS eliminated IRS Forms 1040A and 1040EZ. All tax filers use IRS Form 1040 and any applicable numbered or lettered IRS schedules. Refer to the IRS website for more on the 1040, its schedules, and instructions.

When using a copy of the tax return to complete federal verification for 2020-21, you will need a signed copy of the Form 1040 along with Schedules 1, 2, and 3. **You do not need** other schedules or forms unless there is conflicting information that must be resolved.

While this chart is primarily a verification tool for the 2020-21 award year, it can be used when performing professional judgment (PJ) adjustments for the 2019-20 award year using "projected-year income," which can include any 12-month period the financial aid administrator deems appropriate.

FAFSA Data Element	2018 Tax Return Transcript[1]	2017 Form 1040 (for comparison)	2018 Form 1040 and Schedules 1, 2, or 3[2]	1040X[3]	Draft 2020-21 FAFSA Question[4]
Exemptions Claimed	Exemption Number	Line 6d	N/A—Eliminated by IRS	N/A—Eliminated by IRS	N/A
Adjusted Gross Income (AGI)	Adjusted Gross Income Per Computer	Line 37	1040 Line 7	Line 1C	36 (S) 84 (P)
Income Earned from Work	Wages, Salaries, Tips, Etc + Business Income or Loss: Sch C Per Computer + Farm Income or Loss (Schedule F) Per Computer	Lines 7 + 12 + 18 + Schedule K-1 (Form 1065), Box 14, Code A Form W-2, Box 1 (if any individual line item is negative, exclude that amount from calculation)	1040 Line 1 + Schedule 1, Line 12 + Schedule 1, Line 18 + Schedule K-1 (Form 1065), Box 14, Code A Form W-2, Box 1 (if any individual line item is negative, exclude that amount from calculation)	Part III Supporting Documents, if indicated (e.g., W-2, Box 1; Schedule C or C-EZ; Schedule F; Schedule K-1, Box 14, Code A)	38-39 (S) 86-87 (P)
Income Tax	Income Tax After Credits Per Computer minus Excess Advance Premium Tax Credit Repayment Amount	Line 56 minus 46 (if negative amount, enter zero)	1040 Line 13 minus Schedule 2, Line 46 (if negative amount, enter zero)	1040X Line 8 (or if box 8962 is checked on 1040X Line 15, use 1040X Line 8 minus Line 29 from IRS Form 8962)	37 (S) 85 (P)

FAFSA Data Element	2018 Tax Return Transcript[1]	2017 Form 1040 (for comparison)	2018 Form 1040 and Schedules 1, 2, or 3[2]	1040X[3]	Draft 2020-21 FAFSA Question[4]
Untaxed Portions of IRA, Pension, and Annuity Distributions (withdrawals)[5]	IRAs, Pensions and Annuities minus Taxable IRAs, Pensions and Annuities	Lines 15a minus 15b Lines 16a minus 16b (if negative, enter zero; exclude rollovers)	1040 Line 4a minus 4b (if negative, enter zero; exclude rollovers)	Part III Supporting Documents, if indicated	44e (S) 92e (P)
IRA Deductions and Payments to SEP, SIMPLE, Keogh, and Other Qualified Plans	KEOGH/SEP Contribution Deduction + IRA Deduction Per Computer	Lines 28 + 32	1040 Schedule 1, Line 28 + Line 32	Part III Supporting Documents, if indicated	44b (S) 92b (P)
Tax-Exempt Interest Income	Tax-Exempt Interest	Line 8b	1040 Line 2a	Part III Supporting Documents, if indicated (e.g., 1099-INT, Box 8 + 1099-DIV, Box 10 + 1099-OID, Boxes 2 + 11)	44d (S) 92d (P)
Education Tax Credits (American Opportunity and Lifetime Learning Credits)	Education Credit Per Computer	Line 50	1040 Schedule 3, Line 50	Amount of nonrefundable education tax credits included in 1040X Line 7, as explained in Part III and/or amended Form 8863 showing corrected amount on Line 19[2]	43a (S) 91a (P)
Tax-Deferred Payments to Pensions and Savings Plans (from Form W-2)	N/A	Not on tax return. See Form W-2, Boxes 12a through 12d, Codes D, E, F, G, H, S only	Not on tax return. See Form W-2, Boxes 12a through 12d, Codes D, E, F, G, H, S only	N/A	44a (S) 92a (P)

Important Note: Student aid, Earned Income Credit (EIC), Additional Child Tax Credit, all combat pay, welfare payments, extended foster care benefits, untaxed portions of Social Security benefits, Supplemental Security Income, Workforce Innovation and Opportunity Act (WIOA) educational benefits, on-base military housing, military basic housing allowances, flexible spending arrangement (e.g., cafeteria plan) benefits, foreign income exclusions, and credits for federal tax on special fuels are excluded when calculating an applicant's expected family contribution (EFC) and eligibility for Title IV aid. These forms of income are specifically excluded from need analysis by the Higher Education Act of 1965 (HEA), as amended; therefore, they cannot be included in the calculation of the EFC.

***Footnotes*:**

[1] **IRS Tax Return Transcripts** do not include any information from an amended tax return. An applicant or an applicant's parent(s) who filed or will file his or her income tax return as "Married Filing Separately," or who is married to someone other than the individual included on a joint income tax return, must provide a separate Tax Return Transcript (or a signed copy of the tax return) for each person whose information is included on the FAFSA.

For verification purposes, the "PER COMPUTER" amount includes corrections made by the IRS. Schools must ignore "RECOMPUTED" or "VERIFIED" amounts on the tax transcript.

[2] **Aside from wages, additional forms of income** such as alimony, business income/loss, capital gains/losses, rental income, partnership and S corporation income, farm income/loss, and unemployment compensation are now found on Schedule 1 of the 2018 Form 1040. The total of all additional income will appear on Line 6 of Form 1040.

[3] **Note that 1040X Line 7 "Credits"** refers mostly (but not exclusively) to the nonrefundable education tax credits, so the amount on that line might not be the correct amount of nonrefundable education credits to list on the FAFSA. This means you will need more information if any changes are indicated to Line 7. The tax filer must explain under Part III on the 1040X what changed; hopefully, this explanation includes the difference between what was originally reported and what should have been reported on the tax return for education tax credits. If the explanation in Part III is unclear, then the school needs to work with the family to collect whatever signed statements or other documentation that are needed to determine the nonrefundable education credit amount that should be listed on the FAFSA. Preferably, this will include the new, amended Form 8863 showing the new, correct amount of the nonrefundable education tax credit on line 19, which should support the amount listed on Line 7 of the 1040X.

[4] **2020-21 FAFSA line items** are based on the March 25, 2019 Draft FAFSA available at the time of this publication. Be sure to monitor the Information for Financial Aid Professionals (IFAP) website for more recent changes to the FAFSA and any other verification guidance.

[5] **IRA, pension, and annuity distributions** (withdrawals) were combined into a single line item on the 2018 Form 1040 tax return.

2018 IRS 1040 and Schedules 1, 2, and 3

The following copies of the 2018 IRS Form 1040 and Schedules 1, 2, and 3 highlight the line items that are used when completing federal verification of income and taxes paid. Consider the following:

- The 1040 and schedules should be used in conjunction with NASFAA's *2018 Verification Data and Federal Tax Forms Comparison*.
- Handwritten copies of tax returns are acceptable, as long as they are signed.
- When a copy of the student's tax return is used, it must be signed by the student (or spouse) or contain the tax preparer's information. When the parent's tax return is used, it must be signed by at least one parent or contain the tax preparer's information. Parent Social Security Numbers are not required.
    - Schedules do not require signatures.
- Other IRS schedules or forms are not required unless there is conflicting information that must be resolved.
- Income earned from work, including wages, business income/losses, and farm income/losses are not required to be verified for a tax filer in any verification tracking group; however, the financial aid administrator will want to review these items to ensure there is no conflicting information.

Form **1040** Department of the Treasury—Internal Revenue Service (99)
U.S. Individual Income Tax Return **2018** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing status: ☐ Single ☐ Married filing jointly ☐ Married filing separately ☐ Head of household ☐ Qualifying widow(er)

Your first name and initial | Last name | **Your social security number**

Your standard deduction: ☐ Someone can claim you as a dependent ☐ You were born before January 2, 1954 ☐ You are blind

If joint return, spouse's first name and initial | Last name | **Spouse's social security number**

Spouse standard deduction: ☐ Someone can claim your spouse as a dependent ☐ Spouse was born before January 2, 1954 ☐ Full-year health care coverage or exempt (see inst.)
☐ Spouse is blind ☐ Spouse itemizes on a separate return or you were dual-status alien

Home address (number and street). If you have a P.O. box, see instructions. | Apt. no. | **Presidential Election Campaign** (see inst.) ☐ **You** ☐ **Spouse**

City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. | If more than four dependents, see inst. and ✓ here ► ☐

Dependents (see instructions): **(1)** First name	Last name	**(2)** Social security number	**(3)** Relationship to you	**(4)** ✓ if qualifies for (see inst.): Child tax credit	Credit for other dependents
				☐	☐
				☐	☐
				☐	☐
				☐	☐

Sign Here
Joint return? See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature | Date | Your occupation | If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Spouse's signature. If a joint return, **both** must sign. | Date | Spouse's occupation | If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer Use Only

Preparer's name | Preparer's signature | PTIN | Firm's EIN | Check if: ☐ 3rd Party Designee ☐ Self-employed

Firm's name ► | Phone no.

Firm's address ►

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2018)

Attach Form(s) W-2. Also attach Form(s) W-2G and 1099-R if tax was withheld.

1	Wages, salaries, tips, etc. Attach Form(s) W-2			1	
2a	Tax-exempt interest	2a	b Taxable interest	2b	
3a	Qualified dividends	3a	b Ordinary dividends	3b	
4a	IRAs, pensions, and annuities	4a	b Taxable amount	4b	4a – 4b
5a	Social security benefits	5a	b Taxable amount	5b	
6	Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22			6	
7	Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6			7	
8	**Standard deduction or itemized deductions** (from Schedule A)			8	
9	Qualified business income deduction (see instructions)			9	
10	Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-			10	
11	**a** Tax (see inst.) (check if any from: **1** ☐ Form(s) 8814 **2** ☐ Form 4972 **3** ☐)				
	b Add any amount from Schedule 2 and check here ▶ ☐			11	
12	**a** Child tax credit/credit for other dependents		**b Add** any amount from Schedule 3 and check here ▶ ☐	12	
13	Subtract line 12 from line 11. If zero or less, enter -0-			13	
14	Other taxes. Attach Schedule 4			14	
15	Total tax. Add lines 13 and 14			15	
16	Federal income tax withheld from Forms W-2 and 1099			16	
17	Refundable credits: **a** EIC (see inst.)	**b** Sch. 8812	**c** Form 8863		
	Add any amount from Schedule 5			17	
18	Add lines 16 and 17. These are your total payments			18	

1040 Line 13
– Schedule 2, Line 46
= Income Tax Paid

Standard Deduction for—
- Single or married filing separately, $12,000
- Married filing jointly or Qualifying widow(er), $24,000
- Head of household, $18,000
- If you checked any box under Standard deduction, see instructions.

Refund

Direct deposit? See instructions.

19	If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you **overpaid**	19	
20a	Amount of line 19 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐	20a	
▶ b	Routing number ▶ **c** Type: ☐ Checking ☐ Savings		
▶ d	Account number		
21	Amount of line 19 you want **applied to your 2019 estimated tax** ▶ 21		

Amount You Owe

22	**Amount you owe.** Subtract line 18 from line 15. For details on how to pay, see instructions ▶	22	
23	Estimated tax penalty (see instructions) ▶ 23		

Go to *www.irs.gov/Form1040* for instructions and the latest information. Form **1040** (2018)

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

▶ Attach to Form 1040.
▶ Go to *www.irs.gov/Form1040* for instructions and the latest information.

OMB No. 1545-0074
2018
Attachment Sequence No. **01**

Name(s) shown on Form 1040 | **Your social security number**

Additional Income	1–9b	Reserved	1–9b	
	10	Taxable refunds, credits, or offsets of state and local income taxes	10	
	11	Alimony received	11	
	12	Business income or (loss). Attach Schedule C or C-EZ	12	
	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐	13	
	14	Other gains or (losses). Attach Form 4797	14	
	15a	Reserved	15b	
	16a	Reserved	16b	
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
	18	Farm income or (loss). Attach Schedule F	18	
	19	Unemployment compensation	19	
	20a	Reserved	20b	
	21	Other income. List type and amount ▶	21	
	22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23	22	

Adjustments to Income	23	Educator expenses	23	
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	24	
	25	Health savings account deduction. Attach Form 8889	25	
	26	Moving expenses for members of the Armed Forces. Attach Form 3903	26	
	27	Deductible part of self-employment tax. Attach Schedule SE	27	
	28	Self-employed SEP, SIMPLE, and qualified plans	28	
	29	Self-employed health insurance deduction	29	
	30	Penalty on early withdrawal of savings	30	
	31a	Alimony paid **b** Recipient's SSN ▶	31a	
	32	IRA deduction	32	
	33	Student loan interest deduction	33	
	34	Reserved	34	
	35	Reserved	35	
	36	Add lines 23 through 35	36	

Line 28
+ Line 32
= IRA Deductions/Payments

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71479F **Schedule 1 (Form 1040) 2018**

SCHEDULE 2
(Form 1040)

Department of the Treasury
Internal Revenue Service

Tax

▶ **Attach to Form 1040.**
▶ **Go to *www.irs.gov/Form1040* for instructions and the latest information.**

OMB No. 1545-0074

2018

Attachment Sequence No. **02**

Name(s) shown on Form 1040 | **Your social security number**

Tax

38–44	Reserved	38–44		
45	Alternative minimum tax. Attach Form 6251	45		
46	Excess advance premium tax credit repayment. Attach Form 8962	46		
47	Add the amounts in the far right column. Enter here and include on Form 1040, line 11	**1040 Line 13 – Schedule 2, Line 46 = Income Tax Paid**		

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71478U

SCHEDULE 3
(Form 1040)

Department of the Treasury
Internal Revenue Service

Nonrefundable Credits

▶ **Attach to Form 1040.**
▶ **Go to *www.irs.gov/Form1040* for instructions and the latest information.**

OMB No. 1545-0074

2018

Attachment Sequence No. **03**

Name(s) shown on Form 1040 | **Your social security number**

Nonrefundable Credits

48	Foreign tax credit. Attach Form 1116 if required	48		
49	Credit for child and dependent care expenses. Attach Form 2441	49		
50	Education credits from Form 8863, line 19	50		
51	Retirement savings contributions credit. Attach Form 8880	51		
52	Reserved	52		
53	Residential energy credit. Attach Form 5695	53		
54	Other credits from Form **a** ☐ 3800 **b** ☐ 8801 **c** ☐ ____________	54		
55	Add the amounts in the far right column. Enter here and include on Form 1040, line 12	55		

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71480G **Schedule 3 (Form 1040) 2018**