

Building Your Financial House

Set the Foundation of Your Future



Module 4 Check Taxes Presentation Slides



Building Your Financial House WELCOME

Housekeeping

- Please mute your phone or computer to eliminate background noise.
- To maximize bandwidth:
 - (Turn camera off)
 - Close unused apps or webpages
- Please raise hand or use chat feature for questions.

Prior to Today's Session

The screenshot displays the 'Building Your Financial House' website interface. On the left, there is a sidebar with a 'Check Taxes' button. The main content area is titled 'Self-Assessment and Track Your Progress' and includes a 'Current Practice' section with several checkboxes. Below that is a 'Pre-session Questionnaire' with multiple-choice questions. The questions cover topics like:

- 1. Which of the following items should be listed on your audit? (Options: Credit card statements, Social Security card, Driver's license, Proof of automobile insurance)
- 2. Which of the following is the safest place to keep your bank contribution? (Options: Money market, Fixed deposit, In home safe, Expense)
- 3. Which of the following is the federal income tax method used in the United States? (Options: Flat, Progressive)
- 4. Which of the following is considered the basis for federal income tax filing status? (Options: Family, Income, Expense, Marital)
- 5. The Chained Consumer Price Index is subject to income taxes. (Options: All income, Deductions, Credits, Refunds)
- 7. Which of the following reduces the amount of federal tax owed? (Options: All income, Deductions, Credits, Refunds)

Today's Topics

- 1. Tax Preparers
- 2. Refunds and Withholding
- 3. Reviewing Your 1040
- 4. The Progressive Tax System
- 5. Who, What and When of Taxes



Checking the insulation can minimize a house's hidden heat loss, just as checking taxes can minimize dollars lost to overlooked deductions and credits

- Recognize the value in record keeping
- Identify the key components of a tax return
- Recognize the difference between total income and taxable income
- Recognize the difference between total tax and withholding
- Identify the various tax preparation methods and providers

KNOWLEDGE



How is your record keeping?



Record Keeping



You're buying a new car and want to trade in your old car.

Can you locate the title?

Record Keeping



The big-screen TV you bought last month isn't working.

Do you have the receipt and warrantee?

Record Keeping



Someone broke into your apartment while you were at work.

Do you have a list and pictures of the household items that were stolen?

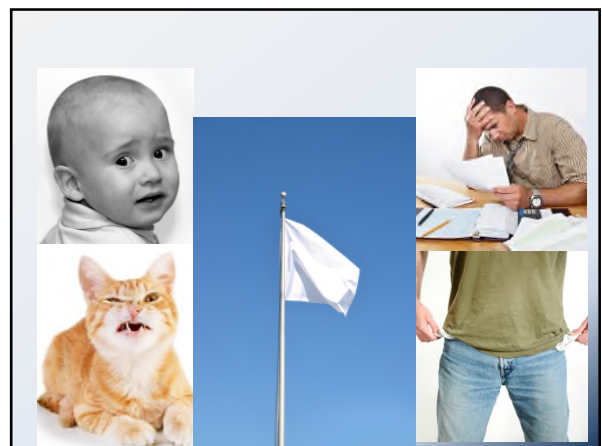


Final Record Keeping Thought

On the left, a white milk carton is tilted, pouring milk into a clear glass. The text 'Add a discard date!' is positioned to the right of the glass.

Chat Box

A 3D white figure stands next to a large red question mark. A white thought bubble above the figure contains the text: 'What comes to mind when you hear the word taxes?'.





To Tax or Not to Tax?

Wages	Cash gifts
Stolen property	Debt forgiven
Child support	Life insurance
Cash assistance	Hobbies
Non-cash gifts	SSI
Unemployment	Bribes
Social Security	Cash prizes
Medical assistance	Military pension

To Tax or Not to Tax?

Wages
Hobbies
Military pension
Unemployment
Debt forgiven
Bribes
Stolen property
Cash prizes
Social Security

To Tax or Not to Tax?

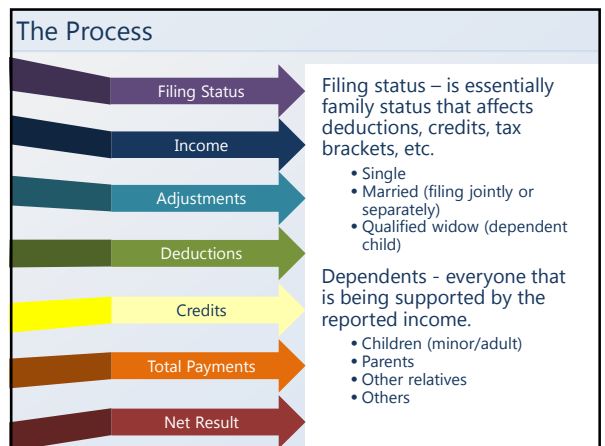
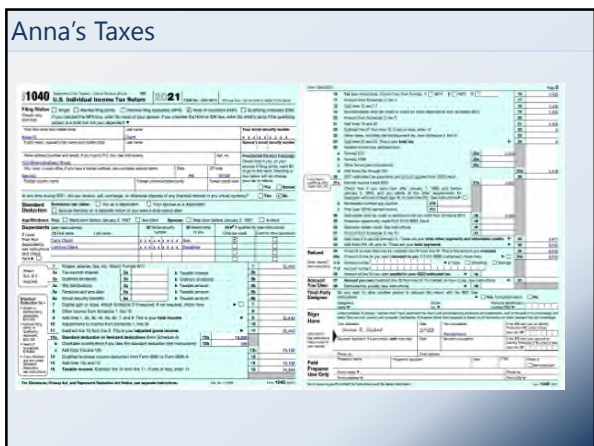
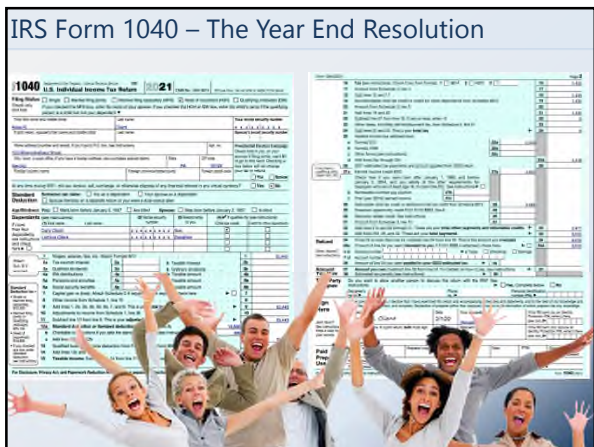
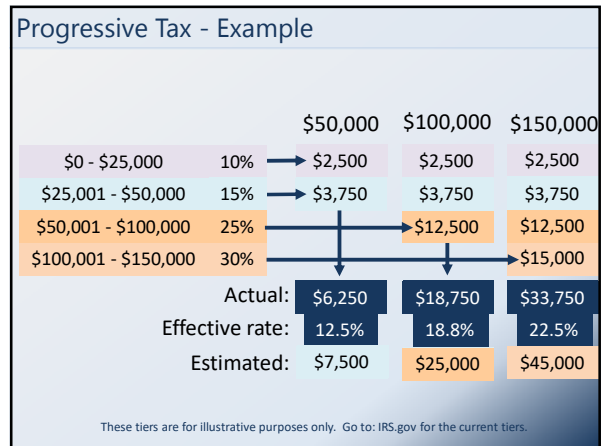
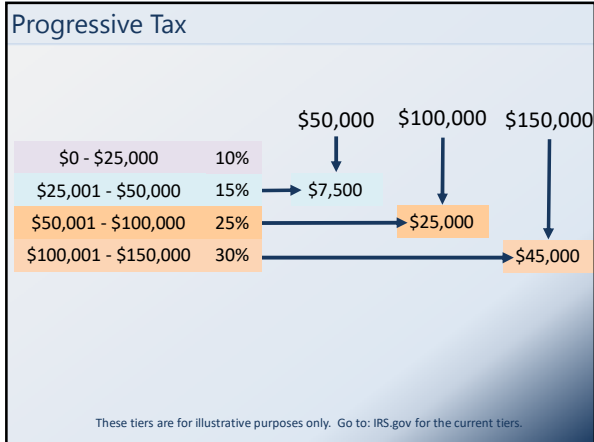
Child support
Cash assistance
Medical assistance
SSI
Life insurance
Cash gifts
Non-cash gifts

What does progressive tax mean?

Progressive tax is:

The more you earn, the higher the rate.

There are income tax "brackets" with increasingly higher rates.



Anna's Filing Status

1040 Department of the Treasury—Internal Revenue Service (IRS) **2021** U.S. Individual Income Tax Return (OMB No. 1545-0047) IRS Use Only—Do not write or staple in this space.

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HCHH) Qualifying widow(er) (QW)

Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HCHH or QW box, enter the child's name if the qualifying person is a child but not your dependent.

Your first name and middle initial: _____ Last name: _____ Your social security number: _____
 If joint return, spouse's first name and middle initial: _____ Last name: _____ Spouse's social security number: _____

Home address (number and street), if you have a P.O. box, see instructions: _____ Apt. no.: _____ Presidential Election Campaign
 City, town, or post office. If you have a foreign address, also complete spaces below. State: _____ ZIP code: _____ Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.

Foreign country name: _____ Foreign province/state/country: _____ Foreign postal code: _____ You Spouse

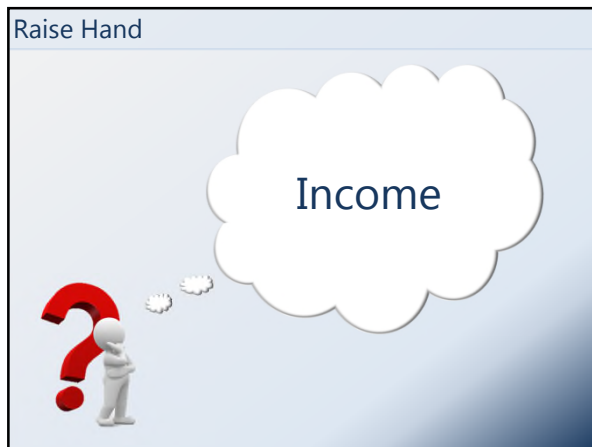
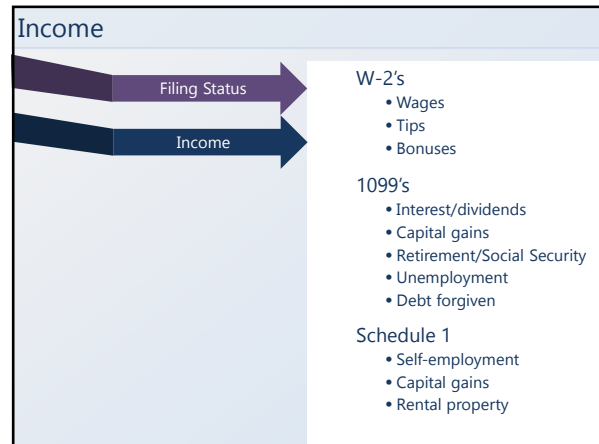
At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? Yes No

Standard Deduction Someone can claim: You as a dependent Your spouse as a dependent Spouse itemizes on a separate return or you were a dual-status alien

Age/Business Year: Were born before January 2, 1957 Are blind Spouse: Was born before January 2, 1957 Is blind

Dependents (see instructions) Social security number Relationship to you Child tax credit Credit for other dependents

First name	Last name	SSN	Relationship	Child tax credit	Credit for other dependents
Cory	Client	x x x x x x x x	Son	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Larocca	Client	x x x x x x x x	Daughter	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Anna's Income

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	33,443
2a	Tax-exempt interest	2a	
2b	Taxable interest	2b	
3a	Qualified dividends	3a	
3b	Ordinary dividends	3b	
4a	IRA distributions	4a	
4b	Taxable amount	4b	
5a	Pensions and annuities	5a	
5b	Taxable amount	5b	
6a	Social security benefits	6a	
6b	Taxable amount	6b	
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	7	
8	Other income from Schedule 1, line 10	8	
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9	33,443
10	Adjustments to income from Schedule 1, line 26	10	
11	Subtract line 10 from line 9. This is your adjusted gross income	11	32,443
12a	Standard deduction or itemized deductions (from Schedule A)	12a	18,800
12b	Charitable contributions if you take the standard deduction (see instructions)	12b	300
12c	Add lines 12a and 12b	12c	19,100
13	Qualified business income deduction from Form 8955 or Form 8955-A	13	
14	Add lines 12c and 13	14	19,100
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	14,343

Side Bar: Schedule 1 – Additional Income

SCHEDULE 1 Additional income and Adjustments to Income (OMB No. 1545-0047) (Form 1040-SS, 10-15-2021)

Part 1 Additional Income

1 Taxable refunds, credits, or offsets of state and local income taxes

2a Business income or loss. Attach Form 1041-SS

3 Other income or losses. Attach Form 1099

4 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E

5 Public pension or annuity. Attach Schedule 5

6 Unemployment compensation

7 Other income

8a Dividend income

8b Capital gain or loss

9a Foreign earned income exclusion from Form 1041-SS

9b Taxable health savings account distributions

9c Taxable distribution from 529 plan

10a Pensions and annuities

10b Private and awards

11 Activities not engaged in for profit income

12a Section 179(e) inclusion (see instructions)

12b Section 183(a)(2) inclusion (see instructions)

12c Section 183(b) losses (see instructions)

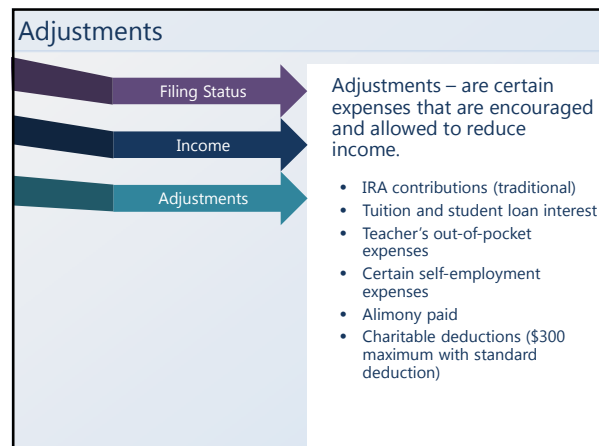
12d Section 183(c) losses (see instructions)

12e Taxable distributions from an ADP account (see instructions)

12f Other income. List type and amount

13 Total other income. Add lines 8a through 12f

14 Combine with 1 through 7 and 9. Enter from Form 1040, 1040-SS, or 1041-SS, line 4



Raise Hand

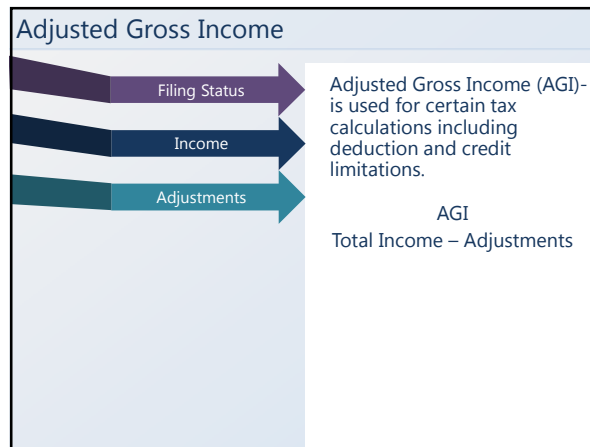
Adjustments

Anna's Adjusted Gross Income

1	Wages, salaries, tips, etc. (Attach Form(s) W-2)	1	33,443
2a	Tax-exempt interest	2b	Taxable interest
3a	Qualified dividends	3b	Ordinary dividends
4a	IRA distributions	4b	Taxable amount
5a	Pensions and annuities	5b	Taxable amount
6a	Social security benefits	6b	Taxable amount
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here	7	
8	Other income from Schedule 1, line 10	8	
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9	33,443
10	Adjustments to income from Schedule 1, line 26	10	
11	Subtract line 10 from line 9. This is your adjusted gross income	11	33,443
12a	Standard deduction or itemized deductions (from Schedule A)	12b	19,800
13	Charitable contributions if you take the standard deduction (see instructions)	13c	300
14	Qualified business income deduction from Form 8995 or Form 8995-A	14	19,100
15	Other adjustments. Attach Schedule D if required. If not required, check here	15	
16	Add lines 12a, 13c, and 14. Subtract line 15 from line 11. If zero or less, enter -0-	16	14,343

Side Bar: Schedule 1 – Adjustments to Income

11	Adjustments to income	11	
12	Health Savings Account deduction (Attach Form 8889)	12	
13	Medical expenses for children of the married filer (Attach Form 8889)	13	
14	Charitable contributions for self-employment (see instructions)	14	
15	Self-employed SEP, SIMPLE, and qualified plans	15	
16	Self-employed health insurance deduction	16	
17	Pension on early withdrawal of savings	17	
18a	Alimony paid	18a	
18b	Alimony received	18b	
19	Charitable contributions (see instructions)	19	
20	IRA deduction	20	
21	Student loan interest deduction	21	
22	Researcher's tax credit	22	
23	Other adjustments	23	
24	Other adjustments	24	
25	Charitable contributions (see instructions)	25	
26	Charitable contributions (see instructions)	26	
27	Charitable contributions (see instructions)	27	
28	Charitable contributions (see instructions)	28	
29	Charitable contributions (see instructions)	29	
30	Charitable contributions (see instructions)	30	
31	Charitable contributions (see instructions)	31	
32	Charitable contributions (see instructions)	32	
33	Charitable contributions (see instructions)	33	
34	Charitable contributions (see instructions)	34	
35	Charitable contributions (see instructions)	35	
36	Charitable contributions (see instructions)	36	
37	Charitable contributions (see instructions)	37	
38	Charitable contributions (see instructions)	38	
39	Charitable contributions (see instructions)	39	
40	Charitable contributions (see instructions)	40	
41	Charitable contributions (see instructions)	41	
42	Charitable contributions (see instructions)	42	
43	Charitable contributions (see instructions)	43	
44	Charitable contributions (see instructions)	44	
45	Charitable contributions (see instructions)	45	
46	Charitable contributions (see instructions)	46	
47	Charitable contributions (see instructions)	47	
48	Charitable contributions (see instructions)	48	
49	Charitable contributions (see instructions)	49	
50	Charitable contributions (see instructions)	50	
51	Charitable contributions (see instructions)	51	
52	Charitable contributions (see instructions)	52	
53	Charitable contributions (see instructions)	53	
54	Charitable contributions (see instructions)	54	
55	Charitable contributions (see instructions)	55	
56	Charitable contributions (see instructions)	56	
57	Charitable contributions (see instructions)	57	
58	Charitable contributions (see instructions)	58	
59	Charitable contributions (see instructions)	59	
60	Charitable contributions (see instructions)	60	
61	Charitable contributions (see instructions)	61	
62	Charitable contributions (see instructions)	62	
63	Charitable contributions (see instructions)	63	
64	Charitable contributions (see instructions)	64	
65	Charitable contributions (see instructions)	65	
66	Charitable contributions (see instructions)	66	
67	Charitable contributions (see instructions)	67	
68	Charitable contributions (see instructions)	68	
69	Charitable contributions (see instructions)	69	
70	Charitable contributions (see instructions)	70	
71	Charitable contributions (see instructions)	71	
72	Charitable contributions (see instructions)	72	
73	Charitable contributions (see instructions)	73	
74	Charitable contributions (see instructions)	74	
75	Charitable contributions (see instructions)	75	
76	Charitable contributions (see instructions)	76	
77	Charitable contributions (see instructions)	77	
78	Charitable contributions (see instructions)	78	
79	Charitable contributions (see instructions)	79	
80	Charitable contributions (see instructions)	80	
81	Charitable contributions (see instructions)	81	
82	Charitable contributions (see instructions)	82	
83	Charitable contributions (see instructions)	83	
84	Charitable contributions (see instructions)	84	
85	Charitable contributions (see instructions)	85	
86	Charitable contributions (see instructions)	86	
87	Charitable contributions (see instructions)	87	
88	Charitable contributions (see instructions)	88	
89	Charitable contributions (see instructions)	89	
90	Charitable contributions (see instructions)	90	
91	Charitable contributions (see instructions)	91	
92	Charitable contributions (see instructions)	92	
93	Charitable contributions (see instructions)	93	
94	Charitable contributions (see instructions)	94	
95	Charitable contributions (see instructions)	95	
96	Charitable contributions (see instructions)	96	
97	Charitable contributions (see instructions)	97	
98	Charitable contributions (see instructions)	98	
99	Charitable contributions (see instructions)	99	
100	Charitable contributions (see instructions)	100	



Deductions

Deductions – are more expenses allowed to reduce income. You may itemize (list and add) or use a standard amount if you don't have (or have enough) of these expenses.

For 2021, you may use the greater of:

Itemized

- Medical expenses (over 7.5% of AGI)
- Taxes paid (state/local income, real estate, etc. to a maximum of \$10,000)
- Interest paid (mortgage or investment loan)
- Gifts to charity (up to 60% of AGI)
- Casualty losses (only if from a federally declared disaster area)

Standard

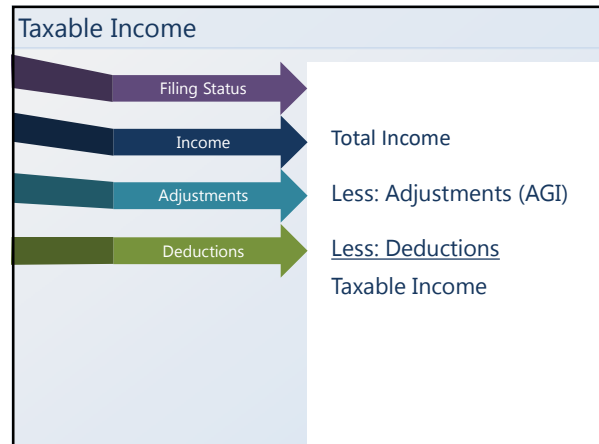
- \$12,550 for Single or Married, filing separately
- \$25,100 for Married, filing jointly or Qualifying Widow(er)
- \$18,800 for Head of Household

Raise Hand

Deductions

Anna's Deductions

1	Wages, salaries, tips, etc. Attach Form(s) W-2		1	33,443
2a	Tax-exempt interest	2a	b Taxable interest	2b
3a	Qualified dividends	3a	b Ordinary dividends	3b
4a	IRA distributions	4a	b Taxable amount	4b
5a	Pensions and annuities	5a	b Taxable amount	5b
6a	Social security benefits	6a	b Taxable amount	6b
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here		7	
8	Other income from Schedule 1, line 10		8	
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income		9	33,443
10	Adjustments to income from Schedule 1, line 26		10	
11	Subtract line 10 from line 9. This is your adjusted gross income		11	33,443
12a	Standard deduction or itemized deductions (from Schedule A)	12a	18,800	
b	Charitable contributions if you take the standard deduction (see instructions)	12b	300	
c	Add lines 12a and 12b	12c	19,100	
13	Qualified business income deduction from Form 8995 or Form 8995-A	13		
14	Add lines 12c and 13	14	19,100	
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	14,343	



Anna's Taxable Income

1	Wages, salaries, tips, etc. Attach Form(s) W-2		1	33,443
2a	Tax-exempt interest	2a	b Taxable interest	2b
3a	Qualified dividends	3a	b Ordinary dividends	3b
4a	IRA distributions	4a	b Taxable amount	4b
5a	Pensions and annuities	5a	b Taxable amount	5b
6a	Social security benefits	6a	b Taxable amount	6b
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here		7	
8	Other income from Schedule 1, line 10		8	
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income		9	33,443
10	Adjustments to income from Schedule 1, line 26		10	
11	Subtract line 10 from line 9. This is your adjusted gross income		11	33,443
12a	Standard deduction or itemized deductions (from Schedule A)	12a	18,800	
b	Charitable contributions if you take the standard deduction (see instructions)	12b	300	
c	Add lines 12a and 12b	12c	19,100	
13	Qualified business income deduction from Form 8995 or Form 8995-A	13		
14	Add lines 12c and 13	14	19,100	
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	14,343	

Compare

$$\text{Taxable Income} \div \text{Total Income} \times 100 =$$

$$\% \text{ of income actually subject to federal income tax!!}$$

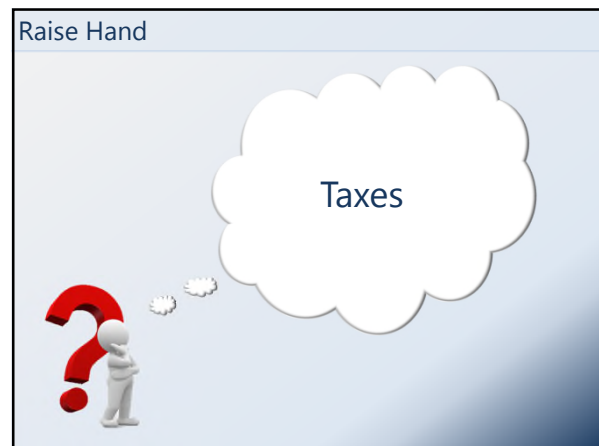
For Anna:

$$\$14,343 \div \$33,443 \times 100 = 43\%$$

Tax by Filing Status (2021)

Rate	Single, and Married, filing separately	Married, filing jointly and Qualifying Widow(er)	Head of Household
10%	0 to \$ 9,995	0 to \$ 19,900	0 to \$ 14,200
12%	to \$ 40,525	to \$ 81,050	to \$ 54,200
22%	to \$ 86,375	to \$ 172,750	to \$ 86,350
24%	to \$ 164,925	to \$ 329,850	to \$ 164,900
32%	to \$ 209,425	to \$ 418,850	to \$ 209,400

There are two more tiers: 35% and 37%



Anna's Tax

1040 U.S. Individual Income Tax Return 2021

File electronically (e-file) or mail to IRS (see instructions)

Printed name: Anna, John A. S.S.N.: 123-45-6789

Address: 123 Main St, Anytown, NY 12345

Employer: ABC Corp, 456 Elm St, Anytown, NY 12345

Married filing jointly

Adjusted gross income: \$100,000

Standard deduction: \$25,000

Adjusted taxable income: \$75,000

Estimated tax payments: \$1,435

Refundable credits: \$0

Total tax: \$1,435

Refundable credits: \$0

Total payments: \$1,435

Refund: \$0

Anna's Tax

Page 2

16 Tax (see instructions). Check if any from Form(s): 1 8814 4972 **16** 1,435

17 Amount from Schedule 2, line 3 **17** 1,435

18 Add lines 16 and 17 **18** 1,435

19 Nonrefundable child tax credit or credit for other dependents from Schedule 8812 **19** 1,435

20 Amount from Schedule 3, line 8 **20** 0

21 Add lines 19 and 20 **21** 1,435

22 Subtract line 21 from line 16. If zero or less, enter -0- **22** 0

23 Other taxes, including self-employment tax, from Schedule 2, line 2f **23** 0

24 Add lines 22 and 23. This is your total tax **24** 0

25 Federal income tax withheld from:

a Form(s) W-2 **25a** 2,418

b Form(s) 1099 **25b** 0

c Other forms (see instructions) **25c** 0

d Add lines 25a through 25c **25d** 2,418

26 2021 estimated tax payments and amount applied from 2020 return **26** 0

27a Earned income credit (EIC) **27a** 3,052

27b Nontaxable combat pay election **27b** 0

27c Prior year (2019) earned income **27c** 0

28 Refundable child tax credit or additional child tax credit from Schedule 8812 **28** 2,565

29 American opportunity credit from Form 8863, line 8 **29** 0

30 Recovery rebate credit. See instructions **30** 0

31 Amount from Schedule 3, line 15 **31** 0

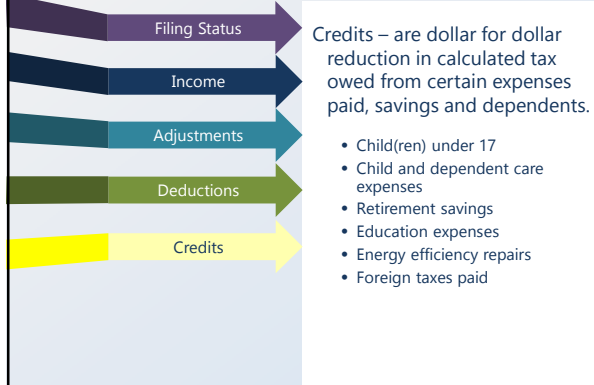
32 Add lines 27a and 28 through 31. These are your total other payments and refundable credits **32** 5,617

33 Add lines 25d, 26, and 32. These are your total payments **33** 8,035

Anna's Tax

16 Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 <input checked="" type="checkbox"/> 4972 <input type="checkbox"/>	16	1,435
17 Amount from Schedule 2, line 3	17	1,435
18 Add lines 16 and 17	18	1,435
19 Nonrefundable child tax credit or credit for other dependents from Schedule 8812	19	1,435
20 Amount from Schedule 3, line 8	20	0
21 Add lines 19 and 20	21	1,435
22 Subtract line 21 from line 16. If zero or less, enter -0-	22	0
23 Other taxes, including self-employment tax, from Schedule 2, line 2f	23	0
24 Add lines 22 and 23. This is your total tax	24	0
25 Federal income tax withheld from:		
a Form(s) W-2	25a	2,418
b Form(s) 1099	25b	0
c Other forms (see instructions)	25c	0
d Add lines 25a through 25c	25d	2,418
26 2021 estimated tax payments and amount applied from 2020 return	26	0
27a Earned income credit (EIC)	27a	3,052
27b Nontaxable combat pay election	27b	0
27c Prior year (2019) earned income	27c	0
28 Refundable child tax credit or additional child tax credit from Schedule 8812	28	2,565
29 American opportunity credit from Form 8863, line 8	29	0
30 Recovery rebate credit. See instructions	30	0
31 Amount from Schedule 3, line 15	31	0
32 Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32	5,617
33 Add lines 25d, 26, and 32. These are your total payments	33	8,035

Credits

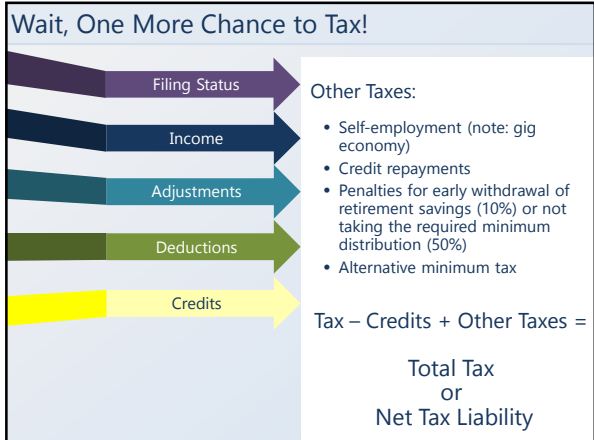


Raise Hand



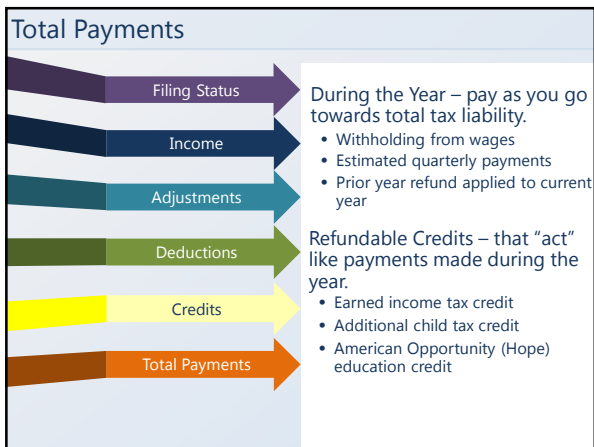
Anna's Credits

16 Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 <input checked="" type="checkbox"/> 4972 <input type="checkbox"/>	16	1,435
17 Amount from Schedule 2, line 3	17	1,435
18 Add lines 16 and 17	18	1,435
19 Nonrefundable child tax credit or credit for other dependents from Schedule 8812	19	1,435
20 Amount from Schedule 3, line 8	20	0
21 Add lines 19 and 20	21	1,435
22 Subtract line 21 from line 16. If zero or less, enter -0-	22	0
23 Other taxes, including self-employment tax, from Schedule 2, line 2f	23	0
24 Add lines 22 and 23. This is your total tax	24	0
25 Federal income tax withheld from:		
a Form(s) W-2	25a	2,418
b Form(s) 1099	25b	0
c Other forms (see instructions)	25c	0
d Add lines 25a through 25c	25d	2,418
26 2021 estimated tax payments and amount applied from 2020 return	26	0
27a Earned income credit (EIC)	27a	3,052
27b Nontaxable combat pay election	27b	0
27c Prior year (2019) earned income	27c	0
28 Refundable child tax credit or additional child tax credit from Schedule 8812	28	2,565
29 American opportunity credit from Form 8863, line 8	29	0
30 Recovery rebate credit. See instructions	30	0
31 Amount from Schedule 3, line 15	31	0
32 Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32	5,617
33 Add lines 25d, 26, and 32. These are your total payments	33	8,035



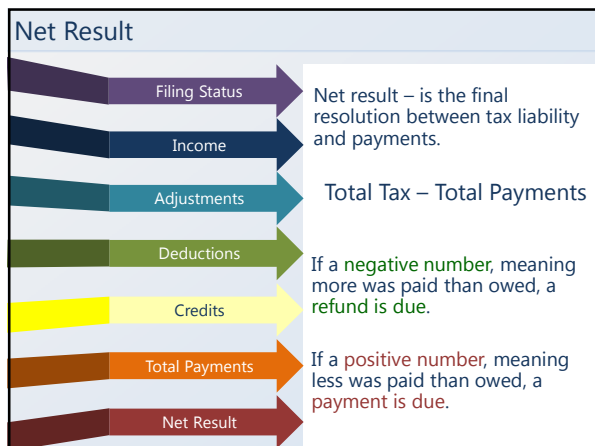
Anna's Total Tax or Net Tax Liability

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16	1,435
17	Amount from Schedule 2, line 3	17	-
18	Add lines 16 and 17	18	1,435
19	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	19	1,435
20	Amount from Schedule 3, line 8	20	-
21	Add lines 19 and 20	21	1,435
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	0
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	0
24	Add lines 22 and 23. This is your total tax	24	0
25	Federal income tax withheld from:		
25a	Form(s) W-2	25a	2,418
25b	Form(s) 1099	25b	-
25c	Other forms (see instructions)	25c	-
25d	Add lines 25a through 25c	25d	2,418
26	2021 estimated tax payments and amount applied from 2020 return	26	-
27a	Earned income credit (EIC). Check here if you were born after January 1, 1995, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions <input type="checkbox"/>	27a	3,052
27b	Nontaxable combat pay election	27b	-
27c	Prior year (2019) earned income	27c	-
28	Refundable child tax credit or additional child tax credit from Schedule 8812	28	2,565
29	American opportunity credit from Form 8863, line 6	29	-
30	Recovery rebate credit. See instructions	30	-
31	Amount from Schedule 3, line 15	31	-
32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32	5,617
33	Add lines 25d, 26, and 32. These are your total payments	33	8,035



Anna's Total Payments

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16	1,435
17	Amount from Schedule 2, line 3	17	-
18	Add lines 16 and 17	18	1,435
19	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	19	1,435
20	Amount from Schedule 3, line 8	20	-
21	Add lines 19 and 20	21	1,435
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	0
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	0
24	Add lines 22 and 23. This is your total tax	24	0
25	Federal income tax withheld from:		
25a	Form(s) W-2	25a	2,418
25b	Form(s) 1099	25b	-
25c	Other forms (see instructions)	25c	-
25d	Add lines 25a through 25c	25d	2,418
26	2021 estimated tax payments and amount applied from 2020 return	26	-
27a	Earned income credit (EIC). Check here if you were born after January 1, 1995, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions <input type="checkbox"/>	27a	3,052
27b	Nontaxable combat pay election	27b	-
27c	Prior year (2019) earned income	27c	-
28	Refundable child tax credit or additional child tax credit from Schedule 8812	28	2,565
29	American opportunity credit from Form 8863, line 6	29	-
30	Recovery rebate credit. See instructions	30	-
31	Amount from Schedule 3, line 15	31	-
32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32	5,617
33	Add lines 25d, 26, and 32. These are your total payments	33	8,035



Anna's Net Result

24	Add lines 22 and 23. This is your total tax	24	8,035
25	Federal income tax withheld from:		
a	Form(s) W-2	25a	2,418
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	2,418
26	2021 estimated tax payments and amount applied from 2020 return	26	
27a	Earned income credit (EIC) <small>Check here if you were born after January 1, 1998, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions.</small>	27a	3,052
b	Nonresizable combat pay election	27b	
c	Prior year (2019) earned income	27c	
28	Refundable child tax credit or additional child tax credit from Schedule 8812	28	2,565
29	American opportunity credit from Form 8863, line 8	29	
30	Recovery rebate credit. See instructions	30	
31	Amount from Schedule 3, line 15	31	
32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32	5,617
33	Add lines 25d, 26, and 32. These are your total payments	33	8,035
34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	8,035

Total Tax vs. Withholding

Refund	Payment Due
$\text{Net withholding}^* \div \text{Pay periods}$ <p>\$\$\$ that could be back in each paycheck instead of waiting for filing at year end!</p>	$\text{Payment due} \div \text{Pay periods}$ <p>\$\$\$ that could be withheld from each paycheck instead of writing a check at filing!</p>

*Net withholding = Withholding - Total Tax

Anna's Over Withholding

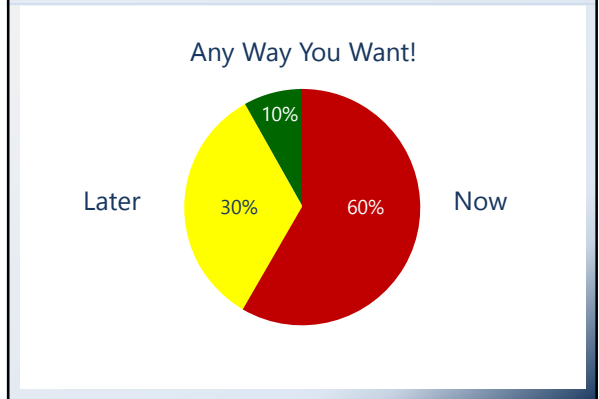
Refund	Refund
$\text{Net withholding}^* \div \text{Pay periods}$ <p>\$\$\$ that could be back in each paycheck instead of waiting for filing at year end!</p>	$\$2,418 - 0 \div 24 =$ <p>\$101 extra in her paycheck</p>

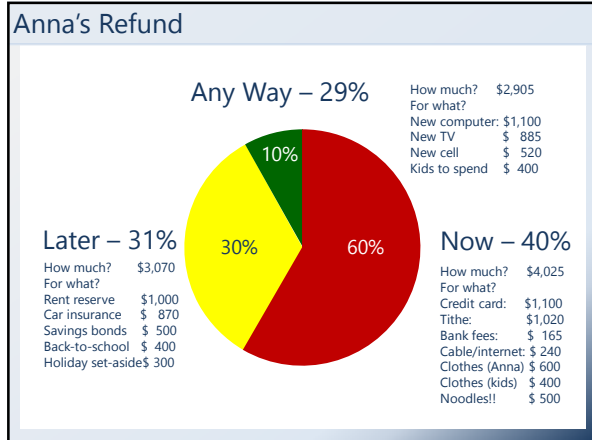
*Net withholding = Withholding - Total Tax



<https://www.irs.gov/individuals/tax-withholding-estimator>

Refund Recipe





Tax Preparers

- www.irs.gov/efile
 - Free, online fillable forms and filing (federal only) for everyone
 - Free for those making less than \$72,000 through IRS-sponsored software programs
- For purchase
 - Commercial software,
 - Step-by-step
 - Inexpensive

Tax Preparers

Volunteer Income Tax Assistance (VITA) – free for:

- People making \$57,000 or less
- People with disabilities
- Limited English-speaking taxpayers

Tax Counseling for the Elderly (TCE) – free for those 60 and older

<https://irs.treasury.gov/freetaxprep/>

*VITA and TCE tax preparers are IRS trained volunteers.

Tax Preparers

Enrolled Agents

- www.naea.org
- Federally *licensed* tax professionals
- Can represent clients before IRS
- Cost vary with services

Certified Public Accountants:

- www.picpa.org
- Licensed by the state board of accountancy
- Can represent clients before IRS
- Expensive/varies with services

Uncredentialed:

- Must have PTIN#
- Continuing education for tax year
- Buyer beware


Tax Preparers

Franchises/chains

- Independently owned-operated
- Preparers trained through franchise tax courses
- Convenient locations, targeting struggling consumers
- Expensive cost/benefit
- Refund anticipation products

Recap

- Who, What and When of Taxes
- The Progressive Tax System
- Reviewing Your 1040
- Refunds and Withholding
- Tax Preparers



- Establish a manageable record keeping system
- Identify credits and deductions overlooked or that may now apply to your situation
- Weigh the pros and cons of tax refunds and make adjustments to withholding if appropriate
- Select the appropriate tax preparer for your situation and avoid unnecessary fees

Complete Today

Post-session Questionnaire

Circle the answer that you believe is correct.

- Which of the following items should be kept in your wallet?
 - A. Cash and statement
 - B. Social Security card
 - C. Driver's license
 - D. Proof of auto liability insurance
- Which of the following items can help you to keep your job?
 - A. A laptop
 - B. An address
 - C. An identification card
 - D. A driver's license
- Which of the following is the federal income tax used in the United States?
 - A. PIT
 - B. Estate
 - C. Progression
 - D. Regressive
- Which of the following is considered the best to federal income tax filing status?
 - A. Family
 - B. Single
 - C. Taxpayer
 - D. Withholding
- You Don't Own. Companies are subject to income taxes.
 - A. Automobile
 - B. Bankruptcy
 - C. Courts
 - D. Refunds
- Which of the following requires the amount of federal tax paid?
 - A. Automobile
 - B. Bankruptcy
 - C. Courts
 - D. Refunds

Session Evaluation

We hope you found today's session engaging and full of value for you. Please share your opinions and comments so we may continue to improve the program. Thank you!

Name: _____ Date: _____


Statement	Strongly Dislike	Dislike	Like	Strongly Like
Overall, this was a good session.				
Before the session started, I felt nervous.				
After the session started, I felt nervous.				
The instructor was easy to understand.				
The instructor was knowledgeable.				
The instructor was friendly.				
The instructor was professional.				
The instructor was helpful.				
The instructor was clear.				
The instructor was concise.				
The instructor was thorough.				
The instructor was organized.				
The instructor was well-prepared.				
The instructor was knowledgeable.				
The instructor was professional.				
The instructor was friendly.				
The instructor was helpful.				
The instructor was clear.				
The instructor was concise.				
The instructor was thorough.				
The instructor was organized.				
The instructor was well-prepared.				

PHFA

Email the Post-Session Questionnaire and the Session Evaluation to:

Now, it's your turn!

Note: For best results, view in Adobe Reader DC or Nuance.



Set the Foundation of Your Future

Module 4
Check Taxes
Participant Guide

PHFA

Homework

Self-Assessment and Track Your Progress

Use this self-assessment to track your progress in completing the program. You will receive a score at the end of the program.

Current Progress

- Have provided and tracked records.
 - I have provided and tracked records to keep them organized.
 - I have provided and tracked records to keep them organized.
- Understand the difference between a tax deduction and a tax credit.
 - I understand the difference between a tax deduction and a tax credit.
 - I understand the difference between a tax deduction and a tax credit.
- Understand the difference between a tax deduction and a tax credit.
 - I understand the difference between a tax deduction and a tax credit.
 - I understand the difference between a tax deduction and a tax credit.
- Understand the difference between a tax deduction and a tax credit.
 - I understand the difference between a tax deduction and a tax credit.
 - I understand the difference between a tax deduction and a tax credit.

Next Session Progress

- I will be able to explain my items.
 - I will be able to explain my items.
 - I will be able to explain my items.
- I will be able to explain my items.
 - I will be able to explain my items.
 - I will be able to explain my items.

Additional Resources

- When Are Your Family Records?
 - I have read the document.
 - I have read the document.
- When Are Your Family Records?
 - I have read the document.
 - I have read the document.
- When Are Your Family Records?
 - I have read the document.
 - I have read the document.
- When Are Your Family Records?
 - I have read the document.
 - I have read the document.

Where Are Your Family Records?

Where are your family records? (circle your response)

Where are your family records?	Yes	No	If you, when?
1. Do you have records of your family's income?	<input type="checkbox"/>	<input type="checkbox"/>	
2. Do you have records of your family's expenses?	<input type="checkbox"/>	<input type="checkbox"/>	
3. Do you have records of your family's assets?	<input type="checkbox"/>	<input type="checkbox"/>	
4. Do you have records of your family's liabilities?	<input type="checkbox"/>	<input type="checkbox"/>	
5. Do you have records of your family's tax returns?	<input type="checkbox"/>	<input type="checkbox"/>	
6. Do you have records of your family's investments?	<input type="checkbox"/>	<input type="checkbox"/>	
7. Do you have records of your family's retirement accounts?	<input type="checkbox"/>	<input type="checkbox"/>	
8. Do you have records of your family's education expenses?	<input type="checkbox"/>	<input type="checkbox"/>	
9. Do you have records of your family's medical expenses?	<input type="checkbox"/>	<input type="checkbox"/>	
10. Do you have records of your family's charitable contributions?	<input type="checkbox"/>	<input type="checkbox"/>	

Review Your 1040 (2021)

Review your 1040 (2021) to ensure you have the correct information for your tax return.

Line	Amount	Where	File Number
1	10,000.00	Form 1040, Line 1	
2	2,000.00	Form 1040, Line 2	
3	8,000.00	Form 1040, Line 3	
4	1,000.00	Form 1040, Line 4	
5	7,000.00	Form 1040, Line 5	
6	1,000.00	Form 1040, Line 6	
7	6,000.00	Form 1040, Line 7	
8	1,000.00	Form 1040, Line 8	
9	5,000.00	Form 1040, Line 9	
10	1,000.00	Form 1040, Line 10	
11	4,000.00	Form 1040, Line 11	
12	1,000.00	Form 1040, Line 12	
13	3,000.00	Form 1040, Line 13	
14	1,000.00	Form 1040, Line 14	
15	2,000.00	Form 1040, Line 15	
16	1,000.00	Form 1040, Line 16	
17	1,000.00	Form 1040, Line 17	
18	1,000.00	Form 1040, Line 18	
19	1,000.00	Form 1040, Line 19	
20	1,000.00	Form 1040, Line 20	
21	1,000.00	Form 1040, Line 21	
22	1,000.00	Form 1040, Line 22	
23	1,000.00	Form 1040, Line 23	
24	1,000.00	Form 1040, Line 24	
25	1,000.00	Form 1040, Line 25	
26	1,000.00	Form 1040, Line 26	
27	1,000.00	Form 1040, Line 27	
28	1,000.00	Form 1040, Line 28	
29	1,000.00	Form 1040, Line 29	
30	1,000.00	Form 1040, Line 30	
31	1,000.00	Form 1040, Line 31	
32	1,000.00	Form 1040, Line 32	
33	1,000.00	Form 1040, Line 33	
34	1,000.00	Form 1040, Line 34	
35	1,000.00	Form 1040, Line 35	
36	1,000.00	Form 1040, Line 36	
37	1,000.00	Form 1040, Line 37	
38	1,000.00	Form 1040, Line 38	
39	1,000.00	Form 1040, Line 39	
40	1,000.00	Form 1040, Line 40	
41	1,000.00	Form 1040, Line 41	
42	1,000.00	Form 1040, Line 42	
43	1,000.00	Form 1040, Line 43	
44	1,000.00	Form 1040, Line 44	
45	1,000.00	Form 1040, Line 45	
46	1,000.00	Form 1040, Line 46	
47	1,000.00	Form 1040, Line 47	
48	1,000.00	Form 1040, Line 48	
49	1,000.00	Form 1040, Line 49	
50	1,000.00	Form 1040, Line 50	

Building Your Financial House

What Will You Do?

While everyone has different circumstances when it comes to paying off debt, covering basic necessities, and saving money, there is a general goal of funds for housing as your first goal.

Enter your net salary amount \$1 _____

HOW MUCH TO SPEND ON HOUSING: The recommended amount to spend on housing is 28% of your gross income. The goal is to keep this percentage as low as possible. (28% of your gross income is \$1 _____)

HOW MUCH TO SPEND ON OTHER DEBTS: The goal is to keep this percentage as low as possible. (12% of your gross income is \$1 _____)

HOW MUCH TO SAVE: The goal is to save 3% of your gross income. (3% of your gross income is \$1 _____)

HOW MUCH TO SPEND ON OTHER EXPENSES: The goal is to keep this percentage as low as possible. (35% of your gross income is \$1 _____)

HOW MUCH TO SPEND ON HOUSING: The goal is to keep this percentage as low as possible. (28% of your gross income is \$1 _____)

HOW MUCH TO SPEND ON OTHER DEBTS: The goal is to keep this percentage as low as possible. (12% of your gross income is \$1 _____)

HOW MUCH TO SAVE: The goal is to save 3% of your gross income. (3% of your gross income is \$1 _____)

HOW MUCH TO SPEND ON OTHER EXPENSES: The goal is to keep this percentage as low as possible. (35% of your gross income is \$1 _____)

www.buildingyourfinancialhouse.org

Building Your Financial House

Self-Assessment and Track Your Progress

Congratulations! You are on your way to building your financial house! Use this form to identify key areas of concern, and the program can help you reach your financial goals.

Current Position: (Select one or more)

I am not paying my bills on time. I do not have enough money to cover my bills. I am not saving enough for my future.

I am not paying my bills on time. I do not have enough money to cover my bills. I am not saving enough for my future.

Financial Goals: (Select one or more)

I want to pay off my debt. I want to save for my future. I want to increase my income.

I want to pay off my debt. I want to save for my future. I want to increase my income.

Additional Information: (Select one or more)

I have a job. I have a business. I have a second job.

I have a job. I have a business. I have a second job.

Please share any additional comments you may have:

www.buildingyourfinancialhouse.org

PRIOR TO NEXT SESSION, email completed homework to:

Next Time: Make Money Work

Make Money Work Pre-Session Questionnaire

Pre-session Questionnaire

Circle the answer that you believe is correct.

1. Which of the following is the key to success?

A. Education B. Income C. Housing D. Ownership

2. Which of the following is a characteristic of a good investment?

A. Easily turned into cash B. Safe for a long time C. High monthly interest D. The best return

3. Which of the following is a trend deposit?

A. Certificate of deposit B. Money market deposit account C. Money market D. Retirement account

4. Which of the following assets can be considered an RRSP?

A. Mutual funds B. Stocks C. Bonds D. Real estate

5. How can you determine a savings account is safe?

A. Good presentation B. Income C. Growth and income D. Growth

6. How can you determine a savings account is safe?

A. Income tax rates B. Interest rate C. Interest rate D. Interest rate expenses

www.buildingyourfinancialhouse.org

Email Spend Sensibly Pre-Session Questionnaire to:

Questions?

PHFA
PENNSYLVANIA HOUSING FINANCE AGENCY

Thank You!