

**OMB Clearance Package**  
**Project 4-06-21-2-061N**  
**Taxpayer Assistance Behavioral Study**

## **I. Introduction**

### Background/overview

The Taxpayer Assistance Blueprint (TAB) project has been chartered to conduct a comprehensive review of the services provided by the IRS and to develop a five-year plan to improve taxpayer service. The proposed research is designed to examine service usage and the relationship between service and compliance in a controlled environment.

The current proposal is to partially replicate and expand upon a Price Waterhouse 1989 study in which participants completed hypothetical tax situations given different service options. For the current study, the service channels that will be tested are telephone, walk-in assistance, and IRS.gov web assistance. The proposed research will utilize an experimental design in which participants will complete a mock tax return that is similar in content to their own tax situation. Participants will be randomly assigned to one of five groups 1) no assistance, 2) toll-free assistance, 3) walk-in assistance, 4) web-assistance, 5) toll-free, walk-in and web assistance. All participants will have access to publications applicable to their scenarios.

### Objectives of data collection

The objectives of the current project are to quantify and measure the relationship between service and compliance in a controlled environment and to examine service usage of taxpayers. The current project will provide feedback to the Tax Assistance Blueprint (TAB) team in the areas of customer preference for service channels and how service affects downstream compliance.

## **II. Methodology**

### Sample Design

The population for this study consists of taxpayers, over the age of 18, and have completed their own Federal income tax return with the form 1040 (1040ez, 1040A, or 1040) series in the past 5 years.

### Data Collection Date

Data will be collected the week of July 24, 2006.

### Data to be collected

Several different categories of data will be collected.

1. Demographic information

- a. Education level, age, income, and internet usage
2. General tax information- gathered to provide participants with tax scenarios similar to their own tax situations
  - a. Filing status, member of 1040 family most recently filed, EIC claimed, taxable social security, and itemized deductions
3. Behavioral Data
  - a. Performance on a mock tax scenario
    - i. Average absolute error
    - ii. Number of errors
  - b. Service Usage
    - i. Was service used
    - ii. Type of service used
    - iii. Questions raised during service interaction

#### How data will be used

Data will be used by TAB Phase II to better understand the needs and preferences of taxpayers and the impact of service on compliance. Data will also be used to support future budget requests to the Commissioner, Treasury, OMB and the Congress – and to respond to inquiries from oversight bodies such as GAO, TIGTA and the Oversight Board who frequently request estimates of the costs and benefits of tax law assistance programs.

#### How data will be analyzed

Analysis of the data will be conducted by researchers within IRS Wage and Investment Research Division, Strategic Forecasting and Analysis Research Group and IRS Wage and Investment, Customer Account Services, Program Analysis.

Data analysis will include basic and advanced statistical techniques including descriptive statistics, and Analysis of Variance (ANOVA).

#### Who is conducting research?

Research will be conducted by Wage and Investment, Customer Account Services, Program Analysis, Wage and Investment, Strategic Forecasting and Analysis Research Group and a vendor.

#### Location- Region/city and facilities

Research will be conducted in a federal building in Atlanta, Georgia

#### Stipends

The stipend will be \$150 per participant for a three hour session. The stipend is a reflection of the length of time required for participation in this study.

#### Recruitment efforts

Using a screening guide, the vendor will recruit participants for the study.

#### Efforts to not duplicate research

Effort will actually duplicate and add on to a 1989 test conducted by Price Waterhouse for IRS. This test has not been replicated since that time. Original test did not offer website assistance and did not track who did or did not use the assistance that was available to them. New test will also make use of recently developed contact recording technology which will permit the Service to analyze the interactions between the assistor and the participant. We anticipate that these types of experiments will be broadened and repeated more frequently in coming years to develop better information on the impact of service on reporting errors and compliance – and the choices taxpayers make on which service channels to use.

#### Test structure/ design

The proposed research will utilize an experimental design in which participants will come in and complete a mock tax return that is similar in content to their own tax situation. Participants will be randomly assigned to one of five groups: 1) no assistance, 2) toll-free assistance, 3) walk-in assistance, 4) web-assistance, 5) toll-free, walk-in and web assistance. All groups will have access to publications applicable to their scenarios. Mock returns will be examined to determine if the availability and use of IRS taxpayer services results in a significant reduction in reporting errors as compared to the control group.

## **II. Participants Criteria**

In order to participate in the study, participants must have the following characteristics:

1. Be over the age of 18
2. Native English Speakers
3. Have self-prepared a federal tax return in the past 5 years
4. 1040 filer
5. Education level of grade 10 or above
6. Half with internet usage

## **IV. Privacy, Security, Disclosure, Confidentiality**

The data returned to IRS W&I Research will not have any form of identifying information relating specific records to individual taxpayers. Nonetheless, Research Personnel will ensure that privacy, security, and confidentiality of the aggregated results will receive utmost attention. Public and official access to the information will be tightly controlled. The computer files containing this tabulated information will remain password protected at all times. Data security approaching level C-2 will be accomplished using the Windows XP operating system.

## **V. Burden Hours**

This research is expected to use a total of 744 burden hours.

Screen 2625 to recruit 185 for 175 to show at 5 minutes each = 219 hours

175 participants complete scenario and debrief at 3 hours each = 525 hours  
Total burden hours = 744 hours

## **VI. Attachments**

**Screeners Guide-** The screener will be further developed, based on recruitment panels available to the vendor after the contract is awarded. It is expected that any changes made to the screeners guide will be minor and will not impact the overall burden estimate.

**Scenarios –** There will be sixteen different mock tax scenarios in total covering 4 general topics, EITC, taxable social security, standard deduction greater than itemized deduction, and itemized deduction. A scenario representing each of the four most common filing statuses (single, married, head of household, and married filing separately) will be created for each of the four topics. One scenario for each topic is attached.

**Debrief questionnaire-**The debrief questionnaire will be further developed in conjunction with the vendor after the contract is awarded. It is expected that any changes made to the debrief questionnaire will be minor and will not impact the overall burden estimate. The time to complete the debrief questionnaire is estimated at 10 minutes each and is included in the 3 hour estimate for the study.

**Instructions-** The instructions will be read to the participants by the facilitator and a printed copy will also be included in the packet given to the participants. The instructions will be different for each group depending on random assignment to the different service options.

## Appendix A

### Assistance Study Screener's Guide

*Recruit using the following quotas*

7. All must be over the age of 18
8. All must be native English speakers
9. All must have self-prepared a federal tax return in the past 5 years
10. All must be a 1040 filer
11. All must have an education level of grade 10 or above
12. Half with internet usage

*Would like a mix of:*

- Age (over 18)*
- Gender*
- Income*

Hello, my name is \_\_\_\_\_ and I work for \_\_\_\_\_. We are a marketing research company that is working with the IRS to improve the IRS services. We would like to better understand your service needs with the IRS.

Do you have a few minutes to answer a couple of questions? Your participation is voluntary, but your help on this project would be very much appreciated. *[If respondent says yes, proceed with interview].*

1. Would you say that you are the adult in your household who is most familiar with the preparation and filing of your federal income tax returns?

- Yes, most familiar.....1                   **SKIP TO Q2**  
Equally familiar.....2                   **SKIP TO Q2**  
Not most/equally familiar....3

1b. Are you sufficiently familiar with your federal income tax return to answer some questions about it?

- Yes.....1  
No.....2   **Terminate**

2. Have you, in any of the past five years, prepared your own tax return utilizing the paper form?

- \_\_\_\_ Yes  
\_\_\_\_ No   **Terminate**

3. Do you have internet access at home? **Recruit at least half as yes**

- Yes
- No

4. What is your current age? **RECRUIT A MIX OF AGE If Under 18  
TERMINATE**

\_\_\_\_\_

5. Which of these categories does your total annual household income fall into?  
**RECRUIT A MIX**

- Under 34,999K
- 35K-59,999K
- 60K-99,999K
- Over 100K

6. Please select the statement that best describes the language spoken in your household.

- English is the only language spoken
- English is the primary language spoken
- A language other than English is the primary language spoken [*terminate*]

7. Please identify your highest completed level of education. **RECRUIT A MIX**

- Grade School
- Some High School
- High School Diploma/GED
- Trade School
- Some College
- Associate's Degree
- Bachelor's Degree
- Master's Degree
- Doctoral Degree
- Professional Degree (M.D., J.P.)

8. What is your employment status?

- Full time student
- Student, working full time
- Student, working part time
- Employed full time
- Employed part time
- Not employed, but looking for employment
- Not employed and not looking for employment
- Retired

\_\_\_\_\_ (company name) in conjunction with the IRS, is conducting research in which taxpayers like yourself will come in and complete mock tax scenarios so that the IRS can better understand how taxpayers complete their taxes and what are the service needs of taxpayers. Are you interested in participating? (give times and dates)

Thank you for agreeing to help us with this valuable research. Now, I need to ask a few questions about the most recent federal tax return you filed, for most people this would have been your 2005 taxes filed by April 17<sup>th</sup>, 2006.

9. Which of the following forms did you use when you filed your tax return last year?  
**(IF NONE OF THE BELOW, SCREEN OUT)**

- Short form 1040EZ – did not itemize deductions
- Short form 1040A – did not itemize deductions
- Long form 1040 without other forms or schedules
- Long form 1040, with other forms or schedules
- Long form, don't remember if had other forms/schedules

10. Did your most recent tax return include any of the following? (check all that apply)

- Earned Income Credit (EIC)
- Taxable Social Security
- Child Tax Credit
- Itemized Deductions
- Standard Deductions
- Dependents

11. What was your filing status on your most recent tax return?

- Single
- Head of Household
- Married Filing Jointly
- Married Filing Separately
- Qualifying Widow(er) with dependant child [terminate]

*The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Approval Number for this study is 1545-XXXX. Also, if you have any comments regarding the time estimates associated with this study or suggestions on making this process simpler, please write to the:*

*Internal Revenue Service  
Tax Products Coordinating Committee  
SE:W:CAR:MP:T:T:SP  
1111 Constitution Ave. NW, Washington, DC 20224*

Appendix C: Assistance Study- Debrief

1. Were you able to complete the tax scenario given to you?

Yes  No

2. Did the scenario provide you with enough information to complete the tax form?

Yes  No

3. What types of service were available to you? (check all that apply)

Publications (instruction booklets)

Telephone assistance

Walk-in assistance

Web assistance- IRS.gov

4. Thinking about the publications (instructions booklets), please rate your satisfaction with each of the following items on a scale of 1 to 5 where 1 is very dissatisfied and 5 is very satisfied.

- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| a. The ease of finding answers in the publications     | 1 | 2 | 3 | 4 | 5 |
| b. Knowing what you needed to do to complete the forms | 1 | 2 | 3 | 4 | 5 |
| c. The completeness of instructions                    | 1 | 2 | 3 | 4 | 5 |
| d. The ease of understanding the instructions          | 1 | 2 | 3 | 4 | 5 |

5. Did you use service beyond the publications?

Yes  No

If no, why not? (check all that apply)

Wait time too long/ too many other people in line

Did not know how

Did not need assistance

Other – Please explain \_\_\_\_\_

6. What question/issue caused you to seek service beyond the publications? \_\_\_\_\_

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7. Rate your confidence in the accuracy of the service you received

1- Not at all confident in the accuracy

2- Slightly confident

3- Somewhat confident

4- Very confident in the accuracy

8. Did you get service more than once?

Yes  No



9. Please rate your confidence in the accuracy of the tax return you just completed

- 1- Not at all confident in the accuracy
- 2- Slightly confident
- 3- Somewhat confident
- 4- Very confident in the accuracy

10. There are many tax resources and services individuals can use to help them complete their taxes. From the following list, please check the resources and services you are aware of: (Check all that apply.)

- IRS forms and instruction booklets
- IRS website (www.irs.gov)
- IRS Tax Assistance Centers (walk-in sites)
- Automated IRS phone system
- IRS phone representatives
- Email with the IRS
- Written correspondence with the IRS (other than email)
- IRS Kiosk (similar to an ATM)
- Volunteer tax preparation clinics
- Tax preparation company
- Non-IRS books and publications
- Personal accountant/bookkeeper
- Tax preparation software
- Internet websites (other than the IRS website)

11. Which of the following tax resources and services, if any, have you ever used when completing your tax return? (Check all that apply.)

- IRS forms and instruction booklets
- IRS website (www.irs.gov)
- IRS Tax Assistance Centers (walk-in sites)
- Automated IRS phone system
- IRS phone representatives
- Email with the IRS
- Written correspondence with the IRS (other than email)
- IRS Kiosk (similar to an ATM)
- Volunteer tax preparation clinics
- Tax preparation company
- Non-IRS books and publications
- Personal accountant/bookkeeper
- Tax preparation software
- Internet websites (other than the IRS website)
- I did not use any of the above resources or services.
- Not applicable. I was not required to file a 2005 tax return.

12. If you could use only one of the following tax resources or services to complete your tax return, which would you choose?

- IRS website (www.irs.gov)
- IRS Tax Assistance Centers (walk-in sites)
- Automated IRS phone system
- IRS phone representatives
- Email with the IRS
- Written correspondence with the IRS (other than email)
- IRS Kiosk (similar to an ATM)
- Volunteer tax preparation clinics
- Tax preparation company
- Non-IRS books and publications
- Personal accountant/bookkeeper
- Tax preparation software
- Internet websites (other than the IRS website)
- I would not use any of the above resources or services.

13. Have you ever e-filed your federal tax return?

- Yes       No  
If No, Why not? \_\_\_\_\_

14. Have you ever used software to complete your tax return?

- Yes       No  
If No, Why not? \_\_\_\_\_

15. Do you have any comments that would help us improve this type of research in the future?

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16. Do you have any comments regarding the services the IRS offers taxpayers?

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## Appendix B: Moderator's Guide - All 3 service channels group

Hello. My name is \_\_\_\_\_ and I work for \_\_\_\_\_. I want to start today by thanking you all for coming in today to complete a mock tax return. Our goal today is to better understand how people complete their tax returns and how IRS service impacts that process.

When you came in, you each should have received a packet. There are several different packets, so please make sure the number on your badge matches the number on the packet. In your packet you will find a copy of the instructions I am going to read to you, a brief description of the person I want you to pretend to be today for the purpose of completing a tax return, tax documents for your scenario, tax forms and instruction booklets. We have also provided you with a calculator and some pencils. If you need more pencils, just let me know and I will get you more.

**All the necessary tax information and relevant tax documents for the person in your scenario are contained in the written scenario and/or the packet. Therefore if your scenario does not mention childcare expenses, they are not relevant to your scenario. This does NOT mean that all information in your packet is necessary or must be entered somewhere on the 1040.**

In order to better understand how taxpayers complete their tax return, you will be able to receive additional service in one of three ways.

- 1) IRS Toll-Free Assistance- You may receive service by calling the IRS toll-free line on one of the phones in room \_\_\_\_\_. At each phone you will find a piece of paper with the IRS toll-free assistance phone number. On that sheet of paper please write your participant number as it appears on your badge or on your packet. When you call, the assistor should provide you with their last name and their assistor number. Please write their last name and assistor number on the sheet of paper at the phone. Remember when you call that you are the person in your scenario, not yourself. Please do not give the assistor your real name and do not mention you are part of a test.
- 2) IRS Walk-in Assistance- You may receive service by talking to a walk-in assistor. If you have a question you would like to ask a walk-in assistor regarding your mock tax return, please go to room \_\_\_\_\_. Remember when you talk to the assistor that you are the person in your scenario, not yourself. Please do not give the assistor your real name.
- 3) IRS.gov Assistance- If you have a question regarding your mock tax scenario you would like to answer using IRS.gov, please go to room \_\_\_\_\_. There you will find several computers, the computer will ask you for your participant number which you can find on your badge or on your packet. Once you have entered your participant number, the

IRS.gov home page will appear. Please do not visit any other websites; we are trying to better understand how people use IRS.gov to meet their service needs. When you are done visiting IRS.gov, please sign off by holding down the Ctrl, Alt, and Delete keys at the same time.

When you have completed the tax form, please return it to \_\_\_\_\_ where you checked in today and you will receive a short questionnaire regarding your experience with the mock tax scenario and will also receive your payment.

Just a few rules, which you can also find in your packet

- 1) Please turn all cell phones off
- 2) Please no talking to the other participants
- 3) If given the option of having the IRS calculate a line on the form, do NOT exercise that option. We want YOU to complete the entire form.

Name: Mary J. Hood

DOB: 12/12/1964

SS#895-00-9015

Employment: Operator

Marital Status: Divorced

Spouse's name (if any): None

People who lived in the house with you and anyone living outside of your home that you or your spouse (if any) supported during the tax year:

<u>Name</u>	<u>SS#</u>	<u>DOB</u>	<u>Relationship</u>
Lauren Salem	824-00-3571	05/03/1988	Daughter
William Hood	816-00-2643	02/15/1990	Son
Barbara Bates	822-00-3964	03/12/1932	Mother

You are employed as an operator at Bluefield Telecommunications, and this is your only source of income. Both of your children, Lauren and William, lived with you full time in the family home for the entire tax year. You are divorced and provide all of your children's support. Your mother, Barbara Bates, also lives with you full-time and you provide for over half of her support. Barbara's total gross income was \$2845 from Social Security and a small amount of bank interest. You, your children and your mother all lived in the state of Georgia all year and are U.S. Citizens.

<b>a</b> Control number		22222		Void <input type="checkbox"/>	
<b>b</b> Employer identification number (EIN) 04-12345					
<b>c</b> Employer's name, address, and ZIP code Bluefield Telecommunications 5775 Pomona Street Your City, GA 30308					
<b>d</b> Employee's social security number 895-00-9015					
<b>e</b> Employee's first name and initial Mary J.		Last Name Hood		Suff.	
<b>f</b> Employee's address and ZIP code 3717 E. Lee Street Your City, GA 30308					
<b>15</b> State Employer's state ID number YS 557-2315		<b>16</b> State wages, tips, etc. \$24,612.00		<b>17</b> State income tax \$265.00	
<b>18</b> Local wages, tips, etc.		<b>19</b> Local income tax		<b>20</b> Locality Name	
<b>For Official Use Only</b> OMB NO. 1545-0008					
<b>1</b> Wages, tips, other compensation		\$24,612.00		<b>2</b> Federal income tax withheld \$687.00	
<b>3</b> Social security wages		\$24,612.00		<b>4</b> Social security tax withheld \$1,525.94	
<b>5</b> Medicare wages and tips		\$24,612.00		<b>6</b> Medicare tax withheld \$356.87	
<b>7</b> Social security tips				<b>8</b> Allocated tips	
<b>9</b> Advance EIC payment		\$1,200.00		<b>10</b> Dependent care benefits	
<b>11</b> Nonqualified plans				<b>12a</b> See instructions for box 12	
<b>13</b> Check boxes Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>				<b>12b</b>	
<b>14</b> Other				<b>12c</b>	
				<b>12d</b>	

**W-2 Wage and Tax Statement** 2005  
 Form Copy A For Social Security Administration — Withholding Payments  
 Department of the Treasury — Internal Revenue Service  
 For Privacy Act and Paperwork Reduction Act Notice, See Back of Copy D  
 Cat No 10534D

**Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page**

Name: John T. Washington

DOB: 11/22/1963

SS#: 837-00-5631

Employment: Plumber

Marital Status: Married

Spouse's name (if any): Brenda Washington

People who lived in the house with you and anyone living outside of your home that you or your spouse (if any) supported during the tax year:

<u>Name</u>	<u>SS#</u>	<u>DOB</u>	<u>Relationship</u>
Brenda Washington	813-00-4537	01/14/1965	Wife
Lydia Washington	805-00-1379	11/03/1985	Daughter
Bryce Washington	805-00-5136	06/15/1998	Son

You are a plumber for a local company, your wife Brenda is a stay at home wife. You have a checking and savings account at your credit union and your wife has a money market account at a local bank.

Your daughter, Lydia, is attending the local community college on a full tax-free scholarship. Lydia lives at home and you provide all of her support. Your son, Bryce, also lives with you full time and you provide all of his support. You and your children lived in the state of Georgia for the entire tax year and are U.S. Citizens.

You did not itemize your deductions last year, but you think you may be able to this year, the following is a summary of the applicable receipts and records for itemizing deductions

Medical Expenses	\$1000
Real Estate Taxes on your primary residence	\$3750.69
Motor Vehicle Tax (value based)	\$92.19
Home Mortgage Interest	\$7422.72
Charitable contributions:	
Checks to local charity	\$360
Clothing donation receipts fair market value	\$327

<b>a</b> Control number		22222	Void <input type="checkbox"/>	<b>For Official Use Only</b> ▶ OMB NO. 1545-0008	
<b>b</b> Employer identification number (EIN) 99-6512				<b>1</b> Wages, tips, other compensation	\$68,582.00
<b>c</b> Employer's name, address, and ZIP code <b>Perfect Flow Plumbing</b>  <b>13460 Industrial Rd</b> <b>Your City, GA 30308</b>				<b>3</b> Social security wages	\$68,582.00
<b>d</b> Employee's social security number 837-00-5631				<b>5</b> Medicare wages and tips	\$68,582.00
<b>e</b> Employee's first name and initial <b>John T.</b>		Last Name <b>Washington</b>		<b>7</b> Social security tips	\$994.44
<b>1732 Rover Lane</b>		Suff.		<b>8</b> Allocated tips	
<b>Your City, GA 30308</b>				<b>9</b> Advance EIC payment	
				<b>10</b> Dependent care benefits	
				<b>11</b> Nonqualified plans	
				<b>12a</b> See instructions for box 12	
				<b>13</b> Check boxes	
				Statutory employee <input type="checkbox"/>	
				Retirement plan <input type="checkbox"/>	
				Third-party sick pay <input type="checkbox"/>	
				<b>12b</b>	
				<b>12c</b>	
				<b>12d</b>	
<b>f</b> Employee's address and ZIP code				<b>18</b> Local wages, tips, etc.	
<b>15</b> State	Employer's state ID number	<b>16</b> State wages, tips, etc.	<b>17</b> State income tax	<b>19</b> Local income tax	<b>20</b> Locality Name
GA	YS-65438	\$67,960.00	\$2,648.00		

**W-2 Wage and Tax Statement**  
 Form 99-6512  
 Copy A For Social Security Administration — Send the entire page with Form 99-6512 to the Social Security Administration (not to the state)

**2005**

Department of the Treasury—Internal Revenue Service  
 For Privacy Act and Paperwork Reduction Act Notice see back of Copy D.  
 Cat No 10114D

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<input type="checkbox"/> CORRECTED (if checked)		PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>Plumber Credit Union</b> <b>15 First Street</b> <b>Your City, GA 30308</b>		Payer's RTN (optional)		OMB No. 1545-0112  <b>2005</b> Form <b>1099-INT</b>		<b>Interest Income</b>	
PAYER'S Federal identification number XX-XXXXXX		RECIPIENT'S identification number 837-00-5631		1 Interest income not included in box 3 \$ 62.15		3 Interest on U.S. Savings Bonds and Treas. Obligations \$		<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
RECIPIENT'S name <b>John T. Washington</b>		Street Address (including apt. no) <b>1732 Rover Lane</b>		2 Early withdrawal penalty \$		5 Investment expenses \$			
City, state, and ZIP code <b>Your City, GA 30308</b>		Account number (see instructions)		6 Foreign tax paid \$		7 Foreign country or U.S. possession			
<b>Form 1099-INT</b>				Department of the Treasury - Internal Revenue Service					

<input type="checkbox"/> CORRECTED (if checked)		Payer's RTN (optional) OMB No. 1545-0112		<b>Interest Income</b>	<b>Copy B For Recipient</b> This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported
PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>First Town Bank</b> <b>930 Crown Street</b> <b>Your City, GA 30308</b>		<b>2005</b> Form <b>1099-INT</b>			
PAYER'S Federal identification number xx-xxxxxxx		RECIPIENT'S identification number 837-00-5631		<b>1</b> Interest income not included in box 3 \$ <b>\$916.61</b>	
RECIPIENT'S name <b>Brenda Washington</b>		<b>3</b> Interest on U.S. Savings Bonds and Treas. Obligations \$		<b>5</b> Investment expenses \$	
Street Address (including apt no) <b>1732 Rover Lane</b>		<b>2</b> Early withdrawal penalty \$		<b>7</b> Foreign country or U.S. possession \$	
City, state, and ZIP code <b>Your City, GA 30308</b>		<b>6</b> Foreign tax paid \$			
Account number (see instructions)					
<b>Form 1099-INT</b>				Department of the Treasury - Internal Revenue Service	

(keep for your records)

Name: Ella Chapman

DOB: 11/22/1967

SS#: 827-00-1774

Employment: Marketing Manager

Marital Status: Married

Spouse's name (if any): Derrick Chapman

People who lived in the house with you and anyone living outside of your home that you or your spouse (if any) supported during the tax year:

<u>Name</u>	<u>SS#</u>	<u>DOB</u>	<u>Relationship</u>
Derrick Chapman	842-00-6518	01/14/1961	Husband
Jasmine Chapman	827-00-1667	11/03/1985	Daughter
Ryan Chapman	827-00-1370	06/15/1998	Son

You are a marketing manager for a local company, your husband, Derrick, is a social worker. You have a savings account at your credit union.

Your daughter, Jasmine, is attending the state college on a full tax-free scholarship. Jasmine lives at home and you provide all of her support. Your son, Ryan, also lives with you full time and you provide all of his support. You and your children lived in the state of Georgia for the entire tax year and are U.S. Citizens.

You did not itemize your deductions last year, but you think you might save money if you itemize this year. The following is a summary of the applicable receipts and records you collected for itemizing your deductions

Medical Expenses	\$1750
Real Estate Taxes on your primary residence	\$2846.73
Motor Vehicle Tax (value based)	\$92.19
Home Mortgage Interest	\$3498.62
Charitable contributions:	
Checks to local charity	\$420
Clothing donation receipts fair market value	\$156
State income tax	See w-2

<b>a</b> Control number		22222	Void <input type="checkbox"/>	<b>For Official Use Only</b> ▶ OMB NO. 1545-0008	
<b>b</b> Employer identification number (EIN)		99-6512		<b>1</b> Wages, tips, other compensation \$45,445.00	
<b>c</b> Employer's name, address, and ZIP code		Strong Arm Marketing 1428 Power Rd Your City, GA 30308		<b>2</b> Federal income tax withheld \$3,906.00	
<b>d</b> Employer's social security number		827-00-1774		<b>4</b> Social security tax withheld \$2,817.59	
<b>e</b> Employee's first name and initial		Ella Chapman		<b>6</b> Medicare tax withheld \$658.95	
<b>f</b> Employee's address and ZIP code		1546 Dogtree Lane Your City, GA 30308		<b>8</b> Allocated tips	
<b>15</b> State		GA		<b>10</b> Dependent care benefits	
<b>16</b> State wages, tips, etc.		\$45,445.00		<b>11</b> Nonqualified plans	
<b>17</b> State income tax		\$1,853.60		<b>12a</b> See instructions for box 12	
<b>18</b> Local wages, tips, etc.				<b>12b</b>	
<b>19</b> Local income tax				<b>12c</b>	
<b>20</b> Locality Name				<b>12d</b>	

**W-2** Wage and Tax Statement

2005

Department of the Treasury—Internal Revenue Service  
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<b>a</b> Control number		22222	Void <input type="checkbox"/>	<b>For Official Use Only</b> ▶ OMB NO. 1545-0008	
<b>b</b> Employer identification number (EIN)		99-4208		<b>1</b> Wages, tips, other compensation	\$23,120.00
<b>c</b> Employer's name, address, and ZIP code		Department of children and families		<b>2</b> Federal income tax withheld	\$1,674.00
2000 Peach Rd		Your City, GA 30308		<b>3</b> Social security wages	\$23,120.00
<b>d</b> Employer's social security number		842-00-6518		<b>4</b> Social security tax withheld	\$1,433.44
<b>e</b> Employee's first name and initial		Derrick		<b>5</b> Medicare wages and tips	\$23,120.00
Last Name		Chapman		<b>6</b> Medicare tax withheld	\$335.24
Suff.				<b>7</b> Social security tips	
<b>13</b> Check boxes				<b>8</b> Allocated tips	
Statutory employee <input type="checkbox"/>		Retirement plan <input type="checkbox"/>		<b>9</b> Advance EIC payment	
Third-party sick pay <input type="checkbox"/>				<b>10</b> Dependent care benefits	
<b>14</b> Other				<b>11</b> Nonqualified plans	
<b>12a</b> See instructions for box 12				<b>12b</b>	
<b>12c</b>				<b>12d</b>	
<b>12d</b>				<b>19</b> Local income tax	
<b>15</b> State		GA		<b>16</b> State wages, tips, etc.	\$23,120.00
<b>16</b> State		YS-18090		<b>17</b> State income tax	\$794.40
<b>18</b> Local				<b>18</b> Local income tax	
<b>19</b> Local				<b>20</b> Locality Name	
<b>f</b> Employee's address and ZIP code		Your City, GA 30308			

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**2005**

**W-2 Wage and Tax Statement**

Form 1099-2  
 Copy A For Social Security Administration — Send this entire page with Form W-2 to the Social Security Administration. Photocopies are not acceptable.

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<input type="checkbox"/> CORRECTED (if checked)		Payer's RTN (optional)		OMB No. 1545-0112	
PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>First Town Bank</b> <b>930 Crown Street</b> <b>Your City, GA 30308</b>		RECIPIENT'S identification number <b>827-00-1774</b>		<b>2005</b> <b>Form 1099-INT</b>	
PAYER'S Federal identification number XX-XXXXXX		RECIPIENT'S name <b>Ella Chapman</b> Street Address (including apt. no) <b>1546 Dogtree Lane</b> City, state, and ZIP code <b>Your City, GA 30308</b> Account number (see instructions)		<b>1</b> Interest income not included in box 3 <b>\$ 17.21</b>	
<b>2</b> Early withdrawal penalty <b>\$</b>		<b>3</b> Interest on U.S. Savings Bonds and Treas. Obligations <b>\$</b>		<b>5</b> Investment expenses <b>\$</b>	
<b>6</b> Foreign tax paid <b>\$</b>		<b>7</b> Foreign country or U.S. possession		<b>Copy B For Recipient</b> This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported	
<b>Form 1099-INT</b>		Department of the Treasury - Internal Revenue Service			

(keep for your records)

Name: Jeremy Green

DOB: 11/20/1934

SS#: 832-00-9384

Employment: Retired

Marital Status: Married

Spouse's name (if any):

People who lived in the house with you and anyone living outside of your home that you or your spouse (if any) supported during the tax year:

<u>Name</u>	<u>SS#</u>	<u>DOB</u>	<u>Relationship</u>
Jessica Green	895-00-5193	05/13/39	Wife

You are a retired autoworker and you receive income from your pension, your social security, and interest on your savings account. You are married to Jessica Green. You are both U.S. citizens and you live in the United States. You have no children. Because of financial problems caused by your first wife, you refuse to file a joint return with anyone, including Jessica. You will file your own tax return and claim an exemption for yourself. Jessica will file her own tax return and claim an exemption for herself.

<input type="checkbox"/> CORRECTED (if checked)		Payer's RTN (optional)		OMB No. 1545-0112		<b>Interest Income</b>	<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>Auto Credit Union</b> <b>PO 3328</b> <b>Detroit, MI</b>		RECIPIENT'S identification number <b>832-00-9384</b>		<b>2005</b> <b>Form 1099-INT</b>			
PAYER'S Federal identification number <b>12-9876543</b>		RECIPIENT'S name <b>Jeremy Green</b> Street Address (including apt. no) <b>1010 Peach</b> City, state, and ZIP code <b>Your City, GA 30303</b> Account number (see instructions)		<b>1</b> Interest income not included in box 3 \$ <b>115</b>		<b>3</b> Interest on U.S. Savings Bonds and Treas. Obligations \$	
<b>2</b> Early withdrawal penalty \$		<b>4</b> Federal income tax withheld \$		<b>5</b> Investment expenses \$		<b>7</b> Foreign country or U.S. possession	
<b>6</b> Foreign tax paid \$		(keep for your records)		Department of the Treasury - Internal Revenue Service		<b>Form 1099-INT</b>	



CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code Newcomb Trust P.O. 1598 Your City, GA 30308		1 Gross distribution \$ 18,625 2a Taxable amount \$ 18,625 2b Taxable amount not determined <input type="checkbox"/>	OMB No. 1545-0119 <b>2005</b> Form 1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
PAYER'S Federal identification number 00-123456	RECIPIENT'S identification number 832-00-9384	3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$ 1715		Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.
RECIPIENT'S name Jeremy Green		5 Employee contributions or insurance premiums \$	6 Net unrealized appreciation in employer's securities \$		
Street Address (including apt no) 30911 Bard Rd		7 Distribution IRA/ code(s) SEP/ SIMPLE <input type="checkbox"/>	8 Other \$ %	This information is being furnished to the Internal Revenue Service.	
City, state, and ZIP code Your City, GA 30308		9a Your percentage of total distribution %	9b Total employee contributions \$		
Account number (see instructions)		10 State tax withheld \$	11 State/Payer's state no. YS 654321	12 State distribution \$ 18,625	
		13 Local tax withheld \$	14 Name of locality	15 Local distribution \$	

Form 1099-R

Department of the Treasury - Internal Revenue Service

**Form SSA-1099 - SOCIAL SECURITY BENEFIT STATEMENT**

**2005**

- PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME.
- SEE THE REVERSE FOR MORE INFORMATION.

Box 1. Name <b>Jeremy Green</b>		Box 2. Beneficiary's Social Security Number <b>832-00-9384</b>	
Box 3. Benefits Paid in 2005 <b>\$12,682.00</b>	Box 4. Benefits Repaid to SSA in 2005	Box 5. Net Benefits for 2004 (Box 3 minus Box 4) <b>\$12,682.00</b>	
DESCRIPTION OF AMOUNT IN BOX 3  <b>Paid by check or direct deposit: \$11,744.00</b>  <b>Medicare Premium deducted:</b> <div style="text-align: right;"><b>\$938.00</b></div> <b>Total:</b> <div style="text-align: right;"><b>\$12,682.00</b></div>		DESCRIPTION OF AMOUNT IN BOX 4  Box 6. Voluntary Federal Income Tax Withholding <div style="text-align: right;"><b>\$600.00</b></div> Box 7. Address <b>30911 Bard Road</b> <b>Your City, GA 30308</b>	
Form SSA-1099-SM		DO NOT RETURN THIS FORM TO SSA OR IRS	

Box 8. Claim Number (Use this number if you need to contact SSA.)