

Welcome

To listen in **Ukrainian** or **Russian**, please select:

- Interpretation > Preferred Language

Ласкаво просимо

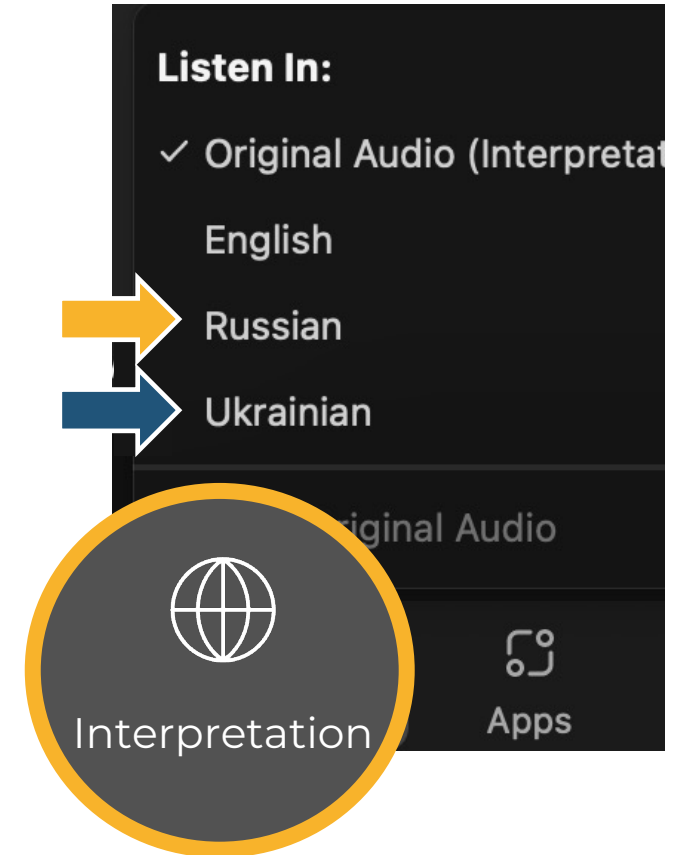
Для прослуховування українською або російською мовою, будь ласка, оберіть:

- Усний переклад
- Мова, якій надається перевага

Добро пожаловать

Для прослушивания на украинском или русском языке, пожалуйста, выберите:

- Устный перевод
- Предпочитаемый язык



Overview of Taxes in the US

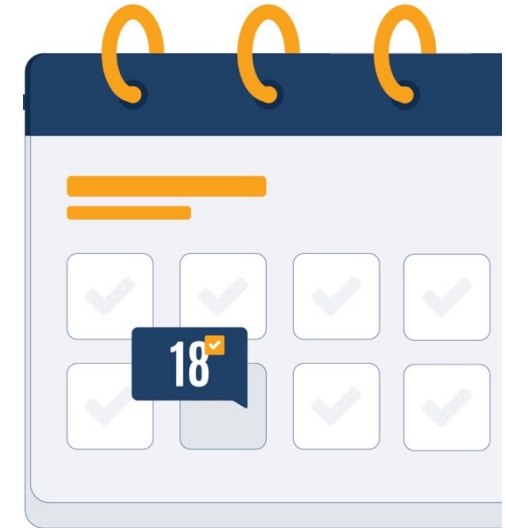
Navigating life in California, for newly arrived Ukrainians

Hosted by Solvera Consulting, in partnership with California
Department of Social Services' Refugee Programs Bureau



Upcoming Convening Sessions

- On Mondays
- Through August 2024



Date	Topic
Feb 05	Overview of Taxes in the US
Feb 26	Housing Assistance for Ukrainians (HAU) Program Overview
Mar 18	Q&A on Housing, Employment, & Transportation
Apr 01	Taxes in the U.S.: Practical Advice and Tips

Expectation Setting



Topics

- ✓ What are taxes in the US
- ✓ What are the different types
- ✓ How to file taxes
- ✓ Credits
- ✓ What to expect

Will receive PPT (in-language) + links after



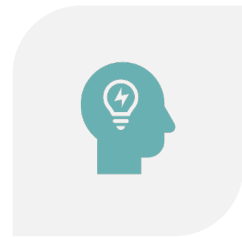
Not Covered

- x Personal details
- x All situations
- x Topics like immigration status, EAD delays, higher education
- x Enrolling in public benefits (CalWORKS, RCA, CalFresh, WIC)

Session Reminders



Mute



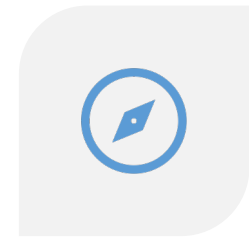
Select
preferred
language



Upvote
Questions



Live Q&As



Survey

Who you are hearing from today



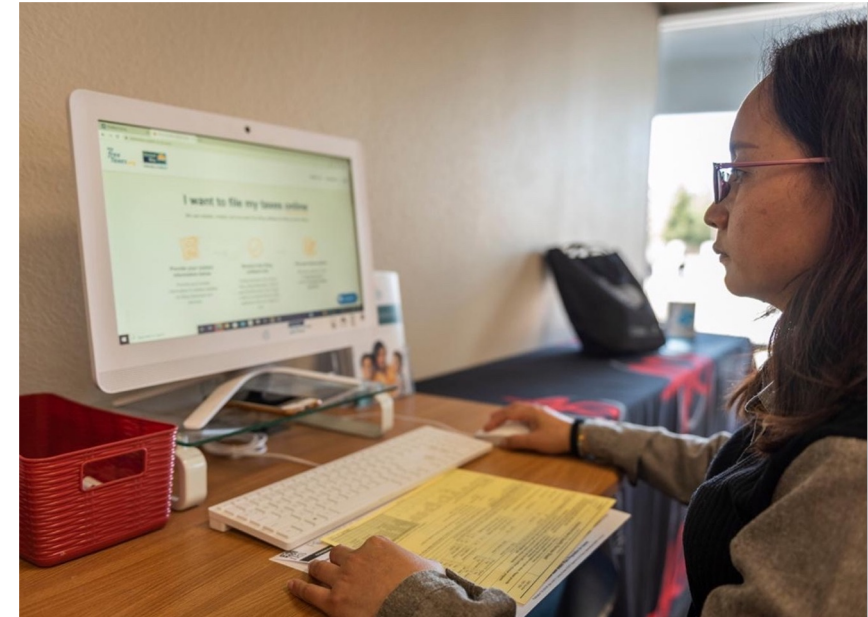
United Way
California Capital Region

Introducing: **United Way**

United Way offers **safe, reliable, and no-cost** tax preparation services statewide to help you avoid costly paid preparer fees and get the most for your money.



United Way California Capital Region



Outline of Session Topics

1

Tax Basics

2

**Common
Myths &
Mistakes**

3

Tax Credits

4

**Tax
Filing
Options**

Tax Basics

Types of taxes, what they fund, and forms

Glossary of Terms

Taxes

Mandatory payments collected from individuals and corporations by a government entity to fund government activities.

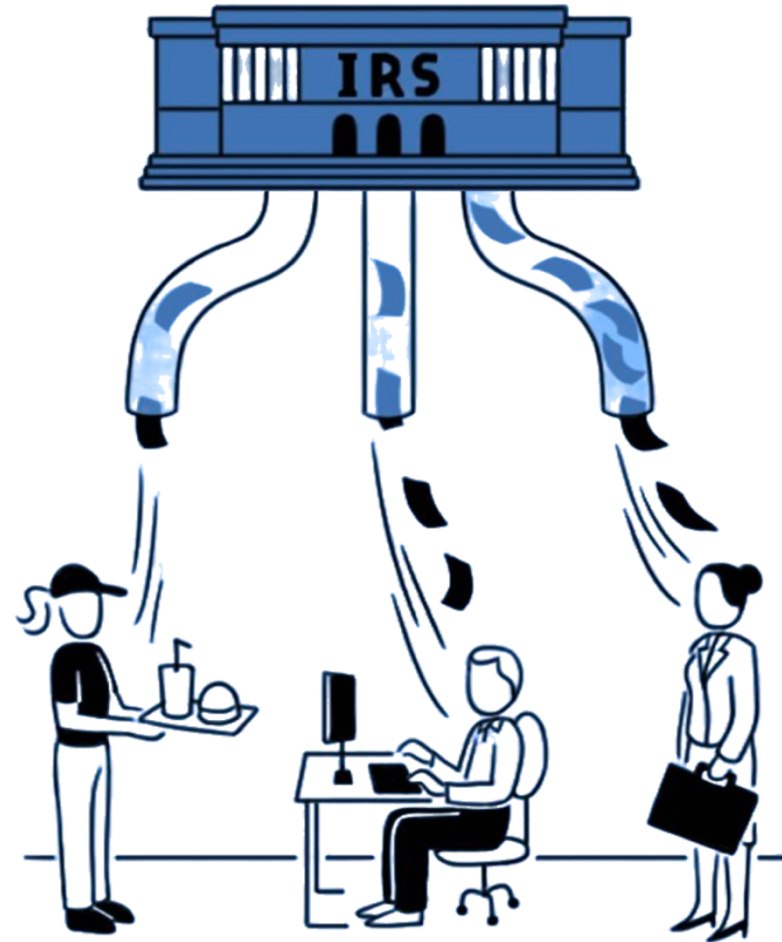


Glossary: Common Terms

Income Taxes

Federal, state and local taxes that may be collected on income both earned (salaries, wages, tips, commissions interest and dividends).

Most of the federal government's revenue, or money it receives, comes from taxes.



Glossary: Common Terms

TAX DEDUCTIONS

WHAT

REDUCE YOUR TAXABLE INCOME \equiv YOU OWE LESS TAX



TYPES

INTEREST ON STUDENT LOANS DONATIONS TO CHARITY MEDICAL EXPENSES BUSINESS EXPENSES HOME MORTGAGE INTEREST



STANDARD



DEDUCTIONS

VS.

ITEMIZED



Tax Deduction

An amount (often a person or business expense) that reduces income subject to tax.

Glossary: Common Terms

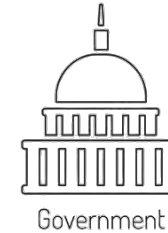
Tax Credit

A dollar-for-dollar reduction in a tax.

It can be deducted directly from taxes owed.

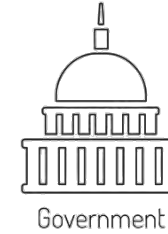


How are taxes collected?



Federal	State	Local
Withholding Payroll	Withholding Payroll	None
Estimated Taxes	Estimated Taxes	None
Tax Return 1040	Tax Return 540	Property Taxes
None	Sales Taxes	Sales Taxes

What do taxes fund?



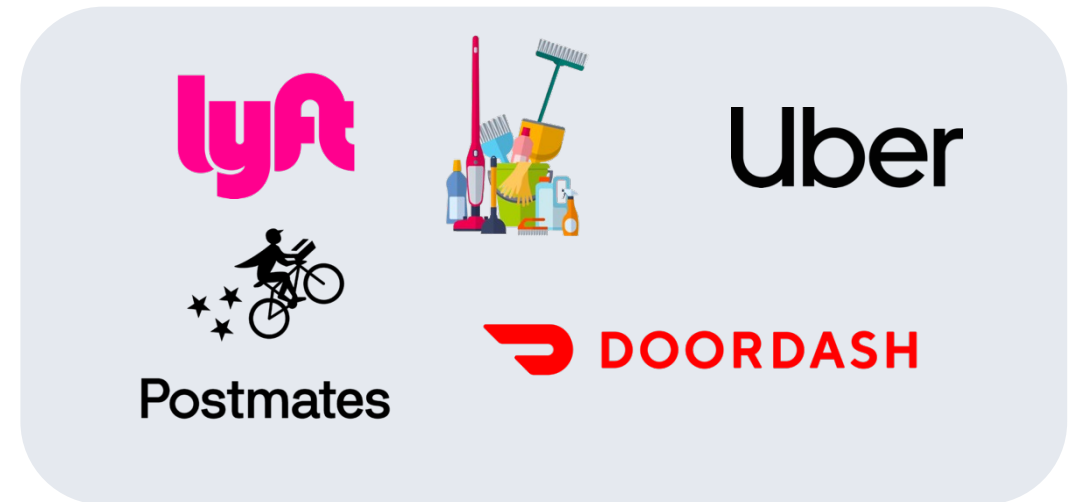
Federal	State	Local
National Defense	California Highway Patrol	Police & Fire Protection
Social Security	Road & Bridge Construction	Road & Bridge Maintenance
Medicare	Schools	Schools
Unemployment Compensation	Social Programs for Poor & Elderly	Social Programs for Poor and Elderly

Self-Employed / Gig-Economy Workers

Need to **pay their own quarterly taxes** of **30%**
to both federal and state.

Since they do not have an employer to be sending in
their payroll withholding ...
they are responsible for:

- **Payroll withholding**
- **Self employment tax**



What form do I use? When do I update them?

FEDERAL, W-4



Form W-4
Department of the Treasury
Internal Revenue Service

Employee's Withholding Certificate

Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
Give Form W-4 to your employer.
Your withholding is subject to review by the IRS.

OMB No. 1545-0074

20

Step 1: Enter Personal Information

(a) First name and middle initial: _____ Last name: _____
Address: _____
City or town, state, and ZIP code: _____

(b) Social security number: _____
Does your name appear on your social security card? If not, to get credit for your earnings, contact SSA at 800-792-6287 or go to www.ssa.gov

(c) Single or Married filing separately
 Married filing jointly or Qualifying surviving spouse
 Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualified person.)

Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step and how to claim exemption from withholding, and when to use the estimator at www.irs.gov/W4App.

Step 2: Multiple Jobs or Spouse Works

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and you also work. The correct amount of withholding depends on income earned from all of these jobs. Do **only one** of the following.

(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Step 4) if you or your spouse have self-employment income, use this option; **or**
(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below; **or**
(c) If there are only two jobs, use the Two Jobs Worksheet on page 3 and enter the result in Step 4(c) below.

STATE, DE-4



EDD Employment Development Department
State of California

Employee's Withholding Allowance Certificate

Complete this form so that your employer can withhold the correct California state income tax from your paycheck.

Enter Personal Information

First, Middle, Last Name: _____ Social Security Number: _____
Address: _____
City: _____ State: _____ ZIP Code: _____

Filing Status
 Single or Married (with two or more incomes)
 Married (one income)
 Head of Household

1. Use Worksheet A for Regular Withholding allowances. Use other worksheets on the following pages as applicable.
1a. Number of Regular Withholding Allowances (**Worksheet A**) _____
1b. Number of allowances from the Estimated Deductions (**Worksheet B**, if applicable.) _____
1c. Total Number of Allowances you are claiming _____
If any, you want withheld each pay period (if employer agrees), (**Worksheet C**) _____

Withholding

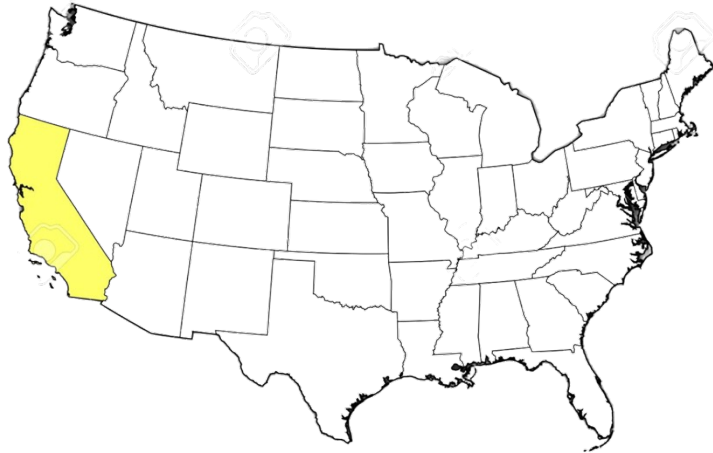
I am exempt from withholding for 2024, and I certify I meet both of the conditions for exemption. (Check box here)
I am not exempt from withholding. I meet the conditions set forth in the instructions. (Check box here)

I certify under penalty of perjury that I am **not** subject to California withholding. I meet the conditions set forth in the instructions. (Check box here)

Clear Form

update when there are life changes or when you owe.

California residency for **tax purposes**



The state of California defines a resident for tax purposes to be **any individual who is California for other than a temporary or transitory purpose**, and any individual domiciled in California who is absent for a temporary or transitory purpose

An **individual who comes to California for a purpose which will extend over a long or indefinite period** will be considered a resident. An individual who comes to California to perform a service for a short duration will be considered a non-resident

2023 Guidelines for Determining Resident Status (Publication 1031):

<https://www.ftb.ca.gov/forms/2023/2023-1031-publication.pdf>

2023 Tax Season: **Important Dates**



Filing Deadline: April 15, 2024

- Taxes are due April 15, 2024, for both federal and state
- Personal taxes by April 15, 2024
- First estimate for 2024 due on April 15, 2024

Extension Deadline

- Must request on or before April 15, 2024
- Extension taxes filling 10/15/2024

Common Myths & Mistakes

Know the truth about filing your taxes

Common Misconceptions



True

- ✓ If you do not file, you cannot receive tax credits
- ✓ ITIN are eligible for tax credits
- ✓ Those with lower incomes (without a filing obligation) usually make the most money back on their taxes
- ✓ If you receive disability, CalABLE will help you save funds



False

- x Tax Credits are a loan
- x It is good to receive a huge refund, it's like a personal bonus
- x You can lose government benefit because of a large refund
- x Tax refunds & stimulus are considered taxable income

Common Tax Mistakes



Tax Mistake	Consequence
Not reporting all income including cash received (tips)	Audit, and penalties (owe money)
Claiming ineligible deductions or inflating amounts	Audit and penalties (owe money)
Failing to file on time or extension	Late filing penalty
Not filing a tax return when income was earned.	Request for return, and penalties

Tax Credits

Popular tax credits and how to access them

Case Example: Meet Cindy!

Cindy is a single mom with three girls. Cindy lives in Northern California and works as a medical receptionist.

Although she works full time, she struggled to make ends meet and was living in a shelter with her children.

Cindy visited a VITA Site and was able to get her taxes done for free!

As a result, she was able to secure stable housing for her family.



Case Example: Meet Cindy!

After filling her return, Cindy's refund was:

Tax Credit Type	Refund Amount
Federal EITC	\$5,647
Child Tax Credit	\$4,125
CalEITC	\$ 40
Young Child Tax Credit	\$ 202
TOTAL REFUND	\$10,014



Federal Tax Credits:

Earned Income Tax Credit (EITC)



Requirements:

- ❑ Must file a FEDERAL return
- ❑ Have earned income between \$1-\$63,398
- ❑ File with a social security number
- ❑ Be a U.S. citizen or a resident alien all year
- ❑ If you are single without any dependents, you must be at least age 25 but under age 65.

Cannot be:

- x Married and Filing Separately unless you meet an exception
- x A dependent of another person

Up to **\$7,430**



Federal Tax Credits:

Child Tax Credit (CTC)



Requirements:

- ❑ Must file a federal return
- ❑ Have a qualifying child who was under 17 at the end of 2022 with a Social Security Number valid for employment, and who provided no more than half of their own financial support and lived with the tax filer claiming the credit for more than half the tax year
- ❑ Have taxable income of \$400,000 or less if you are married and filing a joint return OR
- ❑ Have taxable income of \$200,000 or less for all other filing statuses

Up to
\$2,000 / Child



State Tax Credits: Child Tax Credit (CTC)



Up to **\$3,529**



Requirements:

- ❑ Income between \$1-\$30,950
 - Work for an employer or work for yourself.
- ❑ File with a Social Security or ITIN Number.
- ❑ Must file a STATE return
- ❑ Are at least 18 years old or have a qualifying child
- ❑ Lived in CA at least half the tax year.

Cannot be:

- ✗ Be a dependent of another person
- ✗ Married and Filing Separately unless you meet an exception

State Tax Credits:

Young Child Tax Credit (YCTC)



Up to **\$1,117**



Requirements:

- ❑ Must file a CA state return
- ❑ Qualifies for CalEITC (Available to families making less than \$30,931)
- ❑ Has at least one child 6 years old or younger at end of tax year

How much do you think you could receive in returns?



Tax Credit Amount Examples:

2023 EITC AND CHILD TAX CREDIT AMOUNTS

	Federal EITC	Child Tax Credit	TOTAL FED REFUND	State EITC	Young Tax Credit State	STATE REFUND	GRAND TOTAL
Filer's Income	----- \$30,000 -----						
3 Dependents	\$5,647	\$4,125	\$9,772	\$40	\$202	\$242	\$10,014
2 Dependent	\$4,821	\$3,077	\$7,898	\$40	\$202	\$242	\$8,140
1 Dependent	\$2,642	\$1,077	\$3,719	\$40	\$202	\$230	\$3,949
No Dependent	\$0	\$0	\$0	\$28	\$0	\$28	\$ 28

Discover: What tax credits do you qualify for?

Text TAXES
to 211-211



Filing Options

Where and how to receive free assistance in filing your taxes

Find Filing Help: [MyFreeTaxes.org](https://www.myfreetaxes.org)

File your taxes for free

United Way is here to help you move up financially.
Get started to access new tax credits for your family.



File on my own (quick and easy)



File with virtual help



Schedule in-person help

Filing Option 1: In-Person

VITA (Volunteer Income Tax Assistance)

Requirements:

- ❑ Individuals or families making \$79,000 per year or less

You receive:

- ✓ Taxes done in-person for free with a trained VITA volunteer



Filing Option 2: Virtually GetYourRefund.org

Requirements:

- ❑ Individuals or families making \$79,000 per year or less

You receive:

- ✓ Taxes done for free, by a VITA Volunteer through:
GetYourRefund.org

GetYourRefund [FAQ](#)

Free tax filing, made simple.

Sign up for the next tax season now! We'll notify you as soon as our service reopens on January 31 at 1pm EST.

[Sign Up](#)

[Already started? Sign in](#)

★ ★ ★ ★ ★
Rated 4.8 / 5 stars
from clients across the US

Claim your credits easily with our trusted support.

We are a free virtual service supported by the IRS, U.S. Department of Treasury, and the White House that helps low-income households across America receive high-quality tax services from the convenience of your home.

my free Taxes.org United Way United Ways of California **ESPAÑOL**

Help me file my taxes online

Our IRS-certified tax volunteers are here to help you file your taxes for free

Fill out the form below

Provide your contact information at the bottom of this page to start the tax filing process.

Schedule an online appointment

You will be redirected to our partner **GetYourRefund.org** to make an appointment with an IRS-certified tax volunteer to file your taxes for free.

File online with help!

Still have questions? Visit our [Resource Hub](#) or browse [Frequently Asked Questions](#)

[Questions?](#)

myfreetaxes.org

Filing Option 3: On Your Own

TaxSlayer.com

Requirements:

- ❑ None

You receive:

- ✓ An online platform to file your taxes on your own

The screenshot shows the TaxSlayer.com website interface. At the top, there are navigation links for "Products & Pricing", "Compare", and "Support & Tax Tools", along with a "START FOR FREE" button and a "LOG IN" button. A purple banner at the top right contains a megaphone icon and the text: "The IRS is officially processing returns. It's your move – [start filing now!](#)". Below this, a large section features a woman with long curly hair pointing upwards, with the headline "Get ready for your max refund". Underneath the headline, it says "100% accuracy for every tax break you deserve" and a green "FILE NOW" button. At the bottom of the screenshot, a white box titled "Simply Free >" explains: "For simple tax situations (basic 1040) – file a federal and one state return for free." followed by a link "[See if you qualify](#)". Below this, a large "\$0" is displayed, and a small green checkmark icon is next to the text "State included".

Filing Option 4: Paid Service

1. Qualifications and Credentials

Look for a tax preparer with appropriate qualifications, such as a certified public accountant (CPA), enrolled agent (EA), or tax attorney. These professionals have specific training and are authorized to represent taxpayers before the IRS.

2. Experience

Choose a tax preparer with relevant experience, especially if you have complex tax situations. Someone familiar with California tax laws and regulations may be particularly beneficial.

3. Professional Memberships

Check if the tax preparer is a member of professional organizations such as the California Society of CPAs or the National Association of Enrolled Agents. Membership in these groups can demonstrate a commitment to staying informed about tax laws and ethical standards.

4. Preparer Tax Identification Number (PTIN)

Ensure that the tax preparer has a valid PTIN issued by the IRS. A PTIN is required for anyone who prepares federal tax returns for compensation.

5. Fee Structure

Understand the tax preparer's fee structure upfront. Avoid preparers who base their fees on a percentage of your refund, as this could create a conflict of interest. Get a clear understanding of all fees and charges associated with their services.

6. Record of Compliance

Check the preparer's history with the Better Business Bureau (BBB) and any relevant state licensing boards. Look for any disciplinary actions or complaints.

7. Refund Options

Be cautious of tax preparers who offer to provide your refund in advance, as this might involve high fees. The safest option is to have your refund deposited directly into your bank account.

8. Electronic Filing

Ensure that the tax preparer offers electronic filing, as it is a secure and efficient way to submit your tax return to the IRS and state tax authorities.

9. Red Flags

Be cautious of tax preparers who make unrealistic promises or guarantees regarding your refund. Also, be wary of those who encourage you to take questionable deductions or credits.

<https://www.irs.gov/tax-professionals/choosing-a-tax-professional>

Filing Option 4: Paid Service

Who Do You Trust
to Prepare Your Return?



CHOOSE YOUR
TAX RETURN
PREPARER WISELY.

If you pay someone to prepare your return, they hold significant responsibility for the accuracy of your return, and by law, they must sign and include their preparer tax identification number (PTIN) on the return. While they sign the return, you remain accountable for every item on it.



Scan or visit
[IRS.gov/taxtopics/tc254](https://www.irs.gov/taxtopics/tc254)
for more information on
selecting a preparer

Available Resources

Browse Our Resources

All of the important information you need for filing taxes. All in one place.

FEATURED CHECKLIST

Tax Prep Checklist

UPDATED 01/11/2024

What do you need before you start filing?

FEATURED

Frequently Asked Questions

UPDATED 01/11/2024

Get your questions answered.

FEATURED GUIDE

Tax Terminology

UPDATED 01/11/2024

An A-Z guide of commonly-used terms that may be helpful to reference when filing your taxes.

ALL CATEGORIES

GUIDES

CHECKLISTS

FORMS

RECENT UPDATES

PREVIOUS TAX YEAR UPDATES

State and Federal
Payment Relief

RECENT UPDATES
How To File an

RECENT UPDATES
Statewide VITA Bus

✓ Checklist

✓ How-To Guide

✓ Find Free Assistance Near You

<https://www.myfreetaxes.org/resource-hub/>

Ready to get started?



Visit uwccr.org/taxhelp for guides and tutorials to help you through each step of this process.

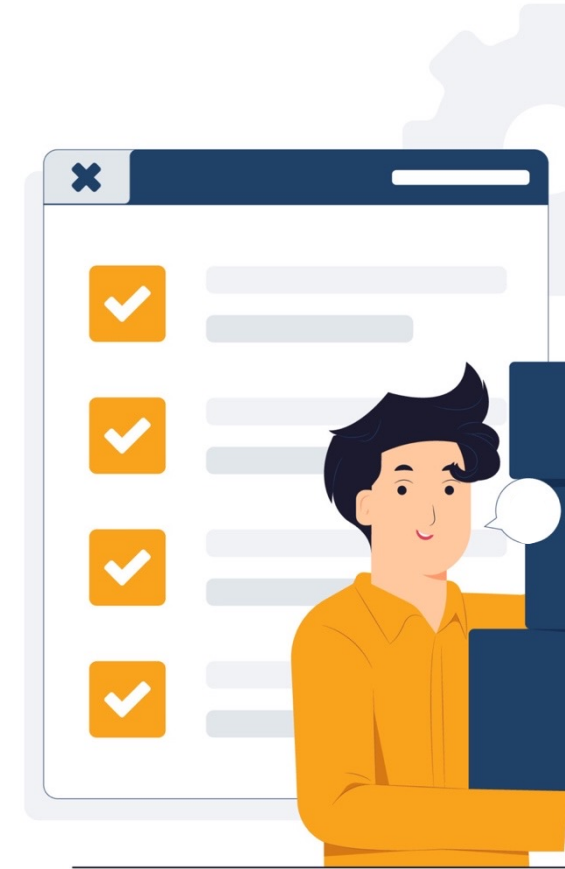


Scan or visit
IRS.gov/vita
for Free Tax Return
Preparation

Next Steps

After this session you will receive:

- ✓ The slide deck
- ✓ Referenced links
- ✓ Survey to provide feedback on today's session
 - Ask additional questions
 - Suggest future topics



Questions & Answers





Complete a **Feedback Survey** & Request **Future Session Topics**

Email the hosts: UHPinfo@solveraconsult.com,
RPBTTAU@cdss.ca.gov