



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 (P-J) adjustments for the 2019-20 award year using 2018 "projected-year income."

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.