

Tax tips for summer jobs

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Summer jobs offer students the opportunity to make money and learn some important life lessons about the working world, including taxes.

As a new employee, students fill out a Form W-4, Employee's Withholding Allowance Certificate, so their employer withholds the right amount of taxes from regular pay, bonuses, commissions, and vacation allowances.

Tips are taxable income so you need to keep a daily log to record them. If you receive \$20 or more in tips in any one month from any one job, you must report the total tips to your employer or report the income on your tax return.

Self-employment income, from jobs like baby-sitting and lawn mowing, are subject to income tax. If your net earnings from self-employment are \$400 or more, you have to pay self-employment tax and file Schedule SE.

While students may not earn enough money from summer jobs to owe income tax, they will probably have to pay Social Security and Medicare taxes. Your employer usually withholds these taxes from your paycheck, but if you're self-employed, you may have to pay self-employment taxes.

If you had more than one job you should make sure all your employers are withholding an adequate amount of taxes to cover your total income tax liability. You can see if your withholding is correct using the Withholding Calculator on IRS.gov.

Whether you're required to file a return next year will depend on the type and the amount of your gross income, filing status, age, and whether someone is eligible to claim you as a dependent.

Visit IRS.gov, the official IRS website, for more information about income tax withholding and employment taxes.

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