University of Oklahoma Financial Aid Services

2006 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 42, Taxable Income is GREATER THAN $100,000* OR
YES IF amounts other than zero appear on the following lines:

Section	Line #	Description
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	23	Archer MSA deduction (Form 8853)
Adjustments	24	Certain Business Expenses: reservists, artists & govt officials
	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
	31a	Alimony paid
	35	(B) Domestic Production Activities or (T) Tuition & Fees Deduction
Taxes & Credits	**40**	**If Itemized Deductions from Schedule A were used**
	43	**If Taxable Income is more than $100,000***
	45	Alternative Minimum Tax
	47	Foreign Tax Credit
	52	Residential Energy Credits
	54	Credits from Form 8396 or 8839 or 8859
	55	Other Tax Credits from Form 3800, 8801 or other
Other Taxes	58	Self-Employment Tax
	59	Soc. Sec./Medicare Tax on Tips
	60	Tax on Qualified Plans, including IRAs
	62	Household Employment Taxes
Payments	67	Excess social security and RRTA tax withheld
	69	Amount Paid with Request for Extension to File
	70	Other payments from Form 2439 or Form 4136 or Form 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 78 (parent) on the 2007-2008 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 $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 no more than $50,000** **AND**
  - **be eligible to file a 1040A or EZ,** **OR**
  - ***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)***

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. **The AGI Threshold for Automatic Zero EFC has increased to $20,000 or less.**