

TRP 4

Simple Individual Tax Return Problem

This solution is for the 2012 tax year. The only form required for this problem is Form 1040EZ.

Wages from child care	\$1,600
Wages from fast-food restaurant	<u>5,580</u>
Total wages	\$7,180
Interest income	<u>210</u>
Adjusted gross income	\$7,390
Less standard deduction	<u>5,950</u>
Taxable income	<u>\$1,440</u>
Federal income tax withheld	\$255
Less tax (\$1,590 x 10%)*	<u>144</u>
Refund	<u>\$111</u>

*This is also the same tax as the tax tables for \$1,400 taxable income.

Changes for tax year 2013:

The standard deduction is \$6,100 reducing taxable income to \$1,290. The tax is \$129 (\$1,290 x 10%) and the refund is \$126.

Your first name and initial Janice		Last name Morgan		Your social security number 988 77 6543	
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 instructions. 7829 Dowry Land				Apt. no.	
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). Boston MA 02112				Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input checked="" type="checkbox"/> You <input type="checkbox"/> Spouse	
Foreign country name		Foreign province/state/county		Foreign postal code	

	Line	Description	Amount	Total
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	7,180.
	2	Taxable interest. If the total is over \$1,500, you cannot use Form 1040EZ.	2	210.
	3	Unemployment compensation and Alaska Permanent Fund dividends (see instructions).	3	
	4	Add lines 1, 2, and 3. This is your adjusted gross income .	4	7,390.
	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 checked="" type="checkbox"/> You <input type="checkbox"/> Spouse If no one can claim you (or your spouse if a joint return), enter \$9,750 if single ; \$19,500 if married filing jointly . See back for explanation.	5	5,950.
	6	Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your taxable income .	▶ 6	1,440.
Payments, Credits, and Tax	7	Federal income tax withheld from Form(s) W-2 and 1099.	7	255.
	8a	Earned income credit (EIC) (see instructions). NO	8a	
	b	Nontaxable combat pay election. 8b		
	9	Add lines 7 and 8a. These are your total payments and credits .	▶ 9	255.
	10	Tax. Use the amount on line 6 above to find your tax in the tax table in the instructions. Then, enter the tax from the table on this line.	10	144.
Refund Have it directly deposited! See instructions and fill in 11b, 11c, and 11d or Form 8888.	11a	If line 9 is larger than line 10, subtract line 10 from line 9. This is your refund . If Form 8888 is attached, check here ▶ <input type="checkbox"/>	11a	111.
	▶ b	Routing number [X][X][X][X][X][X][X][X][X][X] ▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	▶ d	Account number [X][X][X][X][X][X][X][X][X][X][X][X][X][X][X][X]		
Amount You Owe	12	If line 10 is larger than line 9, subtract line 9 from line 10. This is the amount you owe . For details on how to pay, see instructions.	▶ 12	

Third Party Designee Do you want to allow another person to discuss this return with the IRS (see instructions)? <input type="checkbox"/> Yes. Complete below. <input checked="" type="checkbox"/> No.							
Designee's name ▶		Phone no. ▶		Personal identification number (PIN) ▶			
Sign Here Under penalties of perjury, I declare 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 instructions. Keep a copy for your records.	Your signature		Date	Your occupation student	Daytime phone number		
	Spouse's signature. If a joint return, both must sign.		Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)		
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 ▶	
	Firm's address ▶					Phone no.	