

Opening Doors to Education

(And Keeping Them Open)

THE
Scholarship 
Foundation
OF ST. LOUIS

Where we thought we were...

- Prior-Prior-Year (PPY)
 - Earlier FAFSA Launch (October)
 - The FAFSA now uses tax information from the tax year two year years prior to the financial aid year (e.g., 2015 tax information for the 2017-18 financial aid year).
- PPY Pros
 - Earlier start date and more time to file
 - Increased access to IRS Data Retrieval Tool (IRS DRT)
- PPY Cons
 - New: Direct line practitioners face learning curve
 - Earlier Deadlines: Many colleges and states bumped up admission, priority FAFSA, and scholarship deadlines.

Important Note

The following instructions with regard to use of the IRS Data Retrieval Tool and steps to access tax transcripts are true not only for students. The ***same instructions*** apply to the parent(s) if the student is dependent and will use parent information when completing the FAFSA.

IRS DRT: What is it?

- IRS Data Retrieval Tool allows for a direct, electronic transfer of *processed* tax information from the IRS into a FAFSA.
- The IRS DRT first launched for the 2009-10 financial aid year.
- Use of IRS DRT reduces the chance of being selected for verification and, as a result, needing to secure and send an IRS Tax Transcript.
- IRS DRT is a critical step in accurate and timely FAFSA completion, especially for low-income, first-generation students.

Hold Up: What is verification?

- Verification is when the student and/or parent(s) must submit additional documents to verify the accuracy of information on a FAFSA.
- Student and/or parent(s) income is a common item selected for verification.
- When selected for verification of income, acceptable documentation is the IRS Tax Transcript.
- Successful electronic transfer of processed tax information from the IRS into the FAFSA greatly reduces the need to request a tax transcript.

What happened to IRS DRT?

- The tool went down on Friday, March 3, shortly before many states' priority completion deadlines in mid-March through early April.
- Neither the IRS or Department of Education gave warning or explanation until March 9.
- The tool is down for “several weeks”.
- Concerns about identify theft prompted the tool's closure; specifics about an actual or feared breach are unknown.

What does this mean?

- Tax information **cannot** be transferred electronically from the IRS into the FAFSA; it must be manually entered.
- Inability to use IRS DRT means increased likelihood of being selected for verification; they will be required to provide an **IRS Tax Transcript**.

Step 1: File the FAFSA *anyway!*

DO NOT MISS A DEADLINE!

Step 2: Use What You've Got

- Enter 2015 tax information manually.
 - If available, enter using the 1040EZ, 1040A, or 1040. (The FAFSA offers line-by-line help text pointing toward the correct line number on each form).
 - If a renewal FAFSA, information may be copied from last year's FAFSA.
 - In a pinch, use 2015 W2s to estimate AGI, income tax, etc.
- If 2016 income and circumstances have not changed since 2015, 2016 tax information can be used if all options to access 2015 data/estimates have been exhausted.
- Although a tax transcript can be used to manually enter tax information into a FAFSA, ***request one after submitting the FAFSA.***

Student Tax Information



- **Attention!** You must provide financial information from your **2015 tax return** on the following pages.



- Application was successfully saved.

For 2015, have you completed your IRS income tax return or another tax return?

Already completed

For 2015, what is your tax filing status according to your tax return?

Married-Filed Joint Return



To determine if you can use the IRS Data Retrieval Tool (IRS DRT) to transfer your tax return information from the IRS into your FAFSA, **answer the following question(s)**:

Did you file a [Form 1040X amended tax return](#) for 2015?

Yes No

Did you file a Puerto Rican or foreign tax return for 2015?

Yes No

Applying is faster and easier if you transfer your tax return information into this FAFSA with the IRS DRT!

[LINK TO IRS](#)

[PREVIOUS](#)

[NEXT](#)

[NEED HELP?](#)

[SAVE](#)

[CLEAR ALL DATA](#)

[VIEW FAFSA SUMMARY](#)

[EXIT](#)

Help and Hints

Did you file a Puerto Rican or foreign tax return?

If you filed a Puerto Rican or foreign tax return, select **Yes**; otherwise, select **No**.

You are not eligible to use the [IRS Data Retrieval Tool](#) if you filed a Puerto Rican or foreign tax return.

Related Topics:

[Why can't I use the IRS Data Retrieval Tool if I filed a tax return outside the U.S.?](#)



Help

SEARCH

Student
Demographics

School
Selection

Dependency
Status

Parent
Demographics

Financial
Information

Sign &
Submit

Confirmation

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Leaving *FAFSA on the Web*

You are now leaving *FAFSA on the Web* and will be transferred to the IRS Web site to access your IRS tax information. Your FAFSA information will be saved.

Your saved FAFSA will automatically open either when you transfer your information from the IRS or choose to return to *FAFSA on the Web* from the IRS Web site. If you do not transfer your information or choose not to return to *FAFSA on the Web* from the IRS Web site, you will have to log in to open your saved FAFSA.

Click **Proceed to IRS Site** to continue. Otherwise, click **Skip IRS Transfer**.

If you have any questions or problems using this tool, view available [Help](#) options for assistance.

SKIP IRS TRANSFER

PROCEED TO IRS SITE



This service will be unavailable due to system maintenance. We apologize for any inconvenience. If more information is available, you can find it by selecting the service from the [Tools page](#).

[Return to IRS.gov home.](#)



Help

SEARCH

Student Demographics

School Selection

Dependency Status

Parent Demographics

Financial Information

Sign & Submit

Confirmation

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Applying is faster and easier with the IRS DRT!

Based on your response, we recommend that you transfer your information from the IRS into this FAFSA. The [IRS Data Retrieval Tool](#) allows users to link to the IRS Web site and securely transfer original IRS tax return information into their FAFSA.

If you use the IRS DRT, you will not have to provide additional IRS documentation later to qualify for federal student aid.

[LINK TO IRS](#)

[No Thanks](#)

Step 3: Request Tax Transcripts

- Transcripts may be secured/requested online or by phone; however, best experiences have been by completing the 4506-T and faxing to the IRS. Online requests are frustrating, onerous, and require information most students and many families do not have. Similarly, phone requests leave students frustrated and overwhelmed (when the phone system is working and staffed).
- Visit www.irs.gov/pub/irs-pdf/f4506t.pdf and download the 4506-T.
- Tax-filers will complete the 4506-T and request a Return Transcript (6a) for 12/31/2015.
- Non-filers (student and/or parent) will complete the 4506-T and request Verification of Nonfiling (7) for 12/31/2015. **Note: ALL non-filers *SELECTED FOR VERIFICATION* must secure this documentation, even prior to IRS DRT outage.** (Red text updated 3.16.17 to correct webinar error. In the past, non-tax filers selected for verification could submit a signed statement saying they didn't file taxes. Starting this year, non-tax filers must use the 4506-T form to request a tax transcript as evidence that they did not file their taxes.)

RETURN
TRANSCRIPT

Form **4506-T**
(Rev. September 2015)
Department of the Treasury
Internal Revenue Service

Request for Transcript of Tax Return

- ▶ Do not sign this form unless all applicable lines have been completed.
- ▶ Request may be rejected if the form is incomplete or illegible.
- ▶ For more information about Form 4506-T, visit www.irs.gov/form4506t.

OMB No. 1545-1872

Tip. Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can quickly request transcripts by using our automated self-help service tools. Please visit us at irs.gov and click on "Get a Tax Transcript..." under "Tools" or call 1-800-808-9946. If you need a copy of your return, use **Form 4506, Request for Copy of Tax Return**. There is a fee to get a copy of your return.

1a Name shown on tax return. If a joint return, enter the name shown first. NAME	1b First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions) SOCIAL SECURITY #
2a If a joint return, enter spouse's name shown on tax return. NAME (if joint return)	2b Second social security number or individual taxpayer identification number if joint tax return SOCIAL SECURITY #
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code (see instructions)	
4 Previous address shown on the last return filed if different from line 3 (see instructions)	
5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number.	

Caution: If the tax transcript is being mailed to a third party, ensure that you have filled in lines 6 through 9 before signing. Sign and date the form once you have filled in these lines. Completing these steps helps to protect your privacy. Once the IRS discloses your tax transcript to the third party listed on line 5, the IRS has no control over what the third party does with the information. If you would like to limit the third party's authority to disclose your transcript information, you can specify this limitation in your written agreement with the third party.

6 **Transcript requested.** Enter the **tax form number** here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶ **FORM #**

a **Return Transcript**, which includes most of the line items of a tax return as filed with the IRS. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120-A, Form 1120-H, Form 1120-L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days

b **Account Transcript**, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 10 business days

c **Record of Account**, which provides the most detailed information as it is a combination of the Return Transcript and the Account Transcript. Available for current year and 3 prior tax years. Most requests will be processed within 10 business days

7 **Verification of Nonfiling**, which is proof from the IRS that you **did not** file a return for the year. Current year requests are only available after June 15th. There are no availability restrictions on prior year requests. Most requests will be processed within 10 business days

8 **Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2011, filed in 2012, will likely not be available from the IRS until 2013. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 10 business days

Caution: If you need a copy of Form W-2 or Form 1098, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

9 **Year or period requested.** Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately. **12/31/2015** / / / / / / / / / /

Caution: Do not sign this form unless all applicable lines have been completed.

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, at least one spouse must sign. If signed by a corporate officer, 1 percent or more shareholder, partner, managing member, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer. **Note:** For transcripts being sent to a third party, this form must be received within 120 days of the signature date.

Signatory attests that he/she has read the attestation clause and upon so reading declares that he/she has the authority to sign the Form 4506-T. See instructions.

Signature (see instructions) SIGNATURE	Date DATE	Phone number of taxpayer on line 1a or 2a PHONE #
Title (if line 1a above is a corporation, partnership, estate, or trust) Spouse's signature SIGNATURE (if joint)	Date DATE	



VERIFICATION OF NONFILING

Form **4506-T**

Request for Transcript of Tax Return

OMB No. 1545-1872

(Rev. September 2015)
Department of the Treasury
Internal Revenue Service

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<p>1a Name shown on tax return. If a joint return, enter the name shown first.</p> <p style="font-size: 2em; text-align: center; color: green;">NAME</p>	<p>1b First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions)</p> <p style="font-size: 2em; text-align: center; color: green;">SOCIAL SECURITY #</p>
<p>2a If a joint return, enter spouse's name shown on tax return.</p>	<p>2b Second social security number or individual taxpayer identification number if joint tax return</p>

3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code (see instructions)

4 Previous address shown on the last return filed if different from line 3 (see instructions)

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Caution: Do not sign this form unless all applicable lines have been completed.

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Signatory attests that he/she has read the attestation clause and upon so reading declares that he/she has the authority to sign the Form 4506-T. See instructions.

Phone number of taxpayer on line 1a or 2a

<p>Sign Here</p>	<p style="font-size: 1.5em; text-align: center; color: green;">SIGNATURE</p> <p style="font-size: 0.8em;">Signature (see instructions)</p>	<p style="font-size: 1.5em; text-align: center; color: green;">DATE</p> <p style="font-size: 0.8em;">Date</p>	<p style="font-size: 1.5em; text-align: center; color: green;">PHONE #</p>
	<p style="font-size: 0.8em;">Title (if line 1a above is a corporation, partnership, estate, or trust)</p>		
	<p style="font-size: 0.8em;">Spouse's signature</p>	<p style="font-size: 0.8em;">Date</p>	

4506-T Tips

- Have forms printed and ready for completion.
- Be proactive—sit and assist student and/or parent with completing the form.
- Complete a new form if an error is made (no white-out or scratch outs).
- Fax to the IRS for the student.
- Request transcript be mailed to the student; do not have it mailed to the school.
- Follow-up with the student 10-15 days later.

Next Steps

- Be prepared to assist students with verification paperwork from the college(s) listed on the FAFSA.
- Validate frustration, stress, and other feelings, concerns.
- Stay patient, positive, and supportive.
- Have heart—as a community, ***we will overcome*** this challenge with our students!



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