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Use this resource guide as a reference to better manage your finances, not just for tax purposes, but also in managing your **monthly budget, sport expenses** and **creating sponsorship request packages**.

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## FILING A TAX RETURN

The filing payment deadline is generally mid-April. For 2021 taxes, the deadline is **April 18, 2022**.

You have the option of filing **quarterly tax payments\***. File for quarterly payments using form 1040 ES which can be found at [www.irs.gov](http://www.irs.gov). If you owe more than \$1,000 in taxes and DO NOT make quarterly payments, there will be a tax penalty. Speak with a tax advisor for information on quarterly payments. Quarterly tax payments are the recommended option if most of your income is on 1099-Misc. AND substantially exceeds tax payment limits below.

If your W-2 or 1099 forms show any federal, state, or local taxes withheld and paid, you should file a tax return. In some instances, you could receive a refund. If you have earned income and someone else cannot claim you as a dependent, you may qualify for the Earned Income Credit. You should file a return to receive money back.

**Need to pay/file taxes from previous years?** Speak to a tax advisor for assistance.

**Need help finding a tax advisor?** Check the Volunteer Income Tax Assistance (VITA) program section at [www.irs.gov](http://www.irs.gov). You can locate a free tax advisor in your area. Use this document when working with a tax advisor.

If you have a simple, straightforward tax filing, consider using [myfreetaxes online](http://myfreetaxes.com) by United Way.

## INCOME

**Do you understand what income is included on your 1099s?**

Ask the company that issued the 1099 for a detailed report of the income. Some items that are reported as income to you may be allowed as a deduction.

**Wonder if you earn enough money to require tax payments?**

If your annual income exceeds \$12,550 (single-dependent) or \$25,100 (married filing jointly), you are required to file a tax return and you may have to pay taxes.

*It is best practice to set aside 10-15% of your income to pay taxes. Especially if you made more from winnings, sponsorships or stipends than in prior years.*

As elite athletes and you receive income reported on Form 1099-Misc or 1099-NEC, you may be considered self-employed and may be subject to Self-Employment tax. Self-employment tax consists of Social Security and Medicare taxes for individuals who work for themselves and are calculated on IRS Form SE. **Even if you do not owe a Federal income tax because you did not make enough money, you may still owe self-employment tax.**

## AFFORDABLE CARE ACT (ACA)

The ACA requires individuals to have qualifying health care coverage (called Minimum Essential Coverage (MEC) for each month of the year. For 2019, the shared responsibility payment (SRP) is zero. Taxpayers who do not have health insurance coverage during 2019 or later do not require an exemption to avoid the SRP. EAH (elite health insurance provided by USOPC, the cost of which is included in box 3 of the Form 1099-Misc) was approved for 2016 as a plan that meets MEC. **Athletes covered by EAH will receive form 1095-B in the mail to file with their taxes.** Use this form when completing your tax return.

**Are you still covered under your parents' plan?** If you are not sure, please check with your parents prior to speaking with a tax advisor.

If you have insurance but are not sure if it meets the MEC requirements, or if you do not have health insurance, check with your tax advisor. Because of the change in law as described in the first paragraph, the SRP has been eliminated and this is not needed.

## EXPENSES

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### KEEP ALL RECEIPTS AND INVOICES.

*At a minimum, bank statements or credit card statements can be used as proof for your expenses.*

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The following example expenses may be deducted if the expenses are not already paid for by the USOPC, NGB, or Sponsor, unless the expenses are included on a 1099:

### TRAINING, COMPETITION, TOURNAMENT TRAVEL

- Airfare
- Baggage Fees
- Hotel
- Tolls
- Taxi
- Meals (per diem rate for specific location, less any meal stipends received)
- Visa Fees and/or Passport Fees
- Rental Car
- Internet Access Fees
- Parking
- Personal Vehicle Miles (\$0.58/mile)
- Vaccinations & Immunizations (not covered by insurance)

### TRAINING EQUIPMENT

- Shoes
- Clothing, uniforms, etc.
- Power Shakes
- Vitamins/Supplement
- Specific purchases such as a Bike, Snowboard, Gun, etc.
- Maintenance to equipment

### MEDICAL SUPPLIES

- Bandages/Sport tape
- Braces
- Hot/Cold Therapy
- Orthopedic Support

## OTHER

- Payments to personal coaches
- Dietitians and Nutritionists
- Lab work such as blood oxygen levels and metabolism tests (not covered by insurance and for performance purposes)
- Supplies such as bike tires, ski wax, etc.
- Medical expenses strictly related to Sport Activities
- Gym Membership
- Sport Massage
- Chiropractic Adjustments
- Certifications
- Membership fees and/or dues and subscriptions
- Educational Expenses (student loans and interest – keep record of 1098-E form)
- Fundraising expenses such as website fees
- Cell Phone (only the % that applies to Sport Activities is tax deductible)
- Internet (only the % that applies to Sport Activities is tax deductible)

*Visit the IRS website for more information on the [Volunteer Income Tax Assistance](#) program and to find a free tax advisor. Visit [www.IRS.gov/tax-reform](http://www.IRS.gov/tax-reform) for information on recent tax law changes.*

## TAX LAW CHANGES

Due to the Tax Cuts and Job Acts of 2017, the Standard Deduction amounts on Form 1040 have changed and are adjusted each year to account for inflation and increased cost of living. For example, for tax year 2021, the Standard Deduction for a taxpayer with a filing status as “Single,” the Standard Deduction is \$12,550; and for a couple with the filing status of “Married Filing Jointly” it is \$25,100. This is beneficial for most taxpayers, since Itemized Deductions, such as mortgage interest on personal residences, taxes, medical expenses (above 7.5% of AGI) and charitable contributions must exceed these amounts to be beneficial for the taxpayer. Please note that “Itemized Deductions” on the Form 1040 are not the same as the deductible business expenses outlined above.

*Disclaimer: The USOPC and VITA do not provide tax advice. Athletes should consult a tax advisor to determine if income is taxable and expenses are deductible. Each athlete’s tax situation varies and not all the above examples may apply. Consult a tax advisor to understand how changes to the federal tax code impact you individually.*