

## WHOI Postdoc Scholar Tax Cheat Sheet (Created March 22, 2021)

\*\*All opinions expressed here are solely those of your friendly WHOI PDA and are not legally binding tax advice. But the below has seemed to work for several folks over the years. \*\*

**Federal Taxes** – Also lots of info on the [IRS Estimated Tax website](#).

1. [1040-ES](#) – Form to calculate your quarterly estimated tax payment based on your annual salary.
  - a. [Federal Estimated Tax Calculator](#) – I found this one allows you to input your estimated income as ‘other’, which is what our salary/stipend as scholars is. A good way to check your math on the 1040-ES/do some back of the envelope calcs if need be (not an official IRS website, so grain of salt, but it seems pretty accurate).
2. [IRS Direct Pay](#) – link to pay your quarterly estimated tax payment. Allows you to set up an account with the IRS to submit payments to the IRS from a bank account. (I believe you can use a credit/debit card also if need be).
3. [FAQs](#) – For estimated taxes, which also contains the due dates for the quarterly payments (the 1040-ES form also has these dates).

**Massachusetts Taxes** – Here is the link to the [MA Estimated Tax website](#).

You will also need to calculate and pay quarterly state taxes (yay). The process is pretty similar but comes with different website and forms.

1. [Form 1-ES](#) – Form to calculate your quarterly estimated state tax payment based on your annual salary.
  - a. [MA State Estimated Tax Calculator](#) – This one is actually an official MA State website (I believe), so it can be nice to use to check your math from Form 1-ES.
  - b. FYI the income used in Form 1-ES is your income *after* deductions and credits, to figure out if you get some sweet deductions and credits, you’ll need to look through the regular income tax worksheet, [Form 1](#).
2. [Pay your Estimated MA tax online](#) – You’ll need to make an account through MassTaxConnect and then you can submit your quarterly estimated payments from a bank account. (I believe you can use a credit/debit card also if need be).

\*Note – the above works well if you have a good idea of how much you’re going to make in a tax year. If you don’t receive your income evenly throughout the year (i.e., leading to different quarterly payments), you can also figure your quarterly payments using the [Annualized Income Installment Method](#). (FYI – looks tricky). Otherwise, you can just recalculate your total Federal and State tax as necessary throughout the year and simply spread amongst the remaining estimated tax payments.

### **You've paid your taxes through the year, now it's time to file!**

- As far as I can tell, no matter how you file (by mail, online etc.) PDS income should be listed as **'other' or 'less common' income**. Not as a taxable scholarship/fellowship/grant, or as self-employment income.
- Then you'll just need to input the amount of tax you paid (both federal and state) throughout the year and hopefully it your taxed owed at the time of filing will be zero!

**IRS Free File Options** – The IRS has a website with several free electronic filing options.

**Massachusetts E-File** – MA also has a website with resources for filing your state taxes online for free.

There are also online fillable forms for both [federal](#) and [state](#) taxes if want to explore those.

### **Online Tax Filing services**

- Past post docs have found that some online services (TurboTax for example) can't seem to effectively handle this situation well and try to categorize the income incorrectly (e.g., as self-employment income). Others have found success with H &R Block or TaxSlayer in the past.
- Both the IRS and MA suggest a free file option [TaxSlayer](#), which appears to be able to handle this situation and will submit both your federal and state return in one go which is nice.

### **Finding a CPA/Tax preparer or Tax advice**

- Still feeling lost? MA has a [website to help you find professional tax preparation assistance](#) that suits your situation.