

# File a Tax Return

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Identify the information you need to complete your tax return

Demonstrate an ability to complete a Form 1040 EZ

# Tax Return

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- A set of forms that taxpayers use to calculate their tax obligation
  - May owe taxes
  - May receive a refund





# You Are Responsible

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- You are responsible for the accuracy of your return
  - If you hire someone to fill out the forms for you
  - If you do it yourself



# Income

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- Must include types of qualifying income
  - Wages, salary
  - Tips
  - Interest
  - Other
  - Taxable Income for Students-IRS

# Sources of Information for your Tax Return

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## □ Form W-2

- Summary of your earnings and withholdings for the previous year
- Must receive from employer by January 31
- Must enclose a copy with your tax return
- Employer sends copy to IRS

# Sample Form W-2

a Control number <b>22222</b>		Void <input type="checkbox"/>		For Official Use Only ► OMB No. 1545-0008		
b Employer identification number <b>94-18643</b>		1 Wages, tips, other compensation <b>525.00</b>		2 Federal income tax withheld <b>57.80</b>		
c Employer's name, address, and ZIP code <b>The Video Store, Inc. 494 Main Street Hometown, ST 12345</b>		3 Social security wages <b>525.00</b>		4 Social security tax withheld <b>32.55</b>		
		5 Medicare wages and tips <b>525.00</b>		6 Medicare tax withheld <b>7.61</b>		
		7 Social security tips		8 Allocated tips		
d Employee's social security number <b>127-83-4545</b>		9 Advance EIC payment		10 Dependent care benefits		
e Employee's name (first, middle initial, last)  <b>Kelly A. O'Rourke 188 Oak Street Hometown, ST 12345</b>		11 Nonqualified plans		12 Benefits included in box 1		
		13 See instrs. for box 13		14 Other		
		15 Statutory employee <input type="checkbox"/>		Deceased <input type="checkbox"/>	Pension plan <input type="checkbox"/>	Legal rep. <input type="checkbox"/>
f Employee's address and ZIP code						
16 State <b>ST</b>	Employer's state I.D. no. <b>94-18643</b>	17 State wages, tips, etc. <b>525.00</b>	18 State income tax <b>2.10</b>	19 Locality name	20 Local wages, tips, etc.	21 Local income tax

Form **W-2** Wage and Tax Statement **20--**

Copy A For Social Security Administration—Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

Department of the Treasury—Internal Revenue Service

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 10134D



# Form 1099-INT

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- ❑ Statement of the interest your bank paid on your savings during previous year
- ❑ Banks sends copy to IRS



# Other Forms

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- You may receive other forms reporting your income depending on personal circumstances
  - 1099-MISC
  - Gambling
  - Dividends
  - Others





# Income Tax Forms

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- ❑ 1040EZ
- ❑ 1040A
- ❑ 1040
  - All available at public locations
    - ❑ libraries/banks/community centers
    - ❑ [IRS.gov](https://www.irs.gov)



# 1040EZ

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- ❑ Most young people can use this form if
  - Single, married filing jointly
  - No dependents
  - Under age 65
  - Taxable income less than \$100,000
  - Interest earned under \$1500
  - No income other than
    - ❑ Wages, interest, tips, scholarship, unemployment



# Other Forms

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- 1040A

- 1040

- When you are older/circumstances more complex
- Allows you to itemize deductions
  - Deductions are expenses you can legally subtract from your income before calculating taxes owed



# Which Form Do I Use?

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- ❑ Look in Instructions
- ❑ Check Online
- ❑ <http://www.irs.gov/taxtopics/tc352.html>



# How to Complete a Form 1040EZ

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- ❑ Gather information sources
  - W-2, 1099INT, etc.
- ❑ Download Form from [irs.gov](https://www.irs.gov)
- ❑ Access instruction from [irs.gov](https://www.irs.gov)
- ❑ Follow instructions
  - Copy sample p. 165

# Sample 1040-EZ

Department of the Treasury-Internal Revenue Service		Income Tax Return for Single and Joint Filers With No Dependents (99) 20- -		OMB No. 1545-0675	
Your first name and initial <b>JAMES</b>		Last name <b>LIN</b>		Your social security number <b>1 2 3 3 2 1 2 3 4</b>	
If a joint return, spouse's first name and initial		Last name		Spouse's social security number	
Home address (number and street). If you have a P.O. box, see page 7.		Apt. no.			
<b>101 OAK STREET</b>					
City, town or post office, state, and ZIP code. If you have a foreign address, see page 7.					
<b>HOMETOWN, IL 12345</b>					
Note: Checking "Yes" will not change your tax or reduce your refund.				▲ IMPORTANT! ▲	
Do you want \$3 to go to this fund? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				You must enter your SSN(s) above.	
If a joint return, does your spouse want \$3 to go to this fund? <input type="checkbox"/> Yes <input type="checkbox"/> No					
1 Total wages, salaries, and tips. This should be shown in box 1 of your W-2 form(s). Attach your W-2 form(s).				Dollars Cents	
1				<b>34</b> , <b>373</b> . <b>00</b>	
2 Taxable interest income. If the total is over \$400, you cannot use Form 1040EZ.				<b>200</b> . <b>00</b>	
2					
3 Unemployment compensation (see page 8).					
3					
4 Add lines 1, 2, and 3. This is your <b>adjusted gross income</b> . If under \$10,030, see page 9 to find out if you can claim the earned income credit on line 8a.				<b>34</b> , <b>573</b> . <b>00</b>	
4					
5 Can your parents (or someone else) claim you on their return?				<b>6</b> , <b>950</b> . <b>00</b>	
Yes. Enter amount from worksheet <input type="checkbox"/> No. If single, enter 6,950.00. If married, enter 12,500.00. See back for explanation. <input checked="" type="checkbox"/>				5	
6 Subtract line 5 from line 4. If line 5 is larger than line 4, enter 0. This is your <b>taxable income</b> .				<b>27</b> , <b>623</b> . <b>00</b>	
6				<b>4</b> , <b>526</b> . <b>00</b>	
7 Enter your Federal income tax withheld from box 2 of your W-2 form(s).				<b>4</b> , <b>526</b> . <b>00</b>	
7					
8a <b>Earned income credit</b> (see page 9).					
b Nontaxable earned income: enter type and amount below.					
Type				8a	
9 Add lines 7 and 8a. These are your <b>total payments</b> .				<b>4</b> , <b>526</b> . <b>00</b>	
9				<b>4</b> , <b>140</b> . <b>00</b>	
10 <b>Tax</b> . Use the amount on line 6 above to find your tax in the tax table on pages 20-24 of the booklet. Then, enter the tax from the table on this line.				<b>0</b> , <b>06</b> . <b>00</b>	
10					
11a If line 9 is larger than line 10, subtract line 10 from line 9. This is your <b>refund</b> .				11a	
b Routing number					
c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings <input checked="" type="checkbox"/> Direct deposit					
d Account number					
12 If line 10 is larger than line 9, subtract line 9 from line 10. This is the <b>amount you owe</b> . See page 14 for details on how to pay.				12	
This return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is correct, and accurately lists all amounts and sources of income I received during the tax year.					
Your signature <b>James Lin</b>				Spouse's signature if joint return. See page 7.	
Date <b>4/14/11</b>				Date	
Your occupation <b>SALES</b>				Spouse's occupation	



# How to Complete a Form 1040EZ

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## ☐ Identify Yourself

- Name/address/phone number

- Social Security Number

- ☐ Unique number government uses to identify you as a taxpayer and keep track of your earnings and tax records throughout your life.



# How to Complete a Form 1040EZ

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- ☐ Presidential Campaign Fund
  - ☐ Check Yes or No
    - ☐ Does not increase or decrease your tax liability or refund





# How to Complete a Form 1040EZ

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- ☐ Line 1: Income
  - Wages, salaries, tips
    - ☐ Add together if more than one source
    - ☐ Enter total on line 1



# How to Complete a Form 1040EZ

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- ❑ Line 2: Taxable Interest Income
  - Amount from 1099-INT
    - ❑ Add together if more than one source
    - ❑ Enter total on line 1
  
- ❑ Line 3: Unemployment Compensation
  - Taxable if received



# How to Complete a Form 1040EZ

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- Line 4: Adjusted Gross Income
  - Your total income before subtracting any deductions or exemptions
  - Add lines 1, 2, 3



# How to Complete a Form 1040EZ

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- Line 5: Determine Your Standard Deduction
  - Standard Deduction is an amount you may subtract from adjusted gross income
    - Depends on if your parents can claim you
      - You can't claim yourself if your parents do
      - Cannot be claimed twice
      - Calculate worksheet if parents claim you
    - If parents cannot claim you, enter amount on form



# How to Complete a Form 1040EZ

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- Line 6: Taxable Income
  - Amount of income used to determine your Tax Liability
  - Subtract Standard Deduction from Adjusted Gross Income
    - Subtract Line 5 from Line 4



# How to Complete a Form 1040EZ

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- ❑ Line 7: Federal Income Tax Withheld
  - Enter the amount of federal income tax withheld from your paychecks
    - ❑ Box 2 of Form W-2
    - ❑ Add together if more than one form W-2
- ❑ Line 8: Earned Income Credit
  - Varies--follow instructions if qualify/based on income
- ❑ Line 9: Add lines 7 & 8 for total payments



# How to Complete a Form 1040EZ

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## ☐ Line 10: Tax

- Use amount on line 6 (taxable income) to look up amount of tax owed in instruction booklet.
- This is the actual amount of tax you will owe for the previous year
  - ☐ Look at “at least” and “but less than”
  - ☐ Look to see amount if married filing jointly or single

# How to Complete a Form 1040EZ

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## □ Line 11: Refund

- If line 9 is larger than line 10, subtract line 10 from line 9, this is your refund.
  - Fill in info for electronic deposit for faster refund

## □ Line 12: Amount you Owe

- If line 10 is larger than line 9, subtract line 9 from line 10, this is the amount you owe





# How to Complete a Form 1040EZ

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## ☐ Signature

- Sign your return
- Fill in the date
- Occupation
- Signature is your declaration that the information on the form is true
  - ☐ Under penalty of perjury



# Check for Accuracy

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- ❑ Always double-check your form for accuracy before sending in
- ❑ You may be penalized/fined if incorrect
- ❑ You may receive a lower refund if incorrect

# Submit to IRS

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- ❑ Send in the mail to address in instructions
- ❑ Send check if you owe money
  - Put SS# and year of return on check memo
- ❑ Include correct copy of Forms W-2(s) and 1099-INT
- ❑ Keep copy for your records



# Submit to IRS

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- E-File
  - Can submit electronically
  - Can pay electronically
  - Becoming common way to file
  - Deadlines still apply



# April 15

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- April 15 of the following year is the deadline for submitting returns
  - Example: April 15, 2010 is deadline for 2009 return
  - Must be postmarked/submitted electronically by that date
  - Can file for extension—penalties will apply



# Complete Income Tax Forms

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- Students will be required to
  - Complete a Form 1040EZ
  - Complete a Form 1040A
  - Handout available from instructor