



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.**

FILING A TAX RETURN

The filing payment deadline is generally mid-April. For 2020 taxes, the deadline is **April 15, 2021**.

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.

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. 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-NEC or 1099-Misc. AND substantially exceeds tax payment limits below.

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. 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 – United Way](http://myfreetaxes.com). Note: myfreetaxes will charge \$25 for a Schedule C.

INCOME

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.

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

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

What income is reported on the 1099 forms sent by the USOPC? New for 2020, the USOPC may send you two forms, 1099-Misc. and 1099-NEC. Form 1099-Misc. might include your income from athlete stipend payments, EAHI and Operation Gold in Box 3. Form 1099-NEC includes income earned from services provided to the USOPC such as appearance fees and blog posts in Box 1.

Wonder if you earn enough money to require tax payments?

If your annual income exceeds \$12,400 (single-dependent) or \$24,800 (married), you are required to file a tax return and you may have to pay taxes.

As elite athletes who receive income reported on Form 1099-NEC or 1099-Misc, you are 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**

EXPENSES

KEEP ALL RECEIPTS AND INVOICES.

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

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 (\$0.575/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 tapers, 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 for information on recent tax law changes.

AFFORDABLE CARE ACT (ACA)

Athletes covered by EAHI will receive form 1095-B in the mail to file with their taxes. If health insurance is purchased through the marketplace athletes will receive form 1095-A in the mail. Use these forms 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.

ECONOMIC STIMULUS PAYMENTS – RECOVERY REBATE CREDIT

Taxpayers who filed 2018 and 2019 taxes should have automatically received Economic Stimulus Payments in their checking accounts. The first payment of \$1,200 filing Single or \$2,400 married filing jointly, was sent earlier in 2020, and the second payment of \$600 filing single and \$1,200 Married filing jointly was sent in January 2021; plus \$500 for every dependent claimed on their tax return. They should have received Forms 1444 – A and B in the mail confirming the payments.

For those who did not file a 2018 or 2019 tax return, or if one or more of the payments were not received, the stimulus payments can be recovered by filing for the Recovery Rebate Credit on the 2020 tax return. Go to irs.gov/coronavirus/get-my-payment and enter the requested personal information to confirm that payments were sent. Another link is provided on that site to confirm the amounts.

These stimulus payments are not taxable.

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.