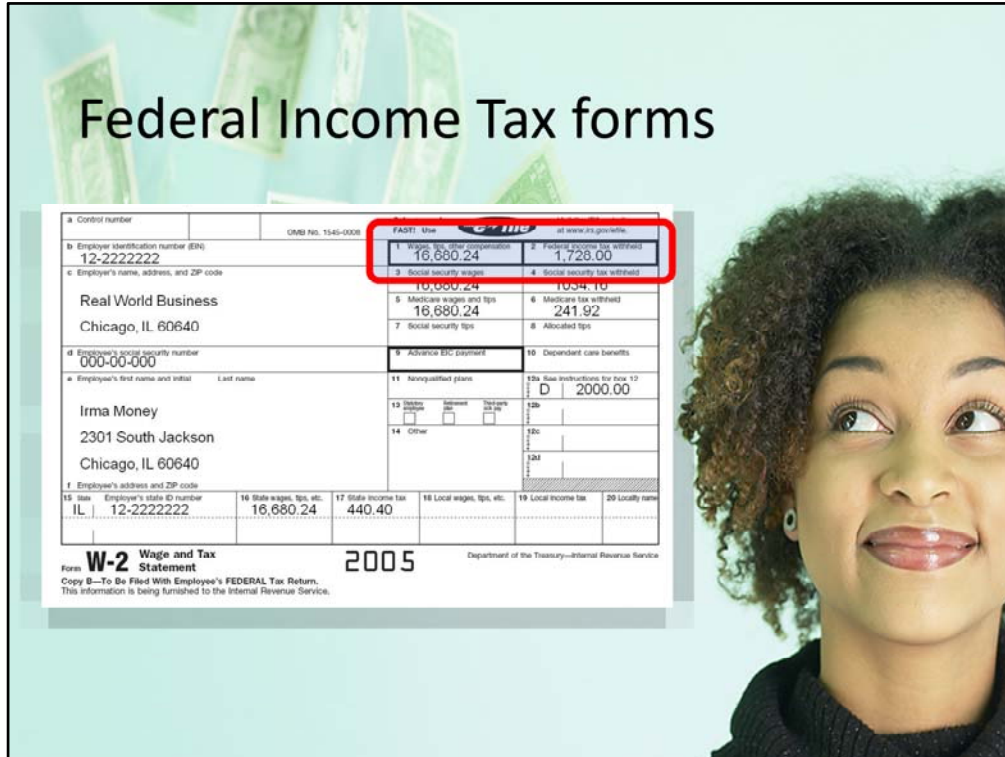


Federal Income Tax forms



So, you've been paying income taxes all year and now comes the exciting part: you get to file and find out if either the state or the federal government owes you money!

Before you start the process of filing, you will need certain records in order to complete your tax return. Let's look at some of these. First, your employer will mail you a copy of your W-2 form, an example of which is shown here. This form lists your earnings and withholdings for the year. You receive a W-2 for each job you held during the year and you must enclose a copy of each when you file your taxes.

W-2 Form

Gross Income

Federal Withholdings

a Control number		OMB No. 1545-0008		Safe, accurate FAST! Use e-file	
b Employer identification number (EIN) 12-2222222		1 Wages, tips, other compensation 16,680.24	2 Federal income tax withheld 1,720.00		
<div style="background-color: #4a86e8; color: white; padding: 5px; border-radius: 10px; margin-bottom: 5px;"> Earned Income Credit A refundable federal income tax credit for low-income working individuals and families. </div> Irma Money 2301 South Jackson Chicago, IL 60640 f Employee's address and ZIP code		5 Medicare taxes and tips 16.84	6 Medicare tax withheld 241.92		
		7 Social Security taxes	8 Allocated tips		
		9 Advance EIC payment	10 Dependent care benefits		
		11 Nonqualified plans	12a See instructions for box 12 D 2000.00		
		13 Sickness, severance, and other pay	12b		
		14 Other	12c		
			12d		
15 State Employer's state ID number IL 12-2222222	16 State wages, tips, etc. 16,680.24	17 State income tax 440.40	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

W-2 Wage and Tax Statement **2005** Department of the Treasury—Internal Revenue Service
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.
 This information is being furnished to the Internal Revenue Service.

Let's take a closer look at the W-2 form. Box one contains your gross (as in, total earned) income. Make sure that the income you report on your return reflects this number. Box two shows how much federal income tax was withheld from your paychecks through the year. This is the number that determines whether you owe the government because you withheld too little, or you get a refund because you withheld too much.

Boxes four and six have no affect on your income tax status, but you might be interested to see how much you contributed to Social Security and Medicare over the course of the year.

Box nine shows your advance EIC, or Earned Income Credit, payment. Although we won't be using it here, this box is used by low wage earners. EIC tax credits vary based on your income and the number of children you have. The tax credits are subtracted from your gross income when calculating your taxable income.

1099-INT

9292 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. MoneyFlow, Inc. 441 Money Lane San Diego, CA 78965		Payer's RTN (optional)	OMB No. 1545-0112	
		<div style="border: 1px solid black; border-radius: 50%; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;"> <div style="font-size: 8px; margin-bottom: 2px;">1 Interest income</div> <div style="font-size: 12px; margin-bottom: 2px;">\$ 150.00</div> </div>	<div style="font-size: 24px; font-weight: bold; margin-bottom: 5px;">2011</div> <div style="font-weight: bold;">Interest Income</div>	
		2 Early withdrawal penalty	Form 1099-INT	
PAYER'S federal identification number	RECIPIENT'S identification number	3 Interest on U.S. Savings Bonds and Treas. obligations		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2011 General Instructions for Certain Information Returns.
RECIPIENT'S name		4 Federal income tax withheld	5 Investment expenses	
John H. Gimmechash		\$	\$	
Street address (including apt. no.)		6 Foreign tax paid	7 Foreign country or U.S. possession	
55 Green Road		\$	\$	
City, state, and ZIP code		8 Tax-exempt interest	9 Specified private activity bond interest	
San Diego, CA 89465		\$	\$	
Account number (see instructions)	2nd TIN not <input type="checkbox"/>	10 Tax-exempt bond CUSIP no. (see instructions)		

Form **1099-INT** Cat. No. 14410K Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

You only have to pay tax on this interest income if it's over six hundred dollars for the year.

Do you have a savings account? If so, you should receive a 1099-INT from the bank where you have that account. This form lists the total interest that the bank paid on your account that year. You need to pay tax on this interest income if it's over six hundred dollars for the year.

What is income?



When filling out your tax form, it's important to know what the IRS considers to be income.

Before we look at the different tax forms, let's look at what the IRS considers to be income. This is very important to understand when it's time to fill out your taxes.


Types of Income

Wages, Salaries and Tips

Taxable Interest

Unemployment Compensation

Introduction



According to the IRS, there are different kinds of income. It's not just about how much money you've earned in a year; it's how you've earned it, as well.

Read more by selecting a tab on the left.

PROPERTIES
Allow user to leave interaction:
Show 'Next Slide' Button:
Completion Button Label:

[After viewing all the steps](#)
[Show upon completion](#)
[Next Slide](#)

Properties...

Edit in Engage

Which Form Should You Use?

1040EZ

Use the **1040EZ** (Simple /Easy Form) if:

- Your taxable income is below \$100,000
- Your filing status is Single or Married Filing Jointly
- You and your spouse – if married -- are under age 65 and not blind
- You are not claiming any dependents
- Your interest income is \$1,500 or less

1040A

Use the **1040A** if:

- Your taxable income is below \$100,000
- You have capital gain distributions
- You claim certain tax credits
- You claim adjustments to income for IRA contributions and student loan interest

1040

Use the **1040** if:

- Your taxable income is \$100,000 or more
- You claim itemized deductions
- You are reporting self-employment income
- You are reporting income from sale of property

Which of the three income tax forms should you use? Look at each and see which one would most likely apply to your situation.



Which Federal Tax Form?

Question 1 of 1 Point Value: 10

Which form do you think you will most likely use as a teenager with a part-time job or a college graduate making below \$100,000.00?

- 1040
- 1040A
- 1040EZ

PROPERTIES

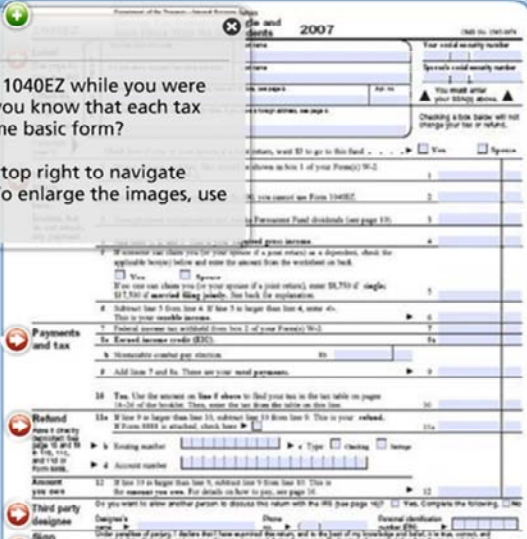
On passing, 'Finish' button:	Goes to Next Slide	 Properties...	 Edit in Quizmaker
On failing, 'Finish' button:	Goes to Next Slide		
Allow user to leave quiz:	After user has completed quiz		
User may view slides after quiz:	At any time		
User may attempt quiz:	Unlimited times		

Form Sections
⏪ ⏩ ⏴ ⏵

Introduction

You saw them on the 1040EZ while you were filling it out, but did you know that each tax return follows the same basic form?

Use the arrows in the top right to navigate through the image. To enlarge the images, use the magnifying glass.



PROPERTIES

<p>Allow user to leave interaction:</p> <p>Show 'Next Slide' Button:</p> <p>Completion Button Label:</p>	<p>After viewing all the steps</p> <p>Show upon completion</p> <p>Next Slide</p>	Properties...	Edit in Engage
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Completing the 1040EZ Form

File your taxes (postmark) before April 15th

Attach a copy of your W-2

Make sure that the numbers match

You are single

Have graduated college

Your parents do not claim you as a dependent

Download 1040EZ

John H. Gimmecash
55 Green Road
San Diego, CA 89465
SS: 989-878-4545

Alright, that's enough talk about forms for now. Let's apply a little of what we've learned.

Next, since it is likely that you will be using the 1040EZ form for several years, let's complete a sample form. It's called the EZ form because it's shorter than the regular 1040, which is also called the long form because it is, in fact, extremely long. You must file your taxes (postmark) before April 15th, or you may have to pay a penalty. Remember, you must attach a copy of your W-2 to your 1040EZ form when you send in your taxes and make sure that the numbers match where they're supposed to match.

First, remember to fill in the top part with all your personal information. In this case, we will say that you are single, have graduated from college, and your parents can no longer claim you on their tax return. Therefore, you are not a dependent. Use the information on screen to complete the form.

Click the link to access the 1040EZ template that you can save or print.

Department of the Treasury—Internal Revenue Service
Form 1040EZ **Income Tax Return for Single and Joint Filers With No Dependents** (99)

Name, Address, and SSN
 See separate instructions.

PRIN
 Your first name and initial Last name
 If a joint return, spouse's first name and initial Last name

GLEA
 Home address (number and street). If you have a P.O. box, see instructions. Apt. no.
 City, town or post office, state, and ZIP code. If you have a foreign address, see instructions.

RLY
 Your social security number
 Spouse's social security number

Make sure the SSN(s) above are correct.

Checking a box below will not change your tax or refund.

Presidential Election Campaign (see page 9) You Spouse

Income
 Attach Form(s) W-2 here.
 Enclose, but do not attach, any payment.

1 Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2. 1

2 Taxable interest. If the total is over \$1,500, you cannot use Form 1040EZ. 2

3 Unemployment compensation and Alaska Permanent Fund dividends (see page 11). 3

4 Add lines 1, 2, and 3. This is your adjusted gross income. 4

5 If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back.

Wages, Tips, and Salaries (from box 1 on the w-2 form you received)	\$30,500
Taxable interest from savings account (from your 1099-INT form)	\$200.00
Federal Tax Income withheld	\$3,700.00

P
Credits, and Tax

9a Earned income credit (EIC) (see page 13). 9a

b Nontaxable combat pay election. 9b

10 Add lines 7, 8, and 9a. These are your total payments and credits. 10

11 Tax. Use the amount on line 6 above to find your tax in the tax table on pages 27

Begin by completing lines 1-4 on the EZ form. Use the data from the example W-2.

Enter the example personal information on the top of the form.

If you would like to donate \$3.00 of your money to the presidential campaign, then you can check this box before filling in line 1 on the form.

Complete line 1 by filling in the wages, tip, and salaries.

Complete line 2 by filling in the taxable interest.

Department of the Treasury—Internal Revenue Service
Form 1040EZ **Income Tax Return for Single and Joint Filers With No Dependents** (99) **2010** OMB No. 1545-0074

Name, Address, and SSN
 See separate instructions.
 Presidential Election Campaign (see page 9)

Income
 Attach Form(s) W-2 here.
 Enclose, but do not attach, any payment.

Payments, Credits, and Tax

Refund

1 Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2. 1 \$30,500.00

2 Taxable interest. If the total is over \$1,000, attach Form 1040EZ. 2 \$200.00

3 Unemployment compensation and other payments (see page 11). 3 \$30,700.00

4 Add lines 1, 2, and 3. This is your adjusted gross income. 4 \$9,350.00

5 Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your taxable income. 5 \$21,350.00

6 Federal income tax withheld from Form(s) W-2 and 1099. 6

7 Making work pay credit (see worksheet on back). 7

8 Earned income credit (EIC) (see page 13). 8

9a b Nontaxable combat pay election. 9a 9b

10 Add lines 7, 8, and 9a. These are your total payments and credits. 10

11 Tax. Use the amount on line 6 above to find your tax in the tax table on pages 27 through 35 of the instructions. Then, enter the tax from the table on this line. 11

12a If line 10 is larger than line 11, subtract line 11 from line 10. This is your refund. 12a

Tax Table

Wages, Tips, and Salaries (from box 1 on the w-2 form you received)	\$30,500
Taxable interest from savings account (from your 1099-INT form)	\$200.00
Federal Tax Income withheld	\$3,700.00

Skip step three unless you are a resident of Alaska, or collected unemployment last year.

Add lines one, two and three to come up with the adjusted gross income. This is your income before subtracting any deductions or expenses.

Since no one can claim you as a dependent, you will be able to use the standard deduction. Read line 5 to see which amount will apply to you. Did you fill in \$9350.00? That's correct.

Now, we can calculate your taxable income (the income figure that is used to determine your tax liability) on line 6. As the form states, you will need to subtract line 5 from line 4. This will determine if you are receiving a refund or if you owe the IRS money. What did you get? Remember, in order to get your taxable income, you must subtract your standard deduction from your adjusted gross income.

Now, let's check our W-2 form to find how much our employer actually withheld and sent to the government for tax payments. Enter this number on line 7. As we said earlier, you probably don't have to worry about the earned income credit. If you think you qualify, you will have to review the additional information in the EZ booklet.

Add lines 7, 8 and 9a to come up with your total payments and credits. This is how much you have already paid the government towards your income taxes.

Enclose, but do not attach, any payment.		3	Unemployment compensation and Alaska Permanent Fund dividends (see page 11).	3	
You may be entitled to a larger deduction if you file Form 1040A or 1040. See <i>Before You Begin</i> on page 4.		4	Add lines 1, 2, and 3. This is your adjusted gross income .	4	\$30,700.00
		5	If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back. <input type="checkbox"/> You <input type="checkbox"/> Spouse If no one can claim you (or your spouse if a joint return), enter \$9,350 if single ; \$18,700 if married filing jointly . See back for explanation.	5	\$9,350.00
		6	Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your taxable income .	6	\$21,350.00
Payments, Credits, and Tax		7	Federal income tax withheld from Form(s) W-2 and 1099.	7	\$3,700.00
		8	Making work pay credit (see worksheet on back).	8	
		9a	Earned income credit (EIC) (see page 13).	9a	
		9b	Nontaxable combat pay election.	9b	
		10	Add lines 7, 8, and 9a. These are your total payments and credits .	10	\$3,700.00
		11	Tax . Use the amount on line 6 above to find your tax in the tax table on pages 27 through 35 of the instructions. Then, enter the tax from the table on this line.	11	\$2,788.00
Refund		12a	If line 10 is larger than line 11, subtract line 11 from line 10. This is your refund. If Form 8888 is attached, check here <input type="checkbox"/>	12a	\$912.00
Have it directly deposited! See page 18 and fill in 12b, 12c, and 12d or Form 8888.		b	Routing number	c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
		d	Account number		
Amount You Owe		13	If line 11 is larger than line 10, subtract line 10 from line 11. This is the amount you owe. For details on how to pay, see page 19.	13	
Third Party Designee		Do you want to allow another person to discuss this return with the IRS (see page 20)? <input type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No			
		Designee's name	Phone no.	Personal identification number (PIN)	
Sign Here		I declare under penalty of perjury that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.			
Joint return? See page 6.		Your signature	Date	Your occupation	Daytime phone number
Keep a copy for your records.		Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	
Paid Preparer Use Only		Print/type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
		Firm's name	Firm's EIN		

Did you come up with this amount on line 11?

Now, the moment you have been waiting for. Will you owe or receive a refund? If line 10 is greater than line 11, you will receive a refund. Subtract line 11 from line 10 and enter this number on line 12a.

If line 11 is larger than line 10, you owe the IRS money. Subtract line 10 from line 11 and enter the amount on line 13.

So, how did you do? Looks like you are getting a refund. ALRIGHT!

You're almost finished. You just need to determine how you want to receive your refund. Do you want it to be mailed to you or deposited directly into your bank account? If you would like to have it directly deposited into your bank account, fill in the routing number and check the type of account on lines 12b, c and d. If you leave these blank, you will receive your refund in the mail.

Finally, don't forget to sign and date your form at the bottom. Also, complete any other information on that line. If you don't do this, your form is not valid.

YOU'RE FINISHED!

Yes. Completing the 1040EZ is that simple.

Do You Have to File?

You don't have to file a if you make under \$8,200 a year.

If you had any income withheld, you have to file a return to get that money back.

You do not have to file a federal return if you make under \$8,200 a year. However, if you have paid any money in through deductions, you have to file a return to get that money back. Chances are good that if you've been getting a paycheck, you had to fill out a W4, and your employer withheld some of your earnings, so you will have to file to get that money.

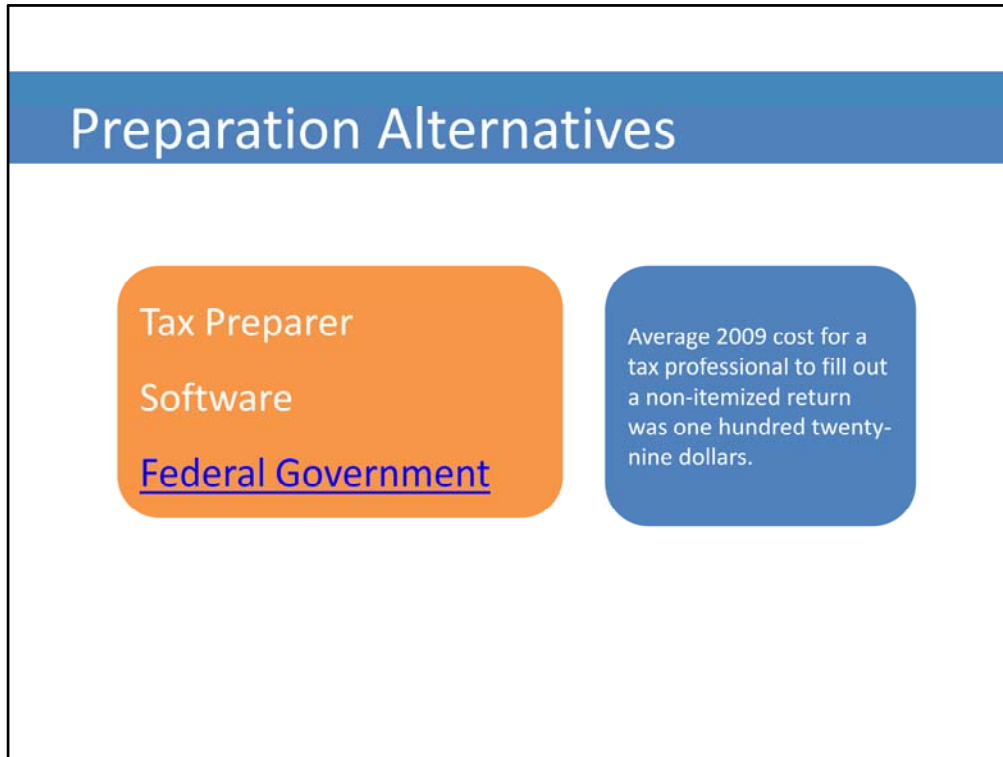
Tax Evasion

- Failing to report income
- Receiving unauthorized deductions for personal expenses on a business tax return
- Falsely claiming charitable deductions and/or overestimating the value of property donated to charity
- Filing a false tax return, improperly omitting property and knowingly and significantly underreporting the value of an estate

On December 10th, 2010, the actor Wesley Snipes began serving a three year prison sentence for failure to file income tax returns. According to U.S. prosecutors, the actor did not file for at least a decade, and owed \$2.7 million in taxes on \$13.8 million in income from 1999 to 2001 alone.

Think twice before submitting fraudulent numbers to the IRS. If they didn't believe Wesley Snipes, then you've got no chance.

Tax evasion, which means illegally avoiding paying taxes or failing to report your taxes accurately, is a crime and typically involves failing to report income or improperly claiming deductions that are not authorized. Some of the most common forms of tax evasion are listed here.



If you want to miss out on all the fun that everybody is having filling out their tax returns, you can always hire a tax preparer. You can find a local firm or go with a huge national tax preparation corporation like H&R Block or Jackson Hewitt, or a local Certified Public Accountant.

Tax preparers, no matter how good, can't read your mind or resurrect receipts to prove your deductions. What they can do is talk you through the process of getting all of your information together. Once they have all the information, they take over from there and charge a fee for their services. If you have a lot of deductions or other factors that you don't want to deal with (and that you're willing to pay not to deal with) then this option is for you. If you only need to fill out a 1040EZ, this option doesn't make a lot of sense. According to Consumer Reports magazine, the average 2009 cost for a tax professional to fill out a non-itemized return was one hundred twenty-nine dollars. Think how many hours you would have to work to pay for the convenience of someone else doing your taxes.

A cheaper alternative is to use a computer program like TurboTax or Quicken. These programs save electronic records of your tax returns and the information you need in order to fill them out. This can save time if you use them every year. The software also contains information about the rules and regulations associated with each line in the federal and state tax forms. If you don't have a very good grasp of how taxes work, these programs can help out a lot. Finally, if you are filing a 1040A or 1040EZ and make under a certain amount of money, you can link through the IRS website to companies that will allow you to use their tax preparation software and e-file it for free. Just check out the site listed here.