

## Where do your tax dollars go?

Your tax dollars support programs and services that make New York State a great place to advance your education and enjoy your time outside the classroom. Here are a few ways that New York's tax revenue is put to work.

### Reducing education costs

\$6.4 billion is budgeted annually to fund SUNY and CUNY programs, while another \$1.3 billion is dedicated annually to provide students with financial assistance at independent colleges.

### Ensuring access to health care

2.7 million New Yorkers receive coverage under the state-funded New York State of Health marketplace insurance program.

### Protecting the environment

A record \$300 million is budgeted annually to fund the initiatives of the Environmental Protection Fund.

### Supporting job creation

Since 2011, New York has created 1.1 million new jobs, making New York State now home to 8.1 million private sector jobs in total—the most in the state's history.

## Online Financial Education Program

We've launched a new Financial Education Program for all New Yorkers. The online curriculum is broken into seven modules, covering a range of topics—from tax credits to free tax filing options and predatory tax preparers. It includes many tools and resources to help you understand the benefits available to you as a taxpayer in New York.

Access the Financial Education Program from our website: [www.tax.ny.gov](http://www.tax.ny.gov) (search: *financial education*).

## Where can I get more information?

New York State Department of Taxation and Finance  
[www.tax.ny.gov](http://www.tax.ny.gov)

New York State Free File  
[www.tax.ny.gov/pit/efile](http://www.tax.ny.gov/pit/efile)

529 College Savings Program Direct Plan  
[www.nysaves.org](http://www.nysaves.org)  
1 877 697-2837

IRS information for students  
[www.irs.gov/individuals/students](http://www.irs.gov/individuals/students)

IRS interactive tax assistant  
<https://www.irs.gov/uac/what-is-my-filing-status>

## Remember!

Clothing and footwear sold for less than \$110 per item or pair are exempt from the New York State 4% sales and use taxes. The exemption does not apply to local sales and use taxes unless the county or city imposing the taxes elects to provide the exemption. See Tax Bulletin *Clothing and Footwear Exemption* (TB-ST-122), available on our website, to learn more.

## Language access

To increase your access to information, we've translated vital documents on our website into Spanish, Chinese, Russian, Bengali, Korean, and Haitian Creole (search: *language*).

## Donate life

Become an organ donor today! To learn more, visit: <https://donatelife.ny.gov/register>.

Learn more at  
[www.tax.ny.gov](http://www.tax.ny.gov)

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CO-306 (1/21)

NYS Department of Taxation and Finance

# TAX BASICS

## COLLEGE STUDENTS



Department of  
Taxation and Finance

## Do I have to file a tax return?

If your employer withheld New York State, New York City, or Yonkers wages during the year (Jan 1st–Dec 31st), you may be entitled to a tax refund. If not, you may still have to file a New York State income tax return if you meet the following conditions:

- you have to file a federal return;
- you have federal adjusted gross income plus New York additions of more than \$4,000 (\$3,100 if you are single and can be claimed as a dependent on a federal tax return); or
- you want to claim a refundable or carryover credit.

## Keeping good tax records

It's important to maintain records of the income you earned during the tax year. In addition, you should maintain records for any expenses you plan to deduct. If you worked multiple jobs during the year, be sure to collect the necessary tax documents from each. Examples include:

### Documents that show your income

- Form W-2 (shows wages from an employer for each job worked during the year);
- pay stubs (keep the last one for the year or the last one for particular job)
- Form 1099-MISC (reflects non-wage miscellaneous income for each job worked during the year—some jobs don't treat you as an employee, so you may get a 1099 instead of a W-2)
- Form 1099-INT (reflects interest income, such as from a bank account)
- Form 1099 (additional versions of Form 1099 are issued for other types of income, such as capital gains and government grants);
- any records showing additional income.

### Documents that show expenses

- Form 1098-T, *Tuition Statement* (report qualified tuition and related expenses)
- Form 1098-E, (report student loan interest payments)
- Form 1098 – other (you may get other versions of this form that report mortgage interest payments or other deductible expenses if they apply to you.)
- receipts for business and education expenses paid.

## Other documents you may need

- Form 1095 (proof of health coverage under the Affordable Care Act);
- previous-year tax returns;
- driver license or non-driver I.D.

## Filing status

Your filing status is used to determine your filing requirements, standard deduction, eligibility for certain credits, and your correct amount of tax due. The five filing statuses are:

- single;
- married filing jointly;
- married filing separately;
- head of household (unmarried with qualifying individuals); and
- qualifying widow(er).

It's important to know if someone else will be claiming you as a dependent on their tax return. Be sure to ask your parent or person who pays more than 50% of the cost of keeping up your home if they're claiming you as a dependent.

## Electronic filing

The best way to file your return is electronically. Why? Electronic filing is:

- **easier**—file from your phone, tablet, or computer;
- **safer**—submit your return through a highly secure, encrypted system;
- **faster**—receive your refund twice as fast as paper filers;
- **more accurate**—the software will do the math for you, so your return is 20 times less likely to have an error than if you filed on paper.

Plus, if your income is \$72,000 or less and you use the options on our website, you can file electronically for FREE! Visit our website (search: *FreeFile*) for more information. When efilng, have your bank account and routing numbers handy to take advantage of Direct Deposit and receive your refund up to two weeks sooner.

## New York State money-saving programs

New York State offers several money-saving programs, credits, and tax benefits specifically for college students like you, including:

- College tuition credit or itemized deduction  
If you're an undergraduate student, paying your tuition out of pocket—and not being claimed as a dependent on someone else's return—you could receive up to \$400 in credit when you claim the college tuition credit. See Form IT-272 for more information.
- Purchase your textbooks tax free  
Your college textbooks are exempt from sales and use tax. You can claim the exemption whether you purchase your books at a store, by mail order (including email), online\*, or by any other means. Just provide your valid student identification or other evidence of your college enrollment at the time of purchase. See Tax Bulletin *College Textbooks* (TB-ST-125), available on our website, to learn more.  
*\* use Form AU-11 if you are charged sales tax*
- New York State 529 College Savings Plan  
The New York State 529 college savings plan allows you to save for your higher education costs and grow your money with all federal taxes deferred. The money saved can be used to pay for things like tuition, books, supplies, certain computer equipment, and certain room and board fees. Contributions to these accounts are deductible on your New York State tax return up to:
  - \$5,000 for account owners who file as single; and
  - \$10,000 for account owners filing as married filing joint return.

If you're receiving a New York State tax refund, you can invest some or all of it in a New York State 529 College Savings plan account by filing Form IT-195 with your tax return (available for download from our website).

To split your refund, you'll need a 529 account number with routing number and a plan code. To save time, sign up for an account in advance online at [www.nysaves.org](http://www.nysaves.org) or by calling 1877 697-2837. There is no minimum deposit into the College Savings Program Direct Plan. The minimum deposit into the Advisor Guided College Savings Program is \$25.