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The IRS Will Figure Your Tax

For use in preparing

1998 Returns

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Introduction

You can have the IRS figure your tax on Form 1040EZ, Form 1040A, or Form 1040 if you mail your return by April 15, 1999.

If you paid too much, you will receive a refund. If you did not pay enough, you will receive a bill for the balance. To avoid interest or the penalty for late payment, you must pay the bill within 30 days of the date of the bill or by the due date for your return, whichever is later.

The IRS will also figure the credit for the elderly or the disabled and the earned income credit.

The IRS cannot figure your tax if:

1) You want your refund to be directly deposited in your account,

2) You want any part of your refund applied to your 1999 estimated tax, or

3) You file any of the following forms.

   a) **Form 2555,** *Foreign Earned Income.*

   b) **Form 2555-EZ,** *Foreign Earned Income Exclusion.*

   c) **Form 4137,** *Social Security and Medicare Tax on Unreported Tip Income.*

   d) **Form 4970,** *Tax on Accumulation Distribution of Trusts.*

   e) **Form 4972,** *Tax on Lump-Sum Distributions.*

   f) **Form 6198,** *At-Risk Limitations.*

   g) **Form 6251,** *Alternative Minimum Tax—Individuals.*

   h) **Form 8606,** *Nondeductible IRAs,* on which a conversion to a Roth IRA is reported.

   i) **Form 8615,** *Tax for Children Under Age 14 Who Have Investment Income of More Than $1,400.*

   j) **Form 8814,** *Parents' Election To Report Child's Interest and Dividends.*

   k) **Form 8839,** *Qualified Adoption Expenses.*

   l) **Form 8853,** *Medical Savings Accounts and Long-Term Care Insurance Contracts.*

Form 1040EZ

Follow these steps if you are filing Form 1040EZ.

1. Place your peel-off label on your return. If you do not have a label, print (do not type) your name and address in the spaces provided.

2. Enter your social security number in the spaces provided. If you are married, enter the social security numbers of both spouses.

3. Read lines 1 through 8 and complete the lines that apply to you. If you are filing a joint return, use the space under the “Note” to the left of line 6 to separately show your taxable income and your spouse's taxable income.

Payments. Enter any Federal income tax withheld on line 7. Federal income tax withheld is shown in box 2 of Form W-2.

Earned income credit (EIC). If you can take the EIC, IRS can figure the credit for you. Print “EIC” in the space to the right of the word “below” on line 8b. Enter the amount and type of any nontaxable earned income in the boxes on line 8b.

4. Sign and date your return (both spouses must sign a joint return) and enter your occupation(s). Attach Copy B or the first copy of all your Forms W–2 to your return. Mail the return to the Internal Revenue Service Center for the area where you live. A list of Service Center addresses is shown in your tax forms package.

Enter your daytime phone number (optional) in the space provided in the signature area. This may help speed the processing of your return if we have a question that can be answered over the phone. If you are filing a joint return, you may enter either your or your spouse's daytime phone number.

Form 1040A

Follow these steps if you are filing Form 1040A.

1. Place your peel-off label on your return. If you do not have a label, print or type your name and address in the spaces provided.

2. Enter your social security number in the spaces provided. If you are married, enter the social security numbers of both spouses even if you file separately.

3. Read lines 1 through 24 and complete the lines that apply to you. If you are filing a joint return, use the space to the left of line 24 to separately show your and your spouse's taxable income.

4. Read lines 26 through 30, 33, and 35 through 38 and complete the lines that apply to you. But do not complete lines 27 and 37a if you want the IRS to figure the credits on those lines. Also, enter any write-in information that applies to you in the space to the left of line 39.

Payments. Enter any Federal income tax withheld that is shown in box 2 of Form W–2, or the appropriate box of Form 1099, on line 35. Enter any estimated tax payments you made on line 36.

Credits. The IRS will also figure the credit for the elderly or the disabled and the earned income credit. The IRS will not figure any other credit.

- Credit for the elderly or the disabled — If you can take this credit, the IRS will figure it for you. Attach Schedule 3 to your return and print “CFE” in the space to the left of line 27 (Form 1040A). Check the appropriate box in Part I of Schedule 3 for your filing status and age, and complete lines 11 and 13 if they apply. Also, complete Part II of Schedule 3 if it applies.
- Earned income credit — If you can take this credit, the IRS will figure it for you. Print “EIC” directly to the right of line 37a. Enter the amount and type of any nontaxable earned income on line 37b. If you have a qualifying child, you must fill in Schedule EIC and attach it to your return. If you do not provide the child's social security number on line 4 of Schedule EIC, the credit may be reduced or disallowed.

5. Fill in and attach any schedules and forms asked for on the lines you completed.

6. Attach Copy B or the first copy of all your Form(s) W–2 to your return. Also attach any Form 1099–R you received that has withholding tax in box 4.

7. Sign and date your return and enter your occupation(s). If you are filing a joint return, both you and your spouse must sign it. Mail the return to the Internal Revenue Service Center for the area where you live. A list of Service Center addresses is shown in your tax forms package.

Enter your daytime phone number (optional) in the space provided in the signature area. This may help speed the processing of your return if we have a question that can be answered over the phone. If you are filing a joint return, you may enter either your or your spouse's daytime phone number.

Form 1040

You may choose to have the IRS figure your tax on Form 1040 if you meet ***all*** of the conditions described below.

1) All of your income for 1998 was from wages, salaries, tips, interest, dividends, taxable social security benefits, unemployment compensation, IRA distributions, pensions, or annuities.
2) Your taxable income on line 39 is less than $100,000.
3) You do not itemize deductions.
4) You do not file any of the following forms.
   a) **Form 2555,** *Foreign Earned Income.*
   b) **Form 2555-EZ,** *Foreign Earned Income Exclusion.*
   c) **Form 4137,** *Social Security and Medicare Tax on Unreported Tip Income.*

d) **Form 4970,** *Tax on Accumulation Distribution of Trusts.*

e) **Form 4972,** *Tax on Lump-Sum Distributions.*

f) **Form 6198,** *At-Risk Limitations.*

g) **Form 6251,** *Alternative Minimum Tax—Individuals.*

h) **Form 8606,** *Nondeductible IRAs,* on which a conversion to a Roth IRA is reported.

i) **Form 8615,** *Tax for Children Under Age 14 Who Have Investment Income of More Than $1,400.*

j) **Form 8814,** *Parents' Election To Report Child's Interest and Dividends.*

k) **Form 8839,** *Qualified Adoption Expenses.*

l) **Form 8853,** *Medical Savings Accounts and Long-Term Care Insurance Contracts.*

Follow these steps if you are filing Form 1040.

1. Place your peel-off label on your return. If you do not have a label, print or type your name and address in the spaces provided.

2. Enter your social security number in the spaces provided. If you are married, enter the social security numbers of both spouses even if you file separately.

3. Read lines 1 through 39 and complete the lines that apply to you. If you are filing a joint return, use the space above the words *Adjusted Gross Income* on the front of your return to separately show your taxable income and your spouse's taxable income.

4. Read lines 41 through 63 and complete the lines that apply to you, but do not fill in the *Total* lines. Also, do not complete lines 42 and 59a if you want the IRS to figure the credits on those lines. Be sure to fill in line 57 for Federal income tax withheld.

Payments. Enter any Federal income tax withheld that is shown in box 2 of Form W–2, or the appropriate box of Form 1099, on line 57. Enter any estimated tax payments you made on line 58.

Credits. The IRS will also figure the credit for the elderly or the disabled and the earned income credit. The IRS will not figure any other credit.

- Credit for the elderly or the disabled — If you can take this credit, the IRS will figure it for you. Attach Schedule R to your return and write “CFE” on the dotted line next to line 42 of Form 1040. Check the appropriate box in Part I of Schedule R for your filing status and age, and fill in lines 11 and 13 if they apply. Also, complete Part II of Schedule R if it applies.
- Earned income credit — If you can take this credit, the IRS will figure it for you. Write “EIC” directly to

the right of line 59a. Enter the amount and type of any nontaxable earned income in the space provided on line 59b. If you have a qualifying child, you must fill in Schedule EIC and attach it to your return. If you do not provide the child's social security number on line 4 of Schedule EIC, the credit may be reduced or disallowed.

5. Fill in and attach any schedules or forms asked for on the lines you completed.

6. Attach Copy B or the first copy of all your Form(s) W–2 to your return. Also attach any Form 1099–R you received that has withholding tax in box 4.

7. Sign and date your return and enter your occupation(s). If you are filing a joint return, both you and your spouse must sign it. Mail your return to the Internal Revenue Service Center for the area where you live. A list of Service Center addresses is shown in your tax forms package.

Enter your daytime phone number (optional) in the space provided in the signature area. This may help speed the processing of your return if we have a question that can be answered over the phone. If you are filing a joint return, you may enter either your or your spouse's daytime phone number.