



Larry learned his lesson about automated teller machines the hard way. He still remembers the Saturday afternoon when he took so much cash from half a dozen different ATMs around town that he had to rush to the bank on Monday to put some of the money back in. He even had to borrow \$100 from his mother to cover some of the checks that he had already written on his checking account. Since that weekend, he has been working to pay her back. She has hired him to do everything from mowing the lawn to doing the laundry.

Larry also has an outside job as a clerk at a sporting goods store. When he received his W-2 form in January, Larry was amazed that his earnings had been so high. But where had all that money gone? He knew that he had spent

quite a lot on his car. Then, of course, he and Lorrie Anne had gone out most weekends. Larry had bought a few gifts for her, too. Even as he was spending most of his paycheck, Larry knew that he was supposed to be saving for college.

With all of his failure to control his spending, Larry has one consolation; the income taxes on his earnings have been withheld throughout the year. He would certainly be in debt to his mother if he had to borrow \$309 to pay the taxes. As it is, Larry will actually get a refund. All he has to do now is fill out the proper form. Larry isn't sure which form to use, the 1040EZ or the 1040A. He wonders whether his choice of a form will affect the time he will have to wait for his refund.

OBJECTIVES: *In this lesson, we will help Larry and his parents to:*

- Choose one of the two forms 1040EZ or 1040A.
- Fill out Form 1040EZ for Larry.
- Fill out Form 1040A for Larry's parents.

WHICH FORM IS THE RIGHT ONE?

Larry would like to have his refund as soon as possible. For one thing, he has not saved very much of the income from his job to use at college next year. He imagines that if he puts his tax refund into a savings account, his mother will notice that he is at least making an effort to save! On the other hand, he really could use a jacket to go with the new skis that he just bought.



Larry knows that the IRS will not send his refund at all if he does not send in a properly completed form. The question is, which form? He can choose from the regular 1040, the 1040A, or the 1040EZ. Larry hopes that he can use the 1040EZ, since it sounds “E-Z” to fill out.

Form 1040EZ As Larry will see when he reads the instructions, if he uses **Form 1040EZ**, he must meet all the following requirements:

1. His filing status is “single.”
2. He does not claim any dependents.

3. He was under 65 for the entire year and not blind at the end of the year.
4. His taxable income was less than \$50,000.
5. His income included only wages, salaries, tips, taxable scholarship or fellowship grants, and taxable interest of \$400 or less.
6. He did not receive any advance earned-income credit payments.
7. He was not a nonresident alien at any time during the year.
8. His wages were not over \$55,000 if he had more than one employer.

If he does not meet these requirements, he must use Form 1040 if he has deductions to itemize (see Lesson 9-3) or Form 1040A if he has none.

Form 1040A If Larry chooses Form 1040A, he can still get his refund. The **Form 1040A** is longer and more complex than Form 1040EZ because it can be used by people who have a more complicated tax situation. It is the form that his parents will use. To use it, you must know a little more about *exemptions, dependents, and deductions*.

The filer is the person whose name first appears at the beginning of a joint return. For a nonjoint return, it is the only person whose name appears at the beginning of the return. The IRS allows you to subtract \$2300 from your gross income for each exemption that you can claim. An **exemption** may normally be claimed for each family member, including the filer. However, except for the filer's spouse, a family member may be counted as an exemption only if he/she meets the IRS's tests for being a **dependent**. If you are a dependent of your parents (or of someone else), then you cannot claim an exemption for yourself.

The qualifications for being a dependent are fairly complicated. For a complete account of the rules, you should obtain an IRS publication such as *Your Federal Income Tax, for Individuals* (Publication 17). (All IRS publications are free.) However, the basic requirements, all of which must be satisfied, are that a dependent must:

- Be a relative of the filer or a member of the filer's household
- Be a citizen or resident of the United States
- Have a gross income (before adjustments) of less than \$2300 unless he or she is under 19 and is a child of the filer, or unless he or she is under 24 and qualifies as a student and is a child of the filer
- Have received more than half of his or her support from the filer

Every person filing a return may subtract a number called a **deduction**. People with expenses such as large medical bills, mortgage interest, and charitable gifts may be able to list, or itemize, these expenses and subtract them from their income as **itemized deductions** on Schedule 1040, as described in Lesson 9-3. The IRS allows every filer to choose the larger of his

or her itemized deductions or a fixed number called a **standard deduction**. Most people choose the standard deduction, since it is usually larger than the itemized deduction.

People who use Form 1040A can find the standard deduction that they are allowed by referring to the standard deduction charts in the booklet that accompanies the form. They contain the same information as shown in the following charts, which have been adapted from IRS Publication 17.

Standard Deduction Tables

Standard Deduction Chart for Most People*

If Your Filing Status is:	Your Standard Deduction is:
Single	\$3,600
Married filing joint return or Qualifying widow(er) with dependent child	6,000
Married filing separate return	3,000
Head of household	5,250

* DO NOT use this chart if you were 65 or older or blind, OR if someone can claim you as a dependent.

Standard Deduction Chart for People Age 65 or Older or Blind*

Check the correct number of boxes below. Then go to the chart.

You 65 or older Blind

Your spouse, if
claiming spouse's
exemption 65 or older Blind

Total number of boxes you checked

If Your Filing Status is:	And the Number in the Box Above is:	Your Standard Deduction is:
Single	1	\$4,500
	2	5,400
Married filing joint return or Qualifying widow(er) with dependent child	1	6,700
	2	7,400
	3	8,100
	4	8,800
Married filing separate return	1	3,700
	2	4,400
	3	5,100
	4	5,800
Head of household	1	6,150
	2	7,050

* If someone can claim you as a dependent, use the worksheet in Table 20-3, instead.

Caution: If you are married filing a separate return and your spouse itemizes deductions, or if you are a dual-status alien, you cannot take the standard deduction even if you were 65 or older or blind.

Standard Deduction Worksheet for Dependents*

If you were 65 or older or blind, check the correct number of boxes below. Then go to the worksheet.	
You	65 or older <input type="checkbox"/> Blind <input type="checkbox"/>
Your spouse, if claiming spouse's exemption	65 or older <input type="checkbox"/> Blind <input type="checkbox"/>
Total number of boxes you checked <input type="checkbox"/>	
1. Enter your earned income (defined below). If none, go on to line 3	1. _____
2. Minimum amount	2. \$600
3. Compare the amounts on lines 1 and 2. Enter the larger of the two amounts here	3. _____
4. Enter on line 4 the amount shown below for your filing status. <ul style="list-style-type: none"> • Single, enter \$3,600 • Married filing separate return, enter \$3,000 • Married filing jointly or Qualifying widow(er) with dependent child, enter \$6,000 • Head of household, enter \$5,250 	4. _____
5. Standard deduction.	
a. Compare the amounts on lines 3 and 4. Enter the smaller of the two amounts here. If under 65 and not blind, stop here. This is your standard deduction. Otherwise, go on to line 5b	5a. _____
b. If 65 or older or blind, multiply \$900 (\$700 if married or qualifying widow(er) with dependent child) by the number in the box above. Enter the result	5b. _____
c. Add lines 5a and 5b. This is your standard deduction for 1992.	5c. _____
Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income.	

* Use this worksheet ONLY if someone can claim you as a dependent.

Ask Yourself

1. What is the maximum taxable income that a person may have and still be allowed to use Form 1040EZ?
2. What basic requirements must a person meet to be claimed as a dependent?
3. What kinds of income besides salaries must be reported on federal tax forms?

ALGEBRA REVIEW

Graph the function described by the given function rule.

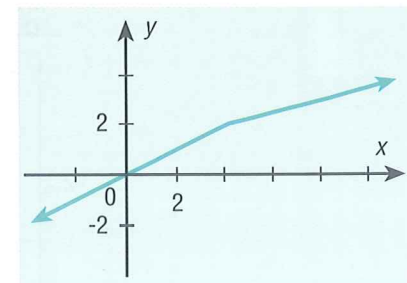
Example $y = 0.50x$ if $x < 4$
 $y = 1 + 0.25x$ if $x \geq 4$

Solution

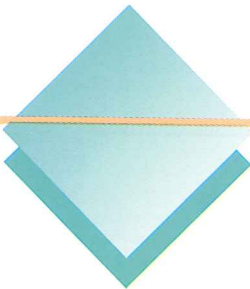
Make a table of ordered pairs.

Then graph.

x	-2	0	1	2	3	4	5	6	8
y	-1	0	0.50	1	1.5	2	2.25	2.5	3



1. $y = 0.3x$ for all x
2. $y = 0.3x$ if $x < 0$
 $y = x$ if $x \geq 0$
3. $y = x$ if $x < 2$
 $y = 2x - 2$ if $x \geq 2$
4. $y = -1$ if $x < 0$
 $y = x^2 - 1$ if $x \geq 0$
5. $y = -x$ if $x \leq -1$
 $y = x + 2$ if $-1 < x \leq 3$
 $y = 2x - 1$ if $x > 3$
6. $y = 0.2x$ if $0 \leq x \leq 10$
 $y = 2 + 0.5(x - 10)$ if $10 < x \leq 16$
 $y = 5 + 0.8(x - 16)$ if $16 > x$



SHARPEN YOUR SKILLS

SKILL 1

EXAMPLE 1 Larry meets the requirements for using Form 1040EZ.

QUESTION How will he fill out the form to determine the tax he owes?

SOLUTION

Larry completed the form as shown on page 426. He used the Tax Table and the instructions on the back of the form. Then he followed these steps.

Step 1 Larry filled in his name, address, and Social Security number.

Step 2 Larry reported all of his wages on line 1 and the interest from his savings account on line 2. He then added lines 1 and 2 to get his **adjusted gross income** on line 3.

Step 3 Larry used a worksheet to enter “Yes” and “3600” on line 4 of the form. The worksheet is shown below.

Standard Deduction Worksheet for Dependents*

If you were 65 or older or blind, check the correct number of boxes below. Then go to the worksheet. You 65 or older <input type="checkbox"/> Blind <input type="checkbox"/> Your spouse, if claiming spouse's exemption 65 or older <input type="checkbox"/> Blind <input type="checkbox"/> Total number of boxes you checked <input type="checkbox"/>	
1. Enter your earned income (defined below). If none, go on to line 3	1. <u>5,460</u>
2. Minimum amount	2. \$600
3. Compare the amounts on lines 1 and 2. Enter the larger of the two amounts here	3. <u>5,460</u>
4. Enter on line 4 the amount shown below for your filing status. <ul style="list-style-type: none"> • Single, enter \$3,600 • Married filing separate return, enter \$3,000 • Married filing jointly or Qualifying widow(er) with dependent child, enter \$6,000 • Head of household, enter \$5,250 	4. <u>3,600</u>
5. Standard deduction. a. Compare the amounts on lines 3 and 4. Enter the smaller of the two amounts here. If under 65 and not blind, stop here. This is your standard deduction. Otherwise, go on to line 5b b. If 65 or older or blind, multiply \$900 (\$700 if married or qualifying widow(er) with dependent child) by the number in the box above. Enter the result c. Add lines 5a and 5b. This is your standard deduction for 1992.	5a. <u>3,600</u> 5b. _____ 5c. _____
Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income.	

* Use this worksheet ONLY if someone can claim you as a dependent.

He then subtracted line 4 from line 3 to get line 5, his **taxable income**.

Step 4 On line 6, Larry entered the federal income tax withheld shown on his W-2 form. Then, to find his tax on line 7, Larry first found the portion of the Tax Table shown on page 411 of Lesson 9–1. Since his taxable income was between \$2,050 and \$2,075, he selected the tax that he found to the right of these numbers under the column headed “Single.” He entered this tax, \$309, on line 7 of the form.

Step 5 Since the tax is less than the \$478 that was withheld from his paycheck, Larry was entitled to a refund. He subtracted line 7 from line 6: $478 - 309$, or 169. His refund was \$169.

To verify his work, Larry used the checklist on the back of Form 1040EZ. The checklist is similar to the following.

Checklist for Form 1040EZ

1. Did you check your computations (additions, subtractions, and so on), especially when calculating your taxable income, federal income tax withheld, and your refund or the amount you owe?
2. Did you check the “Yes” box on line 4 if your parents (or someone else) can claim you as a dependent on their return, even if they chose not to claim you? If no one can claim you as a dependent, did you check the “No” box?
3. Did you enter an amount on line 4? If you checked the “Yes” box on line 4, did you fill in the worksheet to figure the amount to enter? If you checked the “No” box, did you enter 5,900?
4. Did you use the amount from line 5 to find your tax in the Tax Table? Did you enter the correct tax on line 7?
5. If you didn’t get a label, did you enter your name, address (including ZIP Code), and Social Security number in the spaces provided on Form 1040EZ?
6. If you got a label, does it show your correct name, address, and Social Security number? If not, did you enter the correct information?
7. Did you attach your W-2 form(s) to the left margin of your return? And did you sign and date Form 1040EZ and enter your occupation?

Notice that Larry used whole dollar amounts when filling out his income tax return. In Example 2, Larry’s parents use dollars and cents when filling out their income tax return. The IRS allows you to round to the nearest dollar, if you prefer.

**Name &
address**

Use the IRS label (see page 10). If you don't have one, please print.

L A B E L H E R E	Print your name (first, initial, last) LARRY L. LENDER	
	Home address (number and street). If you have a P.O. box, see page 10. 1040 LESSON ST.	Apt. no.
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 10. OMAHA, INDIANA 45533	

Please see instructions on the back. Also, see the Form 1040EZ booklet.

Presidential Election Campaign (See page 10.) Note: Checking "Yes" will not change your tax or reduce your refund.
Do you want \$1 to go to this fund? **Yes** **No**

Please print your numbers like this:

9 8 7 6 5 4 3 2 1 0

Your social security number

3 4 5 4 5 6 7 8 9

**Report
your
income**

Attach Copy B of Form(s) W-2 here. Attach tax payment on top of Form(s) W-2.

Note: You must check Yes or No.

- 1 Total wages, salaries, and tips. This should be shown in box 10 of your W-2 form(s). Attach your W-2 form(s). 1
- 2 Taxable interest income of \$400 or less. If the total is more than \$400, you cannot use Form 1040EZ. 2
- 3 Add lines 1 and 2. This is your **adjusted gross income**. 3
- 4 Can your parents (or someone else) claim you on their return?
 Yes. Do worksheet on back; enter amount from line E here.
 No. Enter 5,900.00. This is the total of your standard deduction and personal exemption. 4
- 5 Subtract line 4 from line 3. If line 4 is larger than line 3, enter 0. This is your **taxable income**. 5

**Figure
your
tax**

- 6 Enter your Federal income tax withheld from box 9 of your W-2 form(s). 6
- 7 **Tax.** Look at line 5 above. Use the amount on line 5 to find your tax in the tax table on pages 22-24 of the booklet. Then, enter the tax from the table on this line. 7

**Refund
or
amount
you
owe**

- 8 If line 6 is larger than line 7, subtract line 7 from line 6. This is your **refund**. 8
- 9 If line 7 is larger than line 6, subtract line 6 from line 7. This is the **amount you owe**. Attach your payment for full amount payable to the "Internal Revenue Service." Write your name, address, social security number, daytime phone number, and "1992 Form 1040EZ" on it. 9

**Sign
your
return**

Keep a copy of this form for your records.

I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is true, correct, and complete.

Your signature X Larry Lender	Date 4-12--
Your occupation	

Dollars Cents

5 460 00

200 00

5 660 00

3 600 00

2 060 00

478 00

309 00

169 00

For IRS Use Only — Please do not write in boxes below.

EXAMPLE 2 Larry's parents must complete the more complicated Form 1040A.

QUESTION What steps must they take to complete the form?

SOLUTION

The Lenders' completed Form 1040A appears on pages 428–429. An explanation of some of the lines follows.

- Step 1* The Lenders have filled in their names, address, and Social Security numbers.
- Step 2* Mr. and Mrs. Lender are married filing a joint return.
- Step 3* On lines 6a and 6b the Lenders claim three exemptions, one for each of them, and one for Larry. On line 6c Larry is claimed as a dependent.
- Step 4* Line 7 is the total of Mr. and Mrs. Lender's income from their salaries. These two amounts were shown on their W-2 forms:

Mr. Lender earned \$17,600.

Mrs. Lender earned \$31,000.

Line 8a shows the interest income received on a savings account that they have at their credit union.

Lines 8b, 9, 10, 11, 12, and 13 are left blank. If the Lenders had received any dividends from stock or money-market investments, they would have included these payments on line 9.

Line 14, the **total income**, is the sum of lines 7, 8a, and 9–13.

- Step 5* Since the Lenders have no IRA deduction, line 15 is left blank. For the Lenders, line 16, the **adjusted gross income**, is the same as line 14.

- Step 6* Line 17 at the top of page 2 of the form is the same as line 16. None of lines 18a, 18b, or 18c applies to the Lenders, so they are left blank. Line 19, the **standard deduction**, is \$6,000, since the Lenders are married and filing jointly.

Line 20 is the adjusted gross income reduced by the standard deduction.

In line 21 the Lenders multiply \$2,300 by 3, the number of exemptions, to get their total exemption allowance of \$6,900.

After subtracting their exemptions from line 20, the Lenders arrive at their **taxable income** in line 22.

- Step 7* The Lenders find their tax on lines 23 and 27 by using the Tax Table in the Reference Section.

Lines 24, 25, and 26 are left blank.

On lines 28a and 28d the Lenders write the sum of the amounts shown as withheld on their two W-2 forms. This is their **total payment**.

Lines 28b and 28c are left blank.

- Step 8* The Lenders complete the form by subtracting their total tax (line 27) from their total payments (line 28d) to get line 30, the amount of their **refund**, \$1,783.80. They both sign and date the form and mail it to the IRS.

Label (See page 14.)

Use the IRS label. Otherwise, please print or type.

LABEL HERE	Your first name and initial MATHAN S. LEENDER		Last name LEENDER		
	If a joint return, spouse's first name and initial MAUREEN T. LEENDER		Last name LEENDER		
	Home address (number and street). If you have a P.O. box, see page 15. 1040 LESSON ST.			Apt. no.	
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 15. OMAHA, INDIANA 45533				

OMB No. 1545-0085

Your social security number
432:12:7777
Spouse's social security number
459:38:4141

For Privacy Act and Paperwork Reduction Act Notice, see page 4.

Note: Checking "Yes" will not change your tax or reduce your refund.

Presidential Election Campaign Fund (See page 15.)

Do you want \$1 to go to this fund?
If a joint return, does your spouse want \$1 to go to this fund?

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Check the box for your filing status

(See page 15.)

Check only one box.

- 1 Single
- 2 Married filing joint return (even if only one had income)
- 3 Married filing separate return. Enter spouse's social security number above and full name here. ▶ _____
- 4 Head of household (with qualifying person). (See page 16.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ _____
- 5 Qualifying widow(er) with dependent child (year spouse died ▶ 19 ____). (See page 17.)

Figure your exemptions

(See page 18.)

If more than seven dependents, see page 21.

6a Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a. But be sure to check the box on line 18b on page 2.

b Spouse

c Dependents:

(1) Name (first, initial, and last name)	(2) Check if under age 1	(3) If age 1 or older, dependent's social security number	(4) Dependent's relationship to you	(5) No. of months lived in your home in 1992
LARRY L. LEENDER		345:45:6789	SON	12

No. of boxes checked on 6a and 6b **2**

No. of your children on 6c who:
• lived with you **1**
• didn't live with you due to divorce or separation (see page 21)

No. of other dependents on 6c
Add numbers entered on lines above **3**

d If your child didn't live with you but is claimed as your dependent under a pre-1985 agreement, check here
e Total number of exemptions claimed. ▶

Figure your total income

Attach Copy B of your Forms W-2 and 1099-R here.

If you didn't get a W-2, see page 22.

Attach check or money order on top of any Forms W-2 or 1099-R.

7 Wages, salaries, tips, etc. This should be shown in box 10 of your W-2 form(s). Attach Form(s) W-2.	7	48,600	00
8a Taxable interest income (see page 24). If over \$400, also complete and attach Schedule 1, Part I.	8a	300	00
b Tax-exempt interest. DO NOT include on line 8a.	8b		
9 Dividends. If over \$400, also complete and attach Schedule 1, Part II.	9		
10a Total IRA distributions.	10a		
10b Taxable amount (see page 25).	10b		
11a Total pensions and annuities.	11a		
11b Taxable amount (see page 25).	11b		
12 Unemployment compensation (see page 29).	12		
13a Social security benefits.	13a		
13b Taxable amount (see page 29).	13b		
14 Add lines 7 through 13b (far right column). This is your total income.	14	48,900	00

Figure your adjusted gross income

15a Your IRA deduction from applicable worksheet.	15a		
b Spouse's IRA deduction from applicable worksheet. Note: Rules for IRAs begin on page 31.	15b		
c Add lines 15a and 15b. These are your total adjustments.	15c		
16 Subtract line 15c from line 14. This is your adjusted gross income. If less than \$22,370, see "Earned income credit" on page 39.	16	48,900	00

Name(s) shown on page 1

Your social security number

432:12:7777

Figure your standard deduction, exemption amount, and taxable income

17	Enter the amount from line 16.	17	48,900	00
18a	Check if: <input type="checkbox"/> You were 65 or older <input type="checkbox"/> Spouse was 65 or older <input type="checkbox"/> Blind <input type="checkbox"/> Blind	Enter number of boxes checked ▶ 18a	<input type="checkbox"/>	
b	If your parent (or someone else) can claim you as a dependent, check here.	▶ 18b	<input type="checkbox"/>	
c	If you are married filing separately and your spouse files Form 1040 and itemizes deductions, see page 35 and check here.	▶ 18c	<input type="checkbox"/>	
19	Enter the standard deduction shown below for your filing status. But if you checked any box on line 18a or b, go to page 35 to find your standard deduction. If you checked box 18c, enter -0-.			
	• Single—\$3,600 • Head of household—\$5,250			
	• Married filing jointly or Qualifying widow(er)—\$6,000			
	• Married filing separately—\$3,000	19	6,000	00
20	Subtract line 19 from line 17. (If line 19 is more than line 17, enter -0-.)	20	42,900	00
21	Multiply \$2,300 by the total number of exemptions claimed on line 6e.	21	6,900	00
22	Subtract line 21 from line 20. (If line 21 is more than line 20, enter -0-.) This is your taxable income .	▶ 22	36,000	00

Figure your tax, credits, and payments

If you want the IRS to figure your tax, see the instructions for line 22 on page 36.

23	Find the tax on the amount on line 22. Check if from: <input checked="" type="checkbox"/> Tax Table (pages 48-53) or <input type="checkbox"/> Form 8615 (see page 37).	23	5,433	00
24a	Credit for child and dependent care expenses. Complete and attach Schedule 2.	24a		
b	Credit for the elderly or the disabled. Complete and attach Schedule 3.	24b		
c	Add lines 24a and 24b. These are your total credits .	24c		
25	Subtract line 24c from line 23. (If line 24c is more than line 23, enter -0-.)	25		
26	Advance earned income credit payments from Form W-2.	26		
27	Add lines 25 and 26. This is your total tax .	▶ 27	5,433	00
28a	Total Federal income tax withheld. If any tax is from Form(s) 1099, check here. ▶ <input type="checkbox"/>	28a	7,216	80
b	1992 estimated tax payments and amount applied from 1991 return.	28b		
c	Earned income credit. Complete and attach Schedule EIC.	28c		
d	Add lines 28a, 28b, and 28c. These are your total payments .	▶ 28d	7,216	80

Figure your refund or amount you owe

Attach check or money order on top of Form(s) W-2, etc., on page 1.

29	If line 28d is more than line 27, subtract line 27 from line 28d. This is the amount you overpaid .	29	1,783	80
30	Amount of line 29 you want refunded to you .	30	1,783	80
31	Amount of line 29 you want applied to your 1993 estimated tax .	31		
32	If line 27 is more than line 28d, subtract line 28d from line 27. This is the amount you owe . Attach check or money order for full amount payable to the "Internal Revenue Service". Write your name, address, social security number, daytime phone number, and "1992 Form 1040A" on it.	32		
33	Estimated tax penalty (see page 41).	33		

Sign your return

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Keep a copy of this return for your records.	Your signature	Date	Your occupation
	<i>Nathan Sender</i>	4-13-	ACCOUNTANT
Preparer's signature	Spouse's signature. If joint return, BOTH must sign.	Date	Spouse's occupation
	<i>Maureen Sender</i>	4-13-	SYSTEMS ANALYST
Paid preparer's use only	Firm's name (or yours if self-employed) and address	Date	Preparer's social security no.
			Check if self-employed <input type="checkbox"/>
		E.I. No.	ZIP code

EXERCISE YOUR SKILLS

1. Why do you think the government does not require everyone to file the same income tax form?
2. Why do you think most married people file joint returns?
3. Why do you think people are allowed to subtract standard deductions to find their taxable income?

Fill out a 1040EZ form for each of the following incomes to determine the amount owed or refund due to the nearest dollar. For Exercises 4–8, make up a name and address. For Exercises 9–12, use the given information. All of the people are single. You may choose whether or not to contribute to the election campaign fund; this choice will not affect anything else you fill out. The standard deduction amount for line 4 will be \$3,600 unless the adjusted gross income from line 3 is less than that.

	Wages, Salaries, and Tips	Interest	Amount Withheld	Can Be Claimed as a Dependent by Someone?
4.	\$ 1,900	\$100	\$ 340	No
5.	4,200	50	600	Yes
6.	8,500	0	1,400	Yes
7.	18,600	350	2,040	No
8.	Two jobs: \$15,400	200	3,700	No
	\$ 2,200		0	

9. Daryl Hawkins
1234 Sesame Street
Phoenix, Arizona 85442
S.S. No. 551-76-3333
Wages: \$20,650
Withheld: \$2,400
Interest income: \$50.00
Daryl will be claimed as a dependent on another's return.
10. Brent Poulson
1415 16th Ave.
Dallas, Texas 75277
S.S. No. 432-55-7777
Wages: \$6,200
Withheld: \$192
Interest income: \$246.80
Brent will be claimed as a dependent on another's return.
11. Yazmin Rogers
2020 Twentieth Ave.
Seattle, Washington 98043
S.S. No. 456-78-4321
Wages: \$39,400
Withheld: \$7,008
Interest income: \$150
Yazmin will not be claimed as a dependent elsewhere.
12. Renata Taylor
2323 Ranger Street
Cincinnati, Ohio 45208
S.S. No. 543-77-2222
Wages: \$35,170
Withheld: \$5,796
Interest income: \$310
Renata will not be claimed as a dependent elsewhere.

KEY TERMS

adjusted gross income
deduction
dependent exemption
Form 1040A
Form 1040EZ
itemized deductions
refund
standard deduction
taxable income
total income
total payment

Fill out a 1040A form for each of the following couples or individuals to determine the amount owed or refund due to the nearest dollar. Their Social Security numbers are shown in parentheses.

13. (421-32-4587) (476-58-9023) Dependents:
 Flora and Ernest Jones Bea, age 6 (452-79-5644)
 10101 Barley Street Phillip, age 14 (751-44-9086)
 Anaheim, California 98043 Earl, age 17 (555-44-9922)
 Filing a joint return
 Wages: Flora, \$19,400
 Ernest, \$21,620
 Withheld: from Flora, \$2,350 Interest income: \$200
 from Ernest, \$1,836 Dividend income: \$180
14. (458-29-7011) (492-71-6322) Dependents:
 Emilio and Rosa Ortiz Rosita, age 4 (711-42-1195)
 13422 Euclid Avenue Julio, age 8 (329-44-7890)
 Des Moines, Iowa 55105 Carlos, age 12 (666-21-4434)
 Filing a joint return
 Wages: Emilio, \$48,750
 Rosa, \$53,790
 Withheld: from Emilio, \$9,212 Interest income: \$280
 from Rosa, \$8,268 Dividend income: \$195
15. (463-44-9292) Dependents:
 Janice Parker Dimitri, age 12 (428-77-4083)
 9286 Spring Blvd. Newton, age 14 (523-97-6702)
 Two Egg, Florida 32304 Sophia, age 16 (452-95-2965)
 Filing as head of household
 Wages: \$38,450 Interest income: \$40
 Withheld: \$3,800 Dividend income: \$300
16. (716-43-9026) Dependent:
 John Madison, Jr. John Madison, Sr., age 87
 1409 S. Alta Vista (490-62-6710)
 San Remo, Texas 77566
 Filing as head of household
 Wages: \$47,060 Interest income: \$390
 Withheld: \$8,952 Dividend income: \$309