



CSS/Financial Aid
PROFILE®

2006-07
PROFILE Application
Instructions

Instructions

Read the instructions as you fill out the PROFILE Online Application. Some instructions appear within the application itself. These instructions will answer most questions. If more help is needed, check out the online Help Desk. The student's high school counselor or school financial aid administrator may also be of assistance.

On the application, the word "**parents**" means the parent or parents the student lives with including the stepparent if the student's biological or adoptive parent has remarried. "School" means a college, university, graduate or professional school, vocational or technical school, or any other school beyond high school. "Student financial aid" means money from educational loans, grants, and scholarships. It also means earnings received based on the financial aid administrator's determination of financial need.

Special instruction for international students: Convert all income, asset, and expense amounts into their U.S. dollar equivalents based on the local exchange rate on the day that the PROFILE is completed. Give the actual rate of exchange used in Section P. You can find the daily exchange rate at www.federalreserve.gov/releases/h10/update.

Records That Will Be Needed

Get together these records for the student and the student's family:

- 2005 U.S. income tax return, if completed
- 2004 U.S. income tax return
- W-2 forms and other records of money earned in 2005
- Records of 2004 and 2005 untaxed income
- Current bank statements and mortgage information
- Records of stocks, bonds, trusts, and other investments

Note: Many colleges and programs will ask families to submit copies of their completed income tax returns and other financial documents. Your colleges and programs will let you know if tax return copies are required. Follow institutional instructions about where to send these documents. Some institutions require that documents be sent directly to the financial aid office. Other institutions participate in the College Board's Institutional Documentation Service (IDOC) and instruct applicants to forward documents to a College Board address. If the income tax information is not provided, aid may not be received.

If a tax return won't be filed: Even if you, your spouse, and/or your parents will not file an income tax return for 2005, it will be necessary to know your earnings for the year. You will need records showing the income reported on the PROFILE.

If a tax return has not been completed yet: If you, your spouse, and/or your parents haven't completed a 2005 U.S. income tax return but will be filing one, **estimate** to the best of your ability 2005 income and benefits using income and tax records from 2004 in addition to salary records from 2005. If you need to correct PROFILE information after filing the tax return, do so **directly** with your schools and scholarship programs.

Registration

Year in School—Select the student's year in school from July 1, 2006, through June 30, 2007. If the student is currently a senior in high school or will be a first-time entering freshman, select "1st year (never previously attended college)."

Financial Aid Status—If the student is a high school student or has never attended college before, select "First-time applicant, entering student (or transfer student)." If the student is planning to transfer to another institution, select "First-time applicant, entering student (or transfer student)," even if the student has previously filed for financial aid at his or her current school.

Citizenship—If the student is a U.S. citizen (or U.S. national), select the first choice. Select the second choice if the student is one of the following:

- U.S. permanent resident with a Permanent Resident Card (I-551)
- Conditional permanent resident (I-551C)
- Other eligible noncitizen with an Arrival-Departure Record (I-94) from the Department of Homeland Security showing any one of the following designations: "Refugee," "Asylum Granted," "Parole" (I-94 confirms paroled for a minimum of one year and status has not expired), or "Cuban-Haitian Entrant."

If you cannot select choice "1" or "2," you must select choice "3," and select the student's country of citizenship and visa classification.

Veteran—Select "Yes" if the student is a veteran of the U.S. Armed Forces. The student is a veteran if he or she served in active duty in the U.S. Armed Forces (Army, Navy, Air Force, Marines, and Coast Guard), or served as a member of the National Guard or Reserves and was called to service for purposes other than training, or was a cadet or midshipman at one of the service academies AND was released under a condition other than dishonorable, or if the student is not a veteran now but will be one by June 30, 2007.

Select "No" if the student has never served in the U.S. Armed Forces, is currently an ROTC student, a cadet or midshipman at a service academy, or a National Guard or Reserves enlistee activated only for training or if the student currently serves in the U.S. Armed Forces and will continue to serve through June 30, 2007.

Orphan/Ward of the Court—Select "Yes" if both of the student's parents are deceased and the student does not have an adoptive parent or legal guardian. Also select "Yes" if the student is, or was until age 18, a ward of the court.

Dependents—Select "Yes" if the student has any children who get more than half of their support from the student. Also select "Yes" if people other than the student's spouse live with the student and get more than half of their support from the student and will continue to get that support during the 2006-07 school year.

Separated/Divorced—Select "Yes" if the student's biological or adoptive parents have separated or divorced, even if one or both have since remarried. Also select "Yes" if the student's biological parents were never married to each other and are not living together now.

Business/Farm—Select "Yes" if the student's parents own all or part of a business, corporation, partnership, or are a farm or ranch owner, operator, or farm tenant. Also select "Yes" if either parent is self-employed.

Section A—Student's Information

Fill in this section information about yourself, the student who is applying for aid.

1. Include yourself, the student, and your spouse. Include children if they will get more than half their support from you from July 1, 2006, through June 30, 2007. Include other people only if they now live with you, **and** now get more than half of their support from you, **and** will continue to get this support between July 1, 2006, and June 30, 2007. (Support includes money, gifts, loans, housing, food, clothes, car, medical and dental care, payment of college costs, etc.)

2. Always include yourself, the student. Include your spouse and other family members only if they plan to enroll at least half-time in 2006-07 in a program that leads to a degree or certificate.

3. Select your current state of legal residence (permanent home). If that legal residence is outside the United States, leave this question blank.

4. Select only one choice to indicate the location of the computer used to complete the majority of information on your PROFILE application.

Section B—Student's 2005 Income & Benefits

In the instructions that follow, “you” refers to you, the student, and your spouse if you are married. If married, include both your and your spouse’s information in this section. Answer all questions in this section unless you are instructed otherwise. If a question does not apply, answer “0” (zero).

5. Select one choice to indicate which IRS form the student filed or will file for 2005. Use the tax return, if available, to fill out questions 6–14. If the student filed a 1040, but was eligible, based on financial circumstances, to file a 1040A or 1040EZ, or filed the 1040 only to claim Hope or Lifetime Learning tax credits, and was otherwise eligible to file a 1040A or 1040EZ, use the tax-filing rules below to determine the simplest form the student was eligible to file, and choose that form as the answer to this question.

If you are **currently** divorced, separated, or widowed but filed (or will file) a joint tax return for 2005, give only the student’s portion of the exemptions, income, taxes paid, and itemized deductions in questions 6–12.

If you are **currently** married and your spouse filed (or will file) a separate tax return for 2005, be sure to include both the student’s and spouse’s exemptions, income, taxes paid, and itemized deductions in questions 6–12, **even if you were not married in 2005.**

Tax Filing Rules

When can you file an IRS Form 1040EZ?

- If your tax filing status is single or married filing jointly,
- If you do not claim dependents,
- If you have no adjustments to income,
- If your only tax credit is EIC (Earned Income Credit),
- If you are under age 65,
- If your taxable income is less than \$100,000,
- If your income is only from wages, salaries, tips, taxable scholarships or fellowships, or unemployment,
- If your taxable interest is \$1,500 or less, and
- If you did not receive advance EIC payments.

When can you file a Form 1040A?

- If your income is from wages, salaries, tips, interest, ordinary dividends, capital gain distributions, taxable scholarships or fellowships, pension annuities, IRAs, unemployment compensation, taxable social security, or railroad retirement benefits,
- If your only adjustments to income are deductions for educator expenses, IRA contributions, student loan interest, and tuition and fees,
- If you do not itemize deductions,
- If your taxable income is less than \$100,000,
- If you have no tax credits other than child, additional child, education, EIC (Earned Income Credit), child and dependent care expenses, elderly or disabled, adoption, and retirement savings contributions, and
- If you have no alternative minimum tax adjustment on stock acquired from exercise of an incentive stock option.

When must you file a Form 1040?

- If you received income from self-employment (business or farm income),
- If you had nondividend distributions required to be reported as capital gains,
- If you received income as a partner in a partnership or a shareholder in an S corporation,
- If you are a beneficiary of an estate or trust,
- If you received tax-exempt interest from certain private activity bonds,
- If you can exclude foreign earned income received as a U.S. citizen or resident alien,
- If you have an alternative minimum tax adjustment on stock acquired from exercise of an incentive stock option,
- If you had a financial account in a foreign country,
- If you received distributions from a foreign trust, or
- If you owe household employment taxes.

6. If you used the 1040EZ and checked “Yes” on line 5, use the 1040EZ worksheet line F to determine the number of exemptions (\$3,200 equals one exemption). If you checked “No,” enter “1” if single or “2” if married.

7. Adjusted gross income (AGI) is the taxable income, before exemptions and deductions, reported on your federal tax return, found on 2005 IRS Form 1040, line 37 or Form 1040A, line 21 or Form 1040EZ, line 4. If you have not completed a 2005 U.S. income tax return, use your 2004 tax return and 2005 W-2 forms.

8a. Fill in the amount of U.S. income tax paid from 2005 IRS Form 1040, line 57 or Form 1040A, line 36 or Form 1040EZ, line 10. Make sure this amount doesn’t include any FICA, self-employment, or other taxes from Form 1040. Don’t copy the amount of “federal income tax withheld” from a W-2 form. Don’t enter the amount sent to the IRS owed in taxes (underpayment) for the year, or the amount received in a refund check.

8b. If you are enrolled at least half-time in the first two years of undergraduate study, you **may be eligible** to claim a Hope tax credit of up to \$1,500 based on the amount of qualified tuition and fee expenses you paid during 2005. Students who do not qualify for the Hope credit may qualify for a Lifetime Learning tax credit of up to \$2,000 based on the amount of qualified tuition and fee expenses paid during 2005. There are restrictions on who is eligible for each tax credit. For more information, check with the Internal Revenue Service (IRS) or your tax adviser.

9. If you did not itemize deductions, or if you filed Form 1040A or 1040EZ, fill in “0” (zero).

10–11. Answer these questions whether or not you filed a 2005 tax return. This information may be on your W-2 forms or on 2005 IRS Form 1040, lines 7, 12, and 18 or 1040A, line 7 or 1040EZ, line 1. If you and your spouse, if married, did not and will not file a tax return, add up your earnings (wages, salaries, tips, etc.) from your W-2 form(s) and any other earnings from work that you performed in 2005 that are not included on your W-2 form(s).

12. If you filed or will file a 2005 IRS Form 1040 or 1040A, add the amounts from lines 8a and 9a and enter the total. If you filed or will file a 2005 1040EZ, enter the amount from line 2. If you did not and will not file a 2005 IRS form, fill in the amounts from Form(s) 1099-DIV and 1099-INT. **Don’t include** wages. If all or part of your interest income is from the proceeds of sale of Series EE savings bonds, indicate the amount of such interest income in Section P.

13a. Fill in the amount of **untaxed** social security benefits (including Supplemental Security Income) that you received in 2005. **Don’t include** any benefits reported in question 7. **Don’t** give monthly amounts. **Don’t** include amounts your parents received for you, which are to be reported in question 55b.

13b. Fill in the total amount of Temporary Assistance for Needy Families (TANF), received for 2005; **don’t** write in monthly amounts. **Don’t include** food stamps or subsidized housing.

13c. Fill in the total child support received for 2005; **don’t** fill in monthly amounts. **Don’t include** foster care or adoption payments.

13d. Fill in the total amount of Earned Income Credit from 2005 IRS Form 1040, line 66a or Form 1040A, line 41a or Form 1040EZ, line 8a. If you are not a tax filer, fill in “0.”

13e. Use the worksheet found online or as part of the Pre-Application Worksheet to figure out the total.

Don’t include:

- any income reported elsewhere on the PROFILE,
- money from student financial aid,
- “rollover” pensions and “rollover” IRA distributions,
- Workforce Investment Act educational benefits, or
- gifts and support, other than money, received from friends or relatives.

14. Fill in the total of your 2005:

- earnings from Federal Work-Study or other need-based work programs,
- grant, fellowship, scholarship, and assistantship aid that was included in question 7 as adjusted gross income, and
- AmeriCorps benefits, including awards, living allowances, and interest accrual payments.

The total from question 14 will be subtracted from your total income in calculating your eligibility for financial aid.

Section C—Student's Assets

Don't include trust accounts in this section. Include them in Section D. With the possible exception of questions 18b–d and 21, **don't** leave any of these questions blank. If a question doesn't apply, fill in "0." Enter information about your (and if you are married, your spouse's) assets in questions 15–22. If you are divorced or separated and have jointly owned assets, give only your portion of the assets and debts. If you are married and you (and your spouse) have assets owned jointly with someone else, give only your (and your spouse's) portion of the assets and debts.

In questions 15–22, **don't include**:

- student financial aid,
- personal or consumer loans or any debts that are not related to the assets listed, or
- information about your parents' assets.

15. Enter your total balance of cash, savings, and checking accounts, as of today. Do not enter average monthly balances.

16. Enter the total value, as of December 31, 2005, of all noneducation IRA, Keogh, 401K, 403b, and other accounts.

17. Use the worksheet to answer how much your (and your spouse's) investments are worth today. The total is the answer to question 17. (If you are required to provide parent data, assets that are held in Section 529 prepaid tuition or college savings plans or Coverdell savings accounts should be listed as parent assets in Section H. If parent data are not required, report these assets in question 17.) Then, fill in how much you (and your spouse) owe on the investments.

18. If you (and your spouse) own a home, fill in how much the home is worth. Use the price you could reasonably expect to receive for the home if it were sold **today**. Don't use assessed, insured, or tax value. A "home" includes a house, mobile home, condominium, etc. Renters fill in "0."

Then, fill in how much you owe on the home, including the present mortgage and related debts on the home. **Don't include** interest due. Check with the mortgage company if you're not sure of the amount.

Next, fill in the year you purchased the home and the price you paid. If you don't own a home, leave 18b–d blank.

19. If you (and your spouse) own other real estate (including rental property, land, second or summer homes), fill in how much these investments are worth today. **Don't include** business or farm assets.

Then, fill in how much you owe on other real estate.

20. If you (and your spouse) own a business or farm, fill in the value today. Include the value of land, buildings, machinery, equipment, livestock, inventories, etc. **Don't include** the home if it is part of the business or farm.

Then fill in what you owe on the business or farm. Include only the present mortgage and related debts for which the business or farm was used as collateral. If you (and your spouse) are not the sole owners of the business or farm, fill in only your (and your spouse's) share of the total value and debt.

21. Select "Yes" if the farm is your principal place of residence and you claimed on 2005 IRS Schedule F, line E, that you "materially participated in the farm's operation." **Leave blank if you do not own a farm.**

Section D—Student's Trust Information

22a. Fill in the total value of all of your (and your spouse's) trust accounts, regardless of whether any of the income or principal is currently available. **Don't include** funds held in **Section 529 prepaid tuition plans**, such as the Michigan Education Trust. If you and your spouse, if married, don't have any trust accounts, enter "0" (zero).

22b. Select "Yes" if you can withdraw interest or part of the principal from the trust. Do not answer this question if you entered "0" in 22a.

22c. Do not answer this question if you entered "0" in 22a.

Section E—Student's 2005 Expenses

23. Fill in the amount of child support you (and your spouse) **paid** to a former spouse for dependent children living outside your home. **Don't include** child support you **received** for support of dependent children living in your home.

24. You may leave this question blank if expenses are less than 3 percent of total 2005 income, or if your parents paid your medical and dental expenses in 2005.

Fill in the amount of money you (and your spouse) paid in 2005 for medical and dental expenses, including insurance premiums. **Don't include** amounts covered by insurance or health insurance deductions for the self-employed from 2005 IRS Form 1040, line 29. If you itemized deductions on the U.S. income tax return, fill in the amount from 2005 Schedule A, line 1.

Section F—Student's Expected Summer/School-Year Resources for 2006-07

25. Do not include your spouse's veterans' education benefits.

26a–d. Fill in the information for the three-month summer of 2006 and the nine-month school year of 2006-07. **Don't include** any earnings from Federal Work-Study.

26g–h. Report all untaxed income and benefits you expect to receive during the summer of 2006 and during the 2006-07 school year including social security benefits; Temporary Assistance to Needy Families (TANF); child support; Earned Income Credit; deductible IRA, SEP, SIMPLE, and Keogh payments; tax-exempt interest income; payments to tax-deferred plans; additional child tax credit; Workers' Compensation; veterans noneducational benefits; living allowances; cash received, VA educational work-study allowances; and any other untaxed income and benefits.

For more details, see questions 13a–e, and the worksheet for question 13e.

26i. Exclude any student financial aid that you expect to receive from the colleges and universities to which you are applying.

26j. If you cannot use tuition benefits at all schools, explain limitations in Section P.

26k. Give the best estimate of the amount of money that your parents plan to pay toward your 2006-07 college expenses from income and assets. College expenses include tuition and fees, books and supplies, room and board, transportation, and personal expenses. **Don't include** contributions from your noncustodial parent or amounts your parents plan to withdraw from Section 529 prepaid tuition plans (report such withdrawals in question 26l).

26l. If the student is the beneficiary of a Section 529 prepaid tuition plan, report the amount you plan to **withdraw** to cover 2006-07 college expenses. **Do not** report the total value of that account. Add any amounts the student will receive from other sources including the student's and student's spouses' relatives to cover 2006-07 college expenses. List sources and amounts in Section P.

Section G—Parents' Household Information

This section is to be filled out by the student's parents. Read the descriptions below. Choose the one that is true and follow the instructions.

- **Your parents are both living and married to each other.** Answer the questions on the rest of the application about both of them.
- **Your parents are divorced or separated.** Answer the questions on the rest of the application only about the parent you lived with more during the past 12 months. If you did not live with one parent more than the other in the past 12 months, give answers about the parent who provided the most financial support during that time, or during the most recent calendar year that you actually were supported by a parent. (Support includes money, gifts, loans, housing, food, clothes, car, medical and dental care, payment of college costs, etc.) See information about **stepparents** below.
- **Your parent is widowed or single.** Answer the questions on the rest of the application about your widowed or single parent only. See information about **stepparents** below.
- **You have a legal guardian.** Answer the questions on the rest of the application about your legal guardian. (A legal guardian is a person who is appointed by a court to be your legal guardian in a legal relationship that will continue after June 30, 2007, **and** who is directed by a court to support you with his or her own financial resources.)

If you have a stepparent: If the parent described above has married or remarried as of today, you must also include information about your stepparent. If you are giving information about a stepparent, note that whenever the word "parents" is used on the rest of the application, it also means your stepparent.

27. Always include your parents and yourself, even if you don't live with your parents. Include other children if they will get more than half their support from your parents from July 1, 2006, through June 30, 2007. Include other people only if they now live with your parents, **and** now get more than half their support from your parents, **and** will continue to get this support between July 1, 2006, and June 30, 2007. (Support includes money, gifts, loans, housing, food, clothes, car, medical and dental care, payment of college costs, etc.)

28. Always count yourself as a college student. Do not include your parents. Include other family members as college students only if they are planning to enroll at least half-time in 2006-07 in a program that leads to a degree or certificate.

30. Select the current marital status of the parents who give information on this application. For example, if your mother and stepfather give information, choose "remarried," because your mother and stepfather are married.

31. Select your parents' current state of legal residence. (If that legal residence is outside the United States, do not answer this question.) Your parents' legal residence is their fixed and permanent home. If your parents are separated or divorced, use the state of legal residence for the parent whose information is reported on this application.

32. Fill in the e-mail address at which your parents want to receive communications about the financial aid process. This e-mail address will be shared only with the colleges and programs to which you are applying.

Section H—Parents' Expenses

33. Fill in the amount of child support that your parents **paid** to a former spouse in 2005 and expect to pay in 2006 for dependent children living outside your parents' home. **Don't include** child support **received** by your parents for support of dependent children living in your parents' home.

34. Fill in the total amount of educational loan repayments that your parents made in 2005 and expect to make in 2006. Include loans obtained by your parents for their own education or for your or your siblings' education. **Don't include** loans that you or your siblings obtained for their own education and that your parents have agreed to repay.

35. You may leave this question blank if expenses are less than 3 percent of total 2005 income (taxed and untaxed reported in Section K). Fill in the amount of money your parents paid in 2005 and expect to pay in 2006 for medical and dental expenses, including insurance premiums. **Don't include** amounts covered by insurance or health insurance deductions for the self-employed from 2005 IRS Form 1040, line 29. If your parents itemized deductions on their U.S. income tax return, write in the amount from 2005 Schedule A, line 1.

36a–b. Fill in the amount of money that your parents paid in 2005 and expect to pay in 2006 for elementary, junior high, and high school **tuition** for family members who were included in question 27. (Tuition doesn't include room, board, books, transportation, etc.) **Don't include** tuition paid by scholarships. **Also, don't include** any tuition paid for the student named on this application or any tuition paid for preschool or college.

36c–d. Fill in the number of dependent children for whom the amounts listed in questions 36a and b were paid in 2005 and will be paid in 2006. **Don't include the student named on this application or any person who was not included in question 27.** Do not answer 36c and d if you entered "0" (zero) in 36a and b.

Section I—Parents' Assets

Don't leave any of these questions blank unless instructed otherwise. If a question doesn't apply to your parents, fill in "0." You must give information about parents' assets in questions 37–43. If only one parent is giving information on this application and that parent has jointly owned assets, give only that parent's portion of the assets and debts. If your parents have assets jointly owned with someone else, give only your parents' portion of the assets and debts. Be sure to include information about assets held in trust for your parents.

In questions 37–43, **don't include:**

- personal or consumer loans or any debts that are not related to the assets listed,
- the value of retirement plans (pension funds, annuities, IRAs, Keogh plans, etc.), or
- student financial aid.

Read the definitions below before completing this section of the application. If you have questions about Section 529 programs, contact your college or the appropriate agency in your state.

Section 529 programs. Many states and organizations sponsor college savings plans, which may be known as Section 529 plans. There are **two** types:

- **College savings plan.** A specialized savings account used for the beneficiary's (usually the student's or the student's siblings') college expenses. The account should be reported on the PROFILE as an asset of the owner, not the beneficiary. If the owner is the student's parent, the asset should be reported in question 39.
- **Prepaid tuition plan.** A plan that permits the buyer to purchase tuition credits or certificates that can be used for the beneficiary's college expenses. The account should be reported on the PROFILE as an asset of the owner, not the beneficiary. If the owner is the student's parent, the asset should be reported in question 38b if the beneficiary is one of the student's siblings, or in question 38c if the beneficiary is the student applying for financial aid.

37. Enter the total balance of your parents' cash, savings, and checking accounts, as of **today**. Do not enter average monthly balances.

38a. Include funds in custodial accounts, Uniform Gifts to Minors accounts, or other savings and investment accounts held in the names of your brothers and sisters who are under age 19 and not enrolled in college. Do not include funds held in Section 529 college savings or prepaid tuition plans. Include these in question 38b or 39 (see instructions below).

38b. Include funds held in Section 529 **prepaid tuition accounts** established by your parents for your brothers and sisters. Funds established in such accounts for you should be reported in question 38c. Do not include Section 529 college **savings** plans in question 38. They should be reported in question 39.

38c. Include funds in Section 529 **prepaid tuition accounts** established by your parents for you, the student. Do not include Section 529 college **savings** plans in question 38. They should be reported in question 39.

39. If your parents have investments, use the worksheet to determine how much those investments are worth today. The total is the answer to question 39. **Don't include** savings given in question 37 or assets, such as Section 529 **prepaid tuition plans**, reported in questions 38a, b, or c. Include funds held in Section 529 college **savings** plans or Coverdell savings accounts established for you and your brothers and sisters. These should not be reported as a student asset in Sections C or D. If assets held in Coverdell savings accounts are included, note this and the amount in the student's account in Section P.

Then, enter how much your parents owe on their investments.

40a–e. If your parents own a home, fill in how much the home is worth. Use the price they could reasonably expect to receive for their home if it were sold **today**. **Don't use** assessed, insured, or tax value. A "home" includes a house, mobile home, condominium, etc.

Then fill in how much your parents owe on the home, including the present mortgage and related debts on the home. **Don't include** interest due. Check with the mortgage company if you're not sure of the amount.

Next, fill in the year your parents purchased the home and the purchase price. Finally, fill in the amount paid each month for home mortgage, excluding property tax.

Renters fill in "0" for 40a and write in the amount paid each month for rent in 40e. You may leave questions 40b–d blank.

41. If your parents own a business, fill in the value **today**. Include the value of land, buildings, machinery, equipment, inventories, etc.

Then fill in what your parents owe on the business. Include only the present mortgage and related debts for which the business was used as collateral. If your parents are not the sole owners, fill in only your parents' share of the total value and debt.

42a–b. If your parents own a farm, fill in the value **today**. Include the value of land, buildings, machinery, equipment, livestock, inventories, etc. **Don't include** the home if it is part of the farm.

Then fill in what your parents owe on the farm. Include only the present mortgage and related debts for which the farm was used as collateral. If your parents are not the sole owners, fill in only your parents' share of the total value and debt.

42c. Select "Yes" if the farm is your parents' principal place of residence and your parents claimed on 2005 IRS Schedule F, line E, that they "materially participated in the farm's operation." Do not answer this question if your parents do not own a farm.

43a–d. If your parents own other real estate (including rental property, land, second or summer homes), fill in how much these assets are worth **today**.

Then fill in how much your parents owe on this real estate, the year purchased, and the purchase price. If they own more than one property, enter in Section P the year each was purchased and its purchase price.

Do not answer 43b–d if you entered "0" (zero) in 43a.

Section J—Parents' 2004 Income & Benefits

44–47. All questions in this section refer to your parents' 2004 income and benefits. For questions 44–46, use figures from a completed 2004 U.S. income tax return if one has been filed. For question 47, complete the worksheet to arrive at your answer.

Section K—Parents' 2005 Income & Benefits

All questions in this section refer to your parents' 2005 income and benefits. Answer all of these questions unless you are instructed otherwise. If a question does not apply, answer "0" (zero).

48. Select one choice to indicate which IRS form the student's parent(s) filed or will file for 2005. Use the parents' tax return, if available, to fill out questions 49–55. If they filed a 1040, but were eligible, based on their financial circumstances, to file a 1040A or 1040EZ, or filed the 1040 only to claim Hope or Lifetime Learning tax credits, and were otherwise eligible to file a 1040A or 1040EZ, use the tax-filing rules below to determine the simplest form they were eligible to file, and choose that form as the answer to this question.

If you are giving information for only one parent on this application and that parent filed (or will file) a joint tax return for 2005, give only that parent's portion of the exemptions, income, taxes paid, and itemized deductions in questions 49–55.

If the parents are married and they filed (or will file) separate tax returns for 2005, be sure to include both parents' exemptions, income, taxes paid, and itemized deductions in questions 49–55.

Tax-Filing Rules

Please note: In most cases the student's parent(s) are not eligible to file their taxes using a Form 1040EZ because the tax filer cannot claim any dependents on this form.

When must you file a Form 1040?

- If you received income from self-employment (business or farm income),
- If you had nondividend distributions required to be reported as capital gains,
- If you received income as a partner in a partnership or a shareholder in an S corporation,
- If you are a beneficiary of an estate or trust,
- If you received tax-exempt interest from certain private activity bonds,
- If you can exclude foreign earned income received as a U.S. citizen or resident alien,
- If you have an alternative minimum tax adjustment on stock acquired from exercise of an incentive stock option,
- If you had a financial account in a foreign country,
- If you received distributions from a foreign trust, or
- If you owe household employment taxes.

When can you file a Form 1040A?

- If your income is from wages, salaries, tips, interest, ordinary dividends, capital gain distributions, taxable scholarships or fellowships, pension annuities, IRAs, unemployment compensation, taxable social security, or railroad retirement benefits,
- If your only adjustments to income are deductions for educator expenses, IRA contributions, student loan interest, and tuition and fees,
- If you do not itemize deductions,
- If your taxable income is less than \$100,000,
- If you have no tax credits other than child, additional child, education, EIC (Earned Income Credit), child and dependent care expenses, elderly or disabled, adoption, and retirement savings contributions, and
- If you have no alternative minimum tax adjustment on stock acquired from exercise of an incentive stock option.

When can you file a Form 1040EZ?

- If your tax-filing status is single or married filing jointly,
- If you do not claim dependents,
- If you have no adjustments to income,
- If your only tax credit is EIC (Earned Income Credit),
- If you are under age 65,
- If your taxable income is less than \$100,000,
- If your income is only from wages, salaries, tips, taxable scholarships or fellowships, or unemployment,
- If your taxable interest is \$1,500 or less, and
- If you did not receive advance EIC payments.

49. If your parents used the 1040EZ and checked “Yes” on Form 1040EZ, line 5, use the 1040EZ worksheet to determine the number of exemptions (\$3,200 equals one exemption). If your parents checked “No,” enter “1” if your parent is single or “2” if your parents are married.

50g. Adjusted gross income (AGI) is the taxable income, before exemptions and deductions, reported on your parents’ federal tax return, found on 2005 IRS Form 1040, line 37 or Form 1040A, line 21 or Form 1040EZ, line 4.

Also, the total of questions 50a–e minus f equals the answer to question 50g (adjusted gross income).

51a. Fill in the amount of U.S. income tax paid from 2005 IRS Form 1040, line 57 or Form 1040A, line 36 or Form 1040EZ, line 10. Make sure this amount doesn’t include any FICA, self-employment, or other taxes from Form 1040. **Don’t** copy the amount of “federal income tax withheld” from a W-2 Form. Don’t enter the amount sent to the IRS owed in taxes (underpayment) for the year, or the amount received in a refund check.

51b. A family **may be eligible** to claim a Hope tax credit of up to \$1,500 for each eligible family member enrolled at least half-time in the first two years of undergraduate study, provided that the student is claimed as a dependent by the taxpayer claiming the credit. The amount of the credit is based on the qualified tuition and fee expenses paid by the taxpayer. A family may also claim a Lifetime Learning tax credit of up to \$2,000 per year for all eligible family members. A family may not claim both a Hope and a Lifetime Learning tax credit for the same student. There are restrictions about who is eligible for each tax credit. For more information, check with the Internal Revenue Service (IRS) or your tax adviser.

52. If your parents did not itemize deductions or if they filed Form 1040A or 1040EZ, fill in “0” (zero).

53–54. These questions ask for information about how much your parents earned from working including wages, salaries, and tips. Answer these questions whether or not your parents filed a tax return. This information may be on their W-2 forms or on 2005 IRS Form 1040, lines 7, 12, and 18 or 1040A, line 7 or 1040EZ, line 1.

55a. Fill in the amount of **untaxed** social security benefits (including Supplemental Security Income) that your parents received in 2005 for all family members except you, the student. (Fill in the amount your parents received for you in 55b.) **Don’t include** any benefits reported in question 50. **Don’t** give monthly amounts. Be sure to include the amounts that your parents received for your siblings.

55b. Fill in the total amount of social security benefits that your parents received for you in 2005. **Don’t** give monthly amounts. **Don’t** include any benefits reported in question 50 or 55a.

55c. Fill in the amount of Temporary Assistance for Needy Families (TANF) your parents received for 2005; **don’t** report monthly amounts. **Don’t include** food stamps or subsidized housing.

55d. Fill in the total child support your parents received for 2005; **don’t** report monthly amounts. **Don’t include** foster care or adoption payments.

55e. Enter the deductible IRA and/or SEP, SIMPLE, or Keogh payments from 2005 IRS Form 1040, total of lines 28 and 32 or Form 1040A, line 17. **Don’t** include contributions to Roth IRAs or Coverdell savings accounts.

55f. Fill in payments to tax-deferred pension and savings plans (paid directly or withheld from earnings), including but not limited to amounts reported on W-2 forms, in Boxes 12a through 12d, codes D, E, F, G, H, and S. Include untaxed payments to 401(k) and 403(b) plans.

55g. You may be eligible to take the Tuition and Fees deduction. However, there are income limits based on your marital status. In addition, you cannot take this deduction if you are claiming a Hope Scholarship or Lifetime Learning tax credit for the same student. See IRS 1040 or 1040A instructions for more detailed eligibility information.

55h. Fill in amounts withheld from wages for dependent care and medical spending accounts. These amounts are usually reported on W-2 forms.

55i. The Earned Income Credit is a tax credit for certain people who work. The credit may give you a tax refund even if you do not owe any tax. See IRS tax form instructions for detailed eligibility information.

55j. Fill in the amount of housing, food, and other living allowances paid to members of the military, clergy, and others (including cash payments and cash value of benefits).

55k. If you or your spouse received any tax-exempt interest, such as from municipal bonds, fill in the amount in question 55k. Include any exempt-interest dividends from a mutual fund or other regulated investment company. Do not include interest earned on your IRA or Coverdell education savings account.

55l. If you or your spouse qualify to exclude a limited amount of your foreign earned income from your AGI, you must complete IRS Form 2555 or 2555-EZ and report the amount on Form 2555, line 43 or Form 2555-EZ, line 18 in question 55l. See IRS instructions.

55m. Use the worksheet provided to answer this question.

Don’t include:

- any income reported elsewhere on the PROFILE,
- money from student financial aid,
- Workforce Investment Act educational benefits,
- veterans educational benefits (GI Bill, Dependents Educational Assistance Program, VA Vocational Rehabilitation Program, VEAP Benefits, etc.), or
- gifts and support, other than money, received from friends or relatives.

Section L—Parents’ 2006 Expected Income & Benefits

In this section, report the amount of income and benefits your parents expect to receive during 2006. Explain in Section P any unusual increases or decreases.

56–57. Include wages, salaries, and tips.

58. Fill in the total amount of other taxable income that your parents will report on their 2006 IRS Form 1040, 1040A, or 1040EZ. Include interest and dividend income and any other taxable income. **Don’t include** any income reported in questions 56 and 57.

59. Report all untaxed income and benefits you expect to receive in 2006 including social security benefits; Temporary Assistance to Needy Families (TANF); child support; Earned Income Credit; deductible IRA, SEP, SIMPLE, and Keogh payments; payments to tax-deferred plans; tuition and fees deduction, amounts withheld for dependent care and medical spending accounts; Earned Income Credit (EIC); living allowances; tax exempt interest income; foreign income exclusion; untaxed portions of IRA distributions and pensions, excluding “rollovers”; additional child tax credit; veterans noneducational benefits; Workers’ Compensation; cash received, Black Lung Benefits; Refugee Assistance; credit for federal tax on special fuels; untaxed portions of railroad retirement benefits; and any other untaxed income and benefits.

These are the same items you should report for 2005 in Section K, questions 55a–m. For more details, see questions 55a–m and the worksheet for question 55m.

Section M—Dependent Family Member Listing

60. Be sure to complete all parts of this question, giving the information asked for about each family member reported in question 1 or 27 except the student's parents, who give information in Section N.

If there are more than eight family members (including the student and parents), list first those who will be in school or college at least half-time. List the others in Section P. If information is reported in both 2 and 27, give information first about the members of the parents' household, followed by information about members of the student's household. **Be sure to include the age and relationship code for each family member.** In the 2005-06 school year section, enter the name of each school for each family member attending school, including a private preschool, a public or private elementary or secondary school, or a college or graduate school.

When completing the 2005-06 Parent's Contribution Field, give the best estimate of the amount of money you paid or will pay toward 2005-06 school or college expenses, including tuition and fees, books and supplies, room and board, transportation, and personal expenses. Don't include amounts you plan to withdraw from Section 529 prepaid tuition plans.

In the 2006-07 College or University Type box, choose the type of college or university each family member will attend from the drop-down list.

Section N—Parents' Information

This section is to be filled out by the custodial parent(s) (the parents completing this application).

If your biological or adoptive parents are divorced, separated, or were never married to each other, only give information about the parent with whom you live or get the majority of your support (your custodial parent). This is the parent who should give his or her information throughout this application. Information **about** your other biological or adoptive parent (the noncustodial parent) should be given, by your custodial parent, in Section O—Information About Noncustodial Parent.

If the parent with whom you live has remarried, give information for the stepparent as well as the parent. If one of your parents is deceased and the parent with whom you live has not remarried, select "Father deceased" or "Mother deceased" in question 62a and then skip questions 62b–62j.

Section O—Information About Noncustodial Parent

This section collects information about your noncustodial parent. It is to be filled out by the custodial parent (the parent who is completing this application) if your biological or adoptive parents are divorced or separated or were never married to each other, even if one or both have remarried. If information about the noncustodial parent is unavailable, explain why in Section P.

Section P—Explanations/Special Circumstances

Use this space to explain any unusual expenses. Also, explain special circumstances that may affect your or your family's ability to pay college expenses, such as loss of employment, serious illness, or natural disaster.

You may also be asked to explain answers to Supplemental Information (Section Q questions), if included, in this space. If space is inadequate, provide the requested information directly to your schools and programs. Include the student's name and social security number on all correspondence.

Section Q—Supplemental Information

Section Q, if included, contains additional questions required by one or more of your colleges and programs. At the end of the section is a list of the colleges and programs that requested them and the question codes each requested. We will report the answers to the questions in this section only to the colleges and programs that requested them. Any specific questions about how these questions should be answered, or the way this information will be used, should be directed to the college or program requesting this information.