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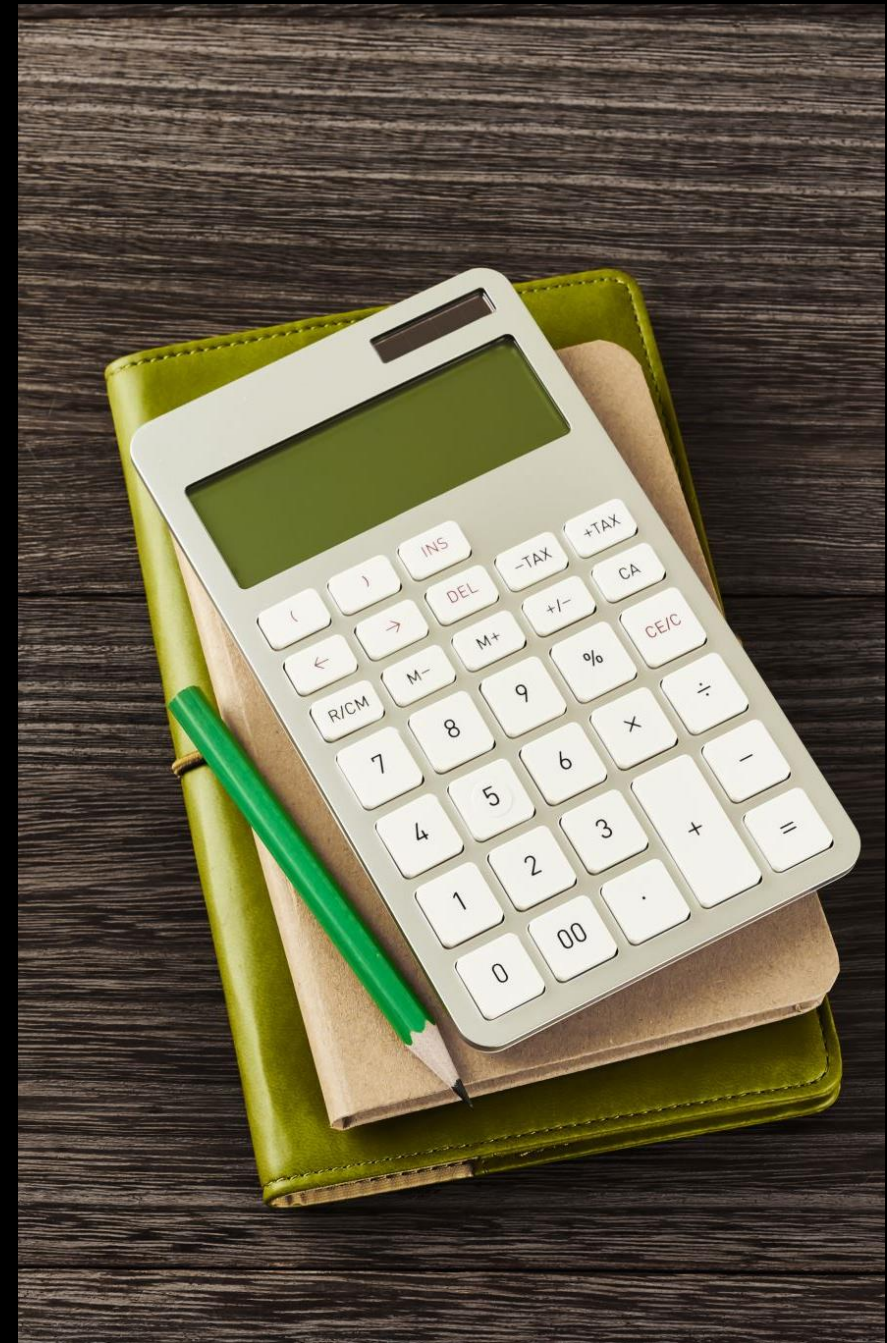
# 2021 TAX TIPS

Kansas Legal Services' Low Income Taxpayer Clinic

Qualified Tax Expert: Alexis Pearson (*they/them*)

# What's the big deal??

- Since 2010 the IRS's workforce has shrunk by 17 % but the amount of work has increased by 19%
  - Last year the IRS only answer 11% of the phone calls they received from taxpayers
- Electronic Processing versus manual processing
  - As of late December, the IRS had 10.3 million unprocessed original individual returns



Who is Kansas Legal Services?

What is the Low-Income  
Taxpayer Clinic?

Key 2021 Tax Rules

Filing Resources

Kansas Resources

Roadmap



# WHO IS KANSAS LEGAL SERVICES?

# 11 Offices Across Kansas



# Kinds of Cases

Consumer/Finance

Housing

Education

Juvenile

Employment

Elder Law

Income Maintenance


Family

Health

Individual Rights

# Kansas City Office

- Serves Franklin, Johnson, Leavenworth, Linn, Miami, and Wyandotte counties
- Managing Attorney: Alex English
- Statewide project: Low Income Taxpayer Clinic



# WHAT IS THE LOW- INCOME TAXPAYER CLINIC?



## Info about LITC

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Free assistance and representation

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Tax issues/controversies, generally not tax preparation

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Funded partially by grants from the IRS

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Funding for IRS cases, but allows for state tax cases when paired with IRS cases

# Types of Cases We Help With

Post-marital tax disputes

Identity theft

Earned Income Tax Credit  
Appeals

Employee/Independent  
Contractor Disputes

Debt Cancellation

Audits or Examinations

Deficiency Notices/Tax  
Court

Negotiations or Settlements

## LITC Client Requirements

250% of poverty level

Small cases (generally \$50,000 or less per tax year)

Kansas citizen or tax issue

U.S. citizens and green card residents



# Apply Today!

Apply for services at

<https://www.kansaslegalservices.org/node/809/online-application>

OR by calling 1-800-723-6953



# KEY 2021 TAX RULES

# Filing Status Overview

## Single

not married with no dependents

## Married Filing Jointly

married and file a joint return

## Married Filing Separately

married but file separate returns

## Head of Household

not married, pay more than half of household expenses and have a qualifying child or dependent

Qualifying Widow(er) with Dependent Child spouse died in the last 3 years and you have a dependent child

Single Filer  
Standard Deduction= \$12,500

Tax rate	Taxable income bracket	Tax owed
10%	\$0 to \$9,950	10% of taxable income
12%	\$9,951 to \$40,525	\$995 plus 12% of the amount over \$9,950
22%	\$40,526 to \$86,375	\$4,664 plus 22% of the amount over \$40,525
24%	\$86,376 to \$164,925	\$14,751 plus 24% of the amount over \$86,375
32%	\$164,926 to \$209,425	\$33,603 plus 32% of the amount over \$164,925
35%	\$209,426 to \$523,600	\$47,843 plus 35% of the amount over \$209,425
37%	\$523,601 or more	\$157,804.25 plus 37% of the amount over \$523,600

Married Filing Jointly  
Standard Deduction= \$25,100

Tax rate	Taxable income bracket	Tax owed
10%	\$0 to \$19,900	10% of taxable income
12%	\$19,901 to \$81,050	\$1,990 plus 12% of the amount over \$19,900
22%	\$81,051 to \$172,750	\$9,328 plus 22% of the amount over \$81,050
24%	\$172,751 to \$329,850	\$29,502 plus 24% of the amount over \$172,750
32%	\$329,851 to \$418,850	\$67,206 plus 32% of the amount over \$329,850
35%	\$418,851 to \$628,300	\$95,686 plus 35% of the amount over \$418,850
37%	\$628,301 or more	\$168,993.50 plus 37% of the amount over \$628,300

## 2021 Federal Tax Brackets

# Filing Deadlines

Initial Deadline

18 Apr.

17 Oct.

Automatic first extension until October 17th if you request it



# Consider Filing Even If Not Required

- Protection from identity theft
- New credits that may result in you getting a refund
- Recommendation: use direct deposit

# Earned Income Tax Credit

- A refundable tax credit that is a percentage of your earned income
- Basic Requirements:
  - Over the age of 19 (or 24 if you are in school)- NO age limit
  - Earned taxable income
  - Valid Social Security Number
  - U.S. citizen or a resident alien
- Changes for 2021
  - Tripled amount of credit for filers without children (\$538 → \$1,502)
  - Increased credit amounts for those with children
  - Can use your 2019 earned income if higher
  - Higher incomes qualify, expanding who gets the credit

# Child Tax Credit & Advance Payments

## Expanded credit through The American Rescue Plan Act

- Refundable credit for up to \$3,200 per qualifying child aged 17 & under and \$3,600 per qualifying child 5 & under
- Advanced payments were sent out June-December 2021

## Qualifying Child Definition

- Child (step, adopted or foster), grandchild, niece or nephew
- Child lived with taxpayer for more than ½ the year and did not provide own support
- Can be properly claimed as a dependent
- Child is a U.S. citizen, U.S. national or U.S. resident alien

## Advance Payments

- Look out for Letter 6419- one per parent
- Must be reported on 2021 tax return for reconciliation
- Repayment protection plan
  - Single filer income of \$80,000 or less
  - Married filing jointly income of \$120,000 or less

# Child and Dependent Care Credit

- Refundable credit for those who lived in the U.S. more than half the year and paid for the care of a qualifying individual in order to work or look for work
- Who is a qualifying individual?
  - Dependent under the age of 13: OR
  - Spouse or dependent of any age who is incapable of self-care: AND
  - Lived with you more than half the year

# 2021 COVID Relief

## Stimulus checks

- First two stimulus checks must be claimed on a 2020 tax return
- The third stimulus check can be claimed on the 2021 tax return

## Advance Child Tax Credits

- Look out for Letter 6419

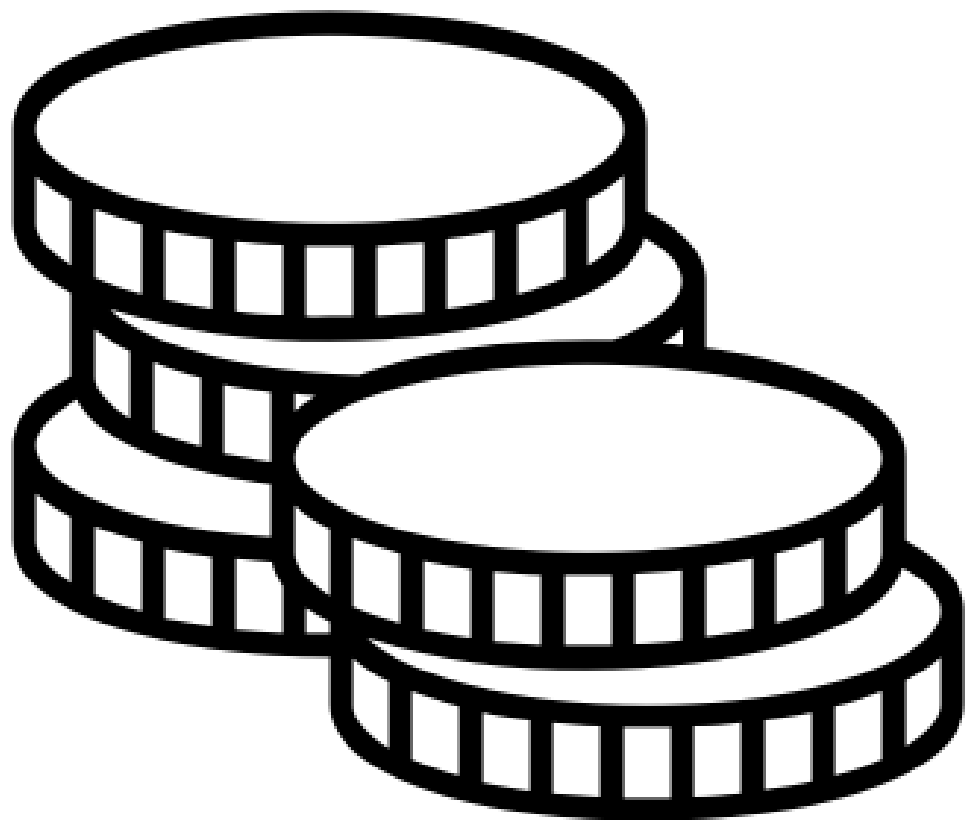
# Student loans



FROM 2021-2025  
CANCELLATION OF STUDENT  
LOANS ISN'T CONSIDERED  
INCOME



UP TO \$5,250 EXCLUSION OF  
INCOME IF YOUR EMPLOYER  
HELPS PAY STUDENT LOANS



# Charitable Deductions

- Can claim \$300 per person on top of standard deduction
  - Don't need to itemize

# Unemployment Benefits

- In 2020 you could exclude up to \$10,200 of unemployment income
- This law is NO longer in effect





# FILING RESOURCES

# Ways to file taxes for free

## Federal taxes

- Federal free file program
  - <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>
  - Income of less than \$72,000

## Federal and State

- VITA/TCE Program
  - Kansas City Metro area:  
<https://extension.missouri.edu/counties/urban-west-region/tax-prep>
  - VITA/TCE Locator:  
<https://irs.treasury.gov/freetaxprep/>
  - Must make less than \$58,000 per person
- Kansas Community Action Coalition
  - <https://www.kacap.org/>



# KANSAS RESOURCES

**A Kansas resident  
must file if he or she is:**

**And has gross  
income of at least:**

**SINGLE OR MARRIED FILING SEPARATE**

Under 65 .....	\$5,250
65 or older or blind .....	\$6,100
65 or older and blind .....	\$6,950

**MARRIED FILING JOINT**

Under 65 (both spouses) .....	\$10,500
65 or older or blind (one spouse) .....	\$11,200
65 or older or blind (both spouses) .....	\$11,900
65 or older and blind (one spouse) .....	\$11,900
65 or older or blind (one spouse) and 65 or older and blind (other spouse) .....	\$12,600
65 or older and blind (both spouses) .....	\$13,300

**HEAD OF HOUSEHOLD**

Under 65 .....	\$9,000
65 or older or blind .....	\$9,850
65 or older and blind .....	\$10,700

# KANSAS REQUIREMENTS

# 2021 Kansas State Changes

- Increased standard deduction by \$500
  - Single= \$3,500
  - Head of Household= \$6,000
  - Married Filing Jointly= \$8,000
- Potential \$250 tax rebate for every Kansas resident filing a 2021 tax return
  - Proposed by Governor Kelly

# Homestead Refund

- A rebate program for property taxes paid by homeowners with a maximum refund of \$700
  - Homestead is a house, mobile or manufactured home that is subject to general property taxes
- Requirements:
  - Kansas resident living in the state the entire year
  - Total household income less than \$36,300 or less
  - Meet one of the following :
    - Born before Jan. 1, 1966 OR
    - Totally & permanently disabled or blind during the entire year OR
    - Had a dependent child living with you all of last year who was born before Jan. 1, 2021 and was under the age of 18 the entire year

# SAFESR- Kansas Property Tax Relief for Low Income Seniors

- 75% of 2021 general property tax paid or to be paid- as shown of the 2021 real estate tax statement for the residence in which the claimant lived in 2021.
  - No limits unlike the Homestead refund
- How to qualify:
  - Individual who is a Kansas resident that lives in Kansas for all of 2021
  - Owned and occupied a home in Kansas during 2021
  - Aged 65 years or older for all of 2021 (born before Jan. 1, 1966)
  - Household income of ~\$20,000
- Can request to enroll in the Refund Advancement Program
- Can only receive this OR the Homestead Property

# Bank On Kansas City

- Bank on Certified Accounts are
  - Safe: do not allow overdraft or insufficient funds fees
  - Low Cost: are \$5 or less per month, with no unpredictable fees
  - Functional: all free deposits, free withdrawals, and free bill payments
- <https://bankonkc.org/>



QUESTIONS

