

2007 Instructions to Form 1040EZ, Income Tax Return for Single and Joint Filers With No Dependents

Purpose: This is the first circulated draft of the 2007 Instructions to Form 1040EZ, for your review and comments. See below for a discussion of the major changes.

TPCC Meeting: None scheduled.

Prior version: The 2006 Form 1040EZ Instructions are available at:
<http://www.irs.gov/pub/irs-pdf/i1040ez.pdf>

Form: The 2007 Form 1040EZ was circulated earlier at:
http://taxforms.web.irs.gov/Products/Drafts/2007-2/07f1040ez_d1.pdf

Other Products: Circulations of draft tax forms, instructions, notices, and publications are posted at: http://taxforms.web.irs.gov/draft_products.html

Comments: Please email, fax, call, or mail any comments by July 30, 2007. Also, please copy the reviewer at Mark.E.Richter@irs.gov.

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Major Changes to the 2007 Instructions to Form 1040EZ

General Changes

- ❖ All years and line references are updated appropriately. Filing deadlines have been updated. Pages references have not been updated.
- ❖ Special Hurricane Katrina rules have been deleted.
- ❖ A new front cover has been designed
- ❖ There will not be a Commissioner's message this year.
- ❖ A table of contents has been added. Some pages that were previously near the front of the booklet have been moved to after the line-by-line instructions. These are the pages that cover the IRS service standards, the Taxpayer Advocate Service, access to tax help and forms, refund information, calling the IRS, and TeleTax information and topics. This was done to get the information necessary to complete Form 1040EZ at the front of the instructions. This change was based on a best practices review of the 1040 Instructions by Kleinmann Communications Group.

Specific Changes

Page 4

- ❖ This page is being revised by ETA.

Page 5

- ❖ The following are new items for 2007.
 - Earned income credit.
 - Mailing your return.
 - Filing an amended return to claim the telephone excise tax credit for 2006.
- ❖ The following are new items for 2008.
 - Earned income credit.
- ❖ The TIP under *Do You Have To File?* is revised to delete the reference to the credit for federal telephone excise tax paid, which is no longer in effect.
- ❖ A sentence is added in *What if You File or Pay Late?* to separately discuss the increased penalty for fraudulent failure to file. This conforms to the 1040 instructions.

Page 6

- ❖ A reference is added in *Are There Other Penalties?* to the new penalty for filing an erroneous claim for a refund or credit. PL 110-28, sec 8247.
- ❖ The amount of the frivolous return penalty is revised per PL 109-432, sec 407. A reference is added to Notice 2007-30, which identifies specific positions as being frivolous.
- ❖ The amount of the standard deduction in *Who Can Use Form 1040EZ?* has been increased.
- ❖ A sentence is added in *Married Filing Jointly* to clarify that the combined income and deductions of both spouses are reported on a joint return. The 1040 instructions added it at the suggestion of a taxpayer.

Page 7

- ❖ The filing requirements in charts A and B are updated.
- ❖ Chart C is revised to add a reference to wages from an employer who did not withhold social security and Medicare tax from the wages.

Page 9

- ❖ The language on receiving a W-2 is revised to conform to the language in the 1040 instructions.

Page 11 and 12

- ❖ The income amounts for the earned income credit have been revised. Rev Proc 2006-53, sec 3.07.

Page 15

- ❖ The EIC Table has been updated.

Page 16

- ❖ The instructions for line 9, the federal telephone excise tax return, have been deleted. That credit was available for one year only. Notice 2006-50.
- ❖ The instructions for lines 11a through 11d are revised for consistency with the Form 8888 instructions.

Page 17

- ❖ Under *Amount You Owe*, a reference is added for paying through EFTPS. The 1040 instructions added it at the suggestion of the E-pay office.
- ❖ The order of the payment by credit card service provider is reversed per ETA.

Pages 19 through 27

- ❖ The tax tables are updated.

Page 28

- ❖ The phone number of the Innocent Spouse office is added under “Innocent Spouse Relief.”

Page 29

- ❖ The discussion of tax topics under *Research your tax questions online* is revised based on how the topics are displayed on the IRS website.

- ❖ The text under “Free help with your return” is revised per SPEC.

Pages 30 through 34

- ❖ These pages were previously toward the front of the instruction booklet, but were moved as part of the reorganization of the instructions.

Page 31

- ❖ The cost of the IRS Tax Products CD is updated per the IRS website. The rest of this page is being updated by Distribution.

Page 33

- ❖ The list of TeleTax topics is updated to include topics reinstated for previously expired tax benefits. IRS.gov.

Page 34

- ❖ The Disclosure Notice section has not been updated.

Page 35

- ❖ The average time burden figures have not been updated yet.

Page 36

- ❖ The amounts and percentages of federal income and outlay are revised per OMB.

Page 38

- ❖ The filing addresses for Kentucky and Pennsylvania are updated per Submission Processing. Other addresses will be updated when finalized by Submission Processing.

1040EZ

NOTE: THIS BOOKLET DOES NOT CONTAIN TAX FORMS

INSTRUCTIONS 2007



Explore all electronic filing and payment options, including *freefile*.



TAKE THE FREE WAY

If you made \$54,000 or less in 2007, you're one of the 95+ million taxpayers who are eligible to *e-file* for free!

See page 3 or go to: www.irs.gov

MAILING YOUR RETURN

You may be mailing your return to a different address this year. See page 8.

EARNED INCOME CREDIT

You may be eligible for the EIC. See page 8.

DIRECT DEPOSIT OF REFUND

You can split the direct deposit of your refund into two or three accounts. See page 8.

~~CREDIT FOR TELEPHONE EXCISE TAX~~

~~You may be able to request a credit for the federal excise paid on long distance and bundled telephone service. See page 8.~~



The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.



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Department
of the
Treasury

Internal
Revenue
Service

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Make Under \$54,000? e-file For Free!

If your 2007 adjusted gross income was \$54,000 or less, you're one of the 95+ million taxpayers who are eligible for **Free File**. Free File, a service offered by the IRS in partnership with the Free File Alliance, a group of tax preparation software companies, is:

- Fast, easy and safe to use
- Available in English and Spanish
- Accessible online 24 hours a day, 7 days a week (You will need internet access to Free File. Also, **Free File can only be accessed by going through the www.irs.gov website** — even if you used Free File in previous years.)
- Absolutely **FREE**. No hidden fees

If you don't qualify for Free File, then you may want to check out the Partners Page on www.irs.gov for low-cost e-file options.

Use IRS e-file if you don't qualify for Free File. There are three ways:

→ Use a tax professional.

Many taxpayers rely on tax professionals to handle their returns and most tax professionals can e-file your return & you just have to be sure to ask.

Also, tax professionals can charge a fee for **IRS e-file**. Fees can vary depending on the professional and specific services rendered, so be sure to discuss this upfront.

→ Use a computer.

You can easily electronically prepare and e-file your own tax return. To do so, you'll need:

- A computer with Internet access, and
- IRS-approved tax preparation software which is available via the Internet for online use, for download from the Internet, and in retail stores for offline use. Visit www.irs.gov/efile for details.

→ Use a volunteer.

The VITA Program offers free tax help for low to moderate income taxpayers. The Tax Counseling for the Elderly (TCE) Program provides free tax help to people age 60 and older.

e-file! It's Never Been Easier.

It's easy to see why more than 60% of taxpayers e-file their tax returns electronically: it's faster, easier and more convenient than paper filing. e-filing also reduces the chance of making mistakes. Plus, if your 2007 adjusted gross income was \$54,000 or less, **you can e-file for FREE by using Free File at www.irs.gov**!

e-file and Get the Benefits

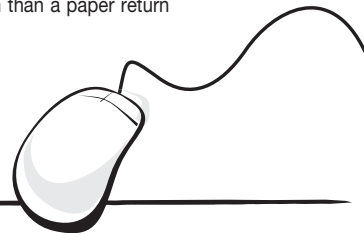
- A **faster refund** than by paper filing — in as little as 10 days with Direct Deposit
- An **e-mailed proof of receipt** within 48 hours after the IRS receives your return which you can't get with paper filing
- **Reduced chance of making mistakes** since **IRS e-file** software checks your return. In fact, e-filed returns have a 1% or less error rate, compared to 20% with paper returns. (Please note that e-filing your tax returns does not impact or change the chance of an audit.)
- **Save time** by preparing and e-filing federal and state returns together
- You can **electronically sign your return** with a secure, self-selected PIN number
- If you owe, you can authorize an electronic funds withdrawal or pay by credit card. You can also **file a return early and pay the amount you owe later**
- **Help the environment, use less paper and save taxpayer money** — it costs less to process an e-filed return than a paper return



Totally Safe and Secure

More than half a billion federal tax returns have been e-filed! The IRS uses the most secure technology available to safeguard your personal information. So you can rest assured that when you e-file, your information will be safe.

Visit: www.irs.gov/efile for the latest information.



electronic | r s

You can accomplish many things electronically within **www.irs.gov**. The Electronic IRS is a gateway to the many IRS electronic options and its available 24 hours a day, 7 days a week. Should you choose to file a paper return, you'll find information, resources and all of the forms ready to download.

Before You Fill In Form 1040EZ



For details on these and other changes for 2007 and 2008, see Pub. 553.

What's New for 2007

Earned Income Credit (EIC)

You may be able to take the EIC if you earned less than \$12,590 (\$14,590 if married filing jointly). See the instructions for lines 8a and 8b that begin on page 13.

Mailing Your Return

You may be mailing your return to a different address this year because the IRS has changed the filing location for several areas. If you received an envelope with your tax package, please use it. Otherwise, see *Where Do You File?* on the back cover.

Credit for Federal Telephone Excise Tax

The credit for federal telephone excise tax was only available on your 2006 return. If you did not request this credit on your 2006 return, file Form 1040X to amend your 2006 return.

What's New for 2008

Earned Income Credit (EIC)

You may be able to take the EIC if you earned less than \$xx,xxx (\$xx,xxx if married filing jointly).

The election to include nontaxable combat pay in earned income for the EIC expired and will not apply for 2008.

Filing Requirements

These rules apply to all U.S. citizens, regardless of where they live, and resident aliens.

Do You Have To File?

Were you (or your spouse if filing a joint return) age 65 or older at the end of 2007? If you were born on January 1, 1943, you are considered to be age 65 at the end of 2007.

- Yes.** Use TeleTax topic 351 (see page 6) to find out if you must file a return. If you do, you must use Form 1040A or 1040.
- No.** Use Chart A, B, or C on page 9 to see if you must file a return.



Even if you do not otherwise have to file a return, you should file one to get a refund of any federal income tax withheld. You should also file if you are eligible for the earned income credit.



Have you tried IRS e-file? It's the fastest way to get your refund and it's free if you are eligible. Visit www.irs.gov for details.

Exception for children under age 18. If you are planning to file a tax return for your child who was under age 18 at the end of 2007 and certain other conditions apply, you can elect to include your child's income on your return. But you must use Form 1040 and Form 8814 to do so. If you make this election, your child does not have to file a return. For details, use TeleTax topic 553 (see page 6) or see Form 8814.

A child born on January 1, 1990, is considered to be age 18 at the end of 2007. Do not use Form 8814 for such a child.

Resident aliens. These rules also apply if you were a resident alien. Also, you may qualify for certain tax treaty benefits. See Pub. 519 for details.

Nonresident aliens and dual-status aliens. These rules also apply if you were a nonresident alien or dual-status alien and both of the following apply.

- You were married to a U.S. citizen or resident at the end of 2007.
- You elected to be taxed as a resident alien.

See Pub. 519 for details.



Specific rules apply to determine if you are a resident alien, nonresident alien, or dual-status alien. Most nonresident aliens and dual-status aliens have different filing requirements and may have to file Form 1040NR or Form 1040NR-EZ. Pub. 519 discusses these requirements and other

information to help aliens comply with U.S. tax law, including tax treaty benefits, and special rules for students and scholars.

When Should You File?

File Form 1040EZ by **April 15, 2008**. If you file after this date, you may have to pay interest and penalties. See below.



If you were serving in, or in support of, the U.S. Armed Forces in a designated combat zone, qualified hazardous duty area, or a contingency operation (for example, you were in the Afghanistan, Bosnia, Kosovo, or Persian Gulf area), see Pub. 3.

What if You Cannot File on Time?

You can get an automatic 6-month extension if, no later than the date your return is due, you file Form 4868. For details, see Form 4868.

However, even if you get an extension, the tax you owe is still due April 15, 2008. If you make a payment with your extension request, see the instructions for line 9 on page 18.

What if You File or Pay Late?

The IRS can charge you interest and penalties on the amount you owe.

If you file late, the penalty is usually 5% of the amount due for each month or part of a month your return is late, unless you have a reasonable explanation. If you do, attach it to your return. The penalty can be as much as 25% of the tax due. The penalty is 15% per month, up to a maximum of 75%, if the failure to file is fraudulent. We will charge you interest on the penalty from the due date of the return (including extensions). If your return is more than 60 days late, the minimum penalty will be \$100 or the amount of any tax you owe, whichever is smaller.

If you pay your taxes late, the penalty is usually 1/2 of 1% of the unpaid amount for each month or part of a month the tax is not paid. The penalty can be as much as 25% of the unpaid amount. It applies to any unpaid tax on the return.

Are There Other Penalties?

Yes. Other penalties can be imposed for negligence, substantial understatement of tax, reportable transaction understatements, fraud,

and filing an erroneous claim for a refund or credit. We will charge you interest on these penalties from the due date of the return (including extensions). Criminal penalties may be imposed for willful failure to file, tax evasion, or making a false statement. See Pub. 17 for details.

In addition to any other penalties, the law imposes a penalty of \$5,000 for filing a frivolous return. A frivolous return is one that does not contain information needed to figure the correct tax or shows a substantially incorrect tax, because you take a frivolous position or desire to delay or interfere with the tax laws. This includes altering or striking out the preprinted language above the space where you sign.

Where Do You File?

See the back cover.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the “timely mailing as timely filing/paying” rule for tax returns and payments. These private delivery services include only the following.

- DHL Express (DHL): DHL Same Day Service, DHL Next Day 10:30 am, DHL Next Day 12:00 pm, DHL Next Day 3:00 pm, and DHL 2nd Day Service.

- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.

- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

Who Can Use Form 1040EZ?

You can use Form 1040EZ if all of the following apply.

- Your filing status is single or married filing jointly (see page 11). If you were a nonresident alien at any time in 2007, see *Nonresident aliens* on page 11.

- You do not claim any dependents.

- You do not claim any adjustments to income. Use TeleTax topics 451-453 and 455-458 (see page 6).

- The only tax credit you can claim is the earned income credit. Use TeleTax topics 601-608 and 610 (see page 6).

- You (and your spouse if filing a joint return) were under age 65 and not blind at the end of 2007. If you were born on January 1, 1943, you are considered to be age 65 at the end of 2007 and cannot use Form 1040EZ.

- Your taxable income (line 6 of Form 1040EZ) is less than \$100,000.

- You had only wages, salaries, tips, taxable scholarship or fellowship grants, unemployment compensation, or Alaska Permanent Fund dividends, and your taxable interest was not over \$1,500.

- You did not receive any advance earned income credit payments.

- You do not owe any household employment taxes on wages you paid to a household employee. To find out who owes these taxes, use TeleTax topic 756 (see page 6).

- You are not a debtor in a chapter 11 bankruptcy case filed after October 16, 2005.

If you do not meet all of the requirements, you must use Form 1040A or 1040. Use TeleTax topic 352 (see page 6) to find out which form to use.

Even if you can use Form 1040EZ, it may benefit you to use Form 1040A or 1040 instead. For example, you can claim the head of household filing status (which usually results in a lower tax than single) only on Form 1040A or 1040. Use TeleTax topic 353 (see page 6). Also, you can itemize deductions only on Form 1040. It would benefit you to itemize deductions if they total more than your standard deduction, which is \$5,350 for most single people and \$10,700 for most married people filing a joint return. Use TeleTax topic 501 (see page 6). But if someone can claim you (or your spouse if married) as a dependent, your standard deduction is the amount entered on line E of the worksheet on page 2 of Form 1040EZ.

Nonresident aliens. If you were a nonresident alien at any time in 2007, your filing status must be married filing jointly to use Form 1040EZ. If your filing status is not married filing jointly, you may have to use Form 1040NR or 1040NR-EZ. Specific rules apply to determine if you were a nonresident or resident alien. See Pub. 519 for details, including the rules for students and scholars who are aliens.

Single

You can use this filing status if any of the following was true on December 31, 2007.

- You were never married.

- You were legally separated, according to your state law, under a decree of divorce or separate maintenance.

- You were widowed before January 1, 2007, and did not remarry in 2007.

Married Filing Jointly

You can use this filing status if any of the following apply.

- You were married at the end of 2007, even if you did not live with your spouse at the end of 2007.

- Your spouse died in 2007 and you did not remarry in 2007.

- You were married at the end of 2007, and your spouse died in 2008 before filing a 2007 return.

For federal tax purposes, a marriage means only a legal union between a man and a woman as husband and wife. A husband and wife filing jointly report their combined income and deduct their combined allowable expenses on one return. A husband and wife can file a joint return even if only one had income or if they did not live together all year. However, both persons must sign the return. Once you file a joint return, you cannot choose to file separate returns for that year after the due date of the return.

Joint and several tax liability. If you file a joint return, both you and your spouse are generally responsible for the tax and any interest or penalties due on the return. This means that if one spouse does not pay the tax due, the other may have to. However, see *Innocent spouse relief* on page 21.

Chart A—For Most People

IF your filing status is . . .	THEN file a return if your gross income* was at least . . .
Single	\$ 8,750
Married filing jointly**	\$17,500

***Gross income** means all income you received in the form of money, goods, property, and services that is not exempt from tax, including any income from sources outside the United States (even if you can exclude part or all of it).

**If you did not live with your spouse at the end of 2007 (or on the date your spouse died) and your gross income was at least \$3,400, you must file a return.

Chart B—For Children and Other Dependents

If your parent (or someone else) can claim you as a dependent, use this chart to see if you must file a return.

In this chart, **unearned income** includes taxable interest, ordinary dividends, and capital gain distributions. **Earned income** includes wages, tips, and taxable scholarship and fellowship grants. **Gross income** is the total of your unearned and earned income.



To find out if your parent (or someone else) can claim you as a dependent, use TeleTax topic 354 (see page 6).

You must file a return if **any** of the following apply.

- Your **unearned income** was over \$850.
- Your **earned income** was over \$5,350.
- Your **gross income** was more than the **larger** of—
 - \$850, or
 - Your earned income (up to \$5,050) plus \$300.

Chart C—Other Situations When You Must File

You must file a return using Form 1040A or 1040 if **any** of the following apply for 2007.


- You received any advance earned income credit payments from your employer. These payments are shown in box 9 of your Form W-2.

- You owe tax from the recapture of an education credit (see **Form 8863**).
- You claim a credit for excess social security and tier 1 RRTA tax withheld.

You must file a return using Form 1040 if **any** of the following apply for 2007.

- You owe any special taxes, such as social security and Medicare tax on tips you did not report to your employer or on wages from an employer who did not withhold on the wages.
- You owe uncollected social security and Medicare or RRTA tax on tips you reported to your employer or on your group-term life insurance.
- You had net earnings from self-employment of at least \$400.
- You had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes.
- You owe tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if you are filing a return only because you owe this tax, you can file **Form 5329** by itself.

Where To Report Certain Items From 2007 Forms W-2, 1098, and 1099


 IRS e-file takes the guesswork out of preparing your return. You may also be eligible to use free online commercial tax preparation software to file your federal income tax return. Visit www.irs.gov/efile for details.

If any **federal income tax withheld** is shown on these forms, include the tax withheld on Form 1040EZ, line 7.

Form	Item and Box in Which It Should Appear	Where To Report on Form 1040EZ
W-2	Wages, tips, other compensation (box 1) Allocated tips (box 8) Advance EIC payment (box 9) Dependent care benefits (box 10) Adoption benefits (box 12, code T) Employer contributions to an Archer MSA (box 12, code R) Employer contributions to a health savings account (box 12, code W) Income from nonqualified deferred compensation plan (box 12, code Z)	Line 1 See <i>Tip income</i> on page 12 Must file Form 1040A or 1040 Must file Form 1040 Must file Form 1040 Must file Form 1040 if required to file Form 8889 (see the instructions for Form 8889) Must file Form 1040
W-2G	Gambling winnings (box 1)	Must file Form 1040
1098-E	Student loan interest (box 1)	Must file Form 1040A or 1040 to deduct
1098-T	Qualified tuition and related expenses (box 1)	Must file Form 1040A or 1040, but first see the instructions on Form 1098-T
1099-C	Canceled debt (box 2)	Must file Form 1040 if taxable (see the instructions on Form 1099-C)
1099-DIV	Dividends and distributions	Must file Form 1040A or 1040
1099-G	Unemployment compensation (box 1)	Line 3. But if you repaid any unemployment compensation in 2007, see the instructions for line 3 on page 13
1099-INT	Interest income (box 1) Interest on U.S. savings bonds and Treasury obligations (box 3) Early withdrawal penalty (box 2) Foreign tax paid (box 6) Tax-exempt interest (box 8)	Line 2 See the instructions for line 2 on page 13 Must file Form 1040A or 1040 to deduct Must file Form 1040 to deduct or take a credit for the tax See the instructions for line 2 on page 13
1099-LTC	Long-term care and accelerated death benefits	Must file Form 1040 if required to file Form 8853 (see the instructions for Form 8853)
1099-MISC	Miscellaneous income	Must file Form 1040
1099-OID	Original issue discount (box 1) Other periodic interest (box 2) Early withdrawal penalty (box 3)	See the instructions on Form 1099-OID Must file Form 1040A or 1040 to deduct
1099-Q	Qualified education program payments	Must file Form 1040
1099-R 1099-SA	Distributions from pensions, annuities, IRAs, etc. Distributions from HSAs and MSAs*	Must file Form 1040A or 1040 Must file Form 1040

*This includes distributions from Archer and Medicare Advantage MSAs.

Line Instructions for Form 1040EZ

 IRS e-file takes the guesswork out of preparing your return. You may also be eligible to use free online commercial tax preparation software to file your federal income tax return. Visit www.irs.gov/efile for details.

Name and Address

Use the Peel-Off Label

Using your peel-off name and address label on the back of this booklet will speed the processing of your return. It also prevents common errors that can delay refunds or result in unnecessary notices. Put the label on your return after you have finished it. Cross out any incorrect information and print the correct information. Add any missing items, such as your apartment number.

Address Change

If the address on your peel-off label is not your current address, cross out your old address and print your new address. If you plan to move after filing your return, use Form 8822 to notify the IRS of your new address.

Name Change

If you changed your name because of marriage, divorce, etc., be sure to report the change to your local Social Security Administration office before you file your return. This prevents delays in processing your return and issuing refunds. It also safeguards your future social security benefits. If you received a peel-off label, cross out your former name and print your new name.

What if You Do Not Have a Label?

Print the information in the spaces provided.



If you filed a joint return for 2006 and you are filing a joint return for 2007 with the same spouse, be sure to enter your names and SSNs in the same order as on your 2006 return.

P.O. Box

Enter your P.O. box number only if your post office does not deliver mail to your home.

Foreign Address

Print the information in the following order: City, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

Social Security Number (SSN)

An incorrect or missing SSN can increase your tax or reduce your refund. To apply for an SSN, fill in Form SS-5 and return it to the Social Security Administration (SSA). You can get Form SS-5 online at www.socialsecurity.gov, from your local SSA office, or by calling the SSA at 1-800-772-1213. It usually takes about 2 weeks to get an SSN once the SSA has all the evidence and information it needs.

Check that your SSN on your Forms W-2 and 1099 agrees with your social security card. If not, see page 21 for more details.

IRS individual taxpayer identification numbers (ITINs) for aliens.

If you are a nonresident or resident alien and you do not have and are not eligible to get an SSN, you must apply for an ITIN. For details on how to do so, see Form W-7 and its instructions. It usually takes about 4–6 weeks to get an ITIN.

If you already have an ITIN, enter it wherever your SSN is requested on your tax return.



An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.

Nonresident alien spouse. If your spouse is a nonresident alien, he or she must have either an SSN or an ITIN.

Presidential Election Campaign Fund

This fund helps pay for Presidential election campaigns. The fund reduces candidates' dependence on large contributions from individuals and groups and places candidates on an equal financial footing in the general election. If you want \$3 to go to this fund, check the box. If you are filing a joint return, your spouse may also have \$3 go to the fund. If you check a box, your tax or refund will not change.

Income

Rounding Off to Whole Dollars

You can round off cents to whole dollars on your return. If you do round to whole dollars, you must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3.

If you have to add two or more amounts to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Example. You received two Forms W-2, one showing wages of \$5,009.55 and one showing wages of \$8,760.73. On Form 1040EZ, line 1, you would enter \$13,770 (\$5,009.55 + \$8,760.73 = \$13,770.28).

Refunds of State or Local Income Taxes

If you received a refund, credit, or offset of state or local income taxes in 2007, you may receive a Form 1099-G.

For the year the tax was paid to the state or other taxing authority, did you file Form 1040EZ or 1040A?

- Yes.** None of your refund is taxable.
- No.** You may have to report part or all of the refund as income on Form 1040 for 2007. For details, use TeleTax topic 405 (see page 6).

Social Security Benefits

You should receive a Form SSA-1099 or Form RRB-1099. These forms will show the total social security and equivalent railroad retirement benefits paid to you in 2007 and the amount of any benefits you repaid in 2007. Use the worksheet below to see if any of your benefits are taxable. If they are, you must use Form 1040A or 1040. For more details, see Pub. 915.

Line 1

Wages, Salaries, and Tips

Enter the total of your wages, salaries, and tips. If a joint return, also include your spouse's income. For most people, the amount to enter on this line should be shown on their Form(s) W-2 in box 1. But the following types of income also must be included in the total on line 1.

- Wages received as a household employee for which you did not receive a Form W-2 because your employer paid you less than \$1,500 in 2007. Also, enter "HSH" and the amount not reported on a Form W-2 in the space to the left of line 1.

- Tip income you did not report to your employer. But you must use Form 1040 and Form 4137 if: (a) you received tips of \$20 or more in any month and did not report the full amount to your employer, or (b) your Form(s) W-2 show allocated tips that you must report as income. You must report the allocated tips shown on your Form(s) W-2 unless you can prove that you received less. Allocated tips should be shown on your Form(s) W-2 in box 8. They are not included as income in box 1. See Form 4137 and Pub. 531 for more details.

- Scholarship and fellowship grants not reported on a Form W-2. Also, enter "SCH" and the amount in the space to the left of line 1. However, if you were a degree candidate, include on line 1 only the amounts you used for expenses other than tuition and course-related expenses. For example, amounts used for room, board, and travel must be reported on line 1.



You must use Form 1040A or 1040 if you received dependent care benefits for 2007. You must use Form 1040 if you received employer-provided adoption benefits for 2007.

Missing or Incorrect Form W-2?

Your employer is required to provide or send Form W-2 to you no later than January 31, 2008. If you do not receive it by early February, use TeleTax topic 154 (see page 6) to find out what to do. Even if you do not get a Form W-2, you must still report your earnings on line 1. If you lose your Form W-2 or it is incorrect, ask your employer for a new one.

Line 2

Taxable Interest

Each payer should send you a Form 1099-INT or Form 1099-OID. Report all of your taxable interest income on line 2 even if you did not receive a Form 1099-INT or 1099-OID.

Include taxable interest from banks, savings and loan associations, money market certificates, credit unions, savings bonds, etc. If interest was credited in 2007 on deposits that you could not withdraw because of the bankruptcy or insolvency of the financial institution, you may be able to exclude part or all of that interest from your 2007 income. But you must use Form 1040A or 1040 to do so. See Pub. 550 for details.

If you cashed series EE or I U.S. savings bonds in 2007 that were issued after 1989 and you paid certain higher education expenses during the year, you may be able to exclude from income part or all of the interest on those bonds. But you must use Form 8815 and Form 1040A or 1040 to do so.

You must use Form 1040A or 1040 if either of the following applies.

- You received interest as a nominee (that is, in your name but the interest income actually belongs to someone else).
- You received a 2007 Form 1099-INT for U.S. savings bond interest that includes amounts you reported before 2007.

Tax-Exempt Interest

If you received tax-exempt interest, such as from municipal bonds, each payer should send you a Form 1099-INT. Your tax-exempt interest should be included in box 8 of Form 1099-INT. Enter "TEI" and the amount in the space to the left of line 2. Do not add tax-exempt interest in the total on line 2.

Line 3

Unemployment Compensation and Alaska Permanent Fund Dividends

Unemployment compensation. You should receive a Form 1099-G showing the total unemployment compensation paid to you in 2007. If you made contributions to a governmental unemployment compensation program, see Pub. 525 to determine the amount to report.

If you received an overpayment of unemployment compensation in 2007 and you repaid any of it in 2007, subtract the amount you repaid from the total amount you received. Include the result in the total on line 3. Also, enter "Repaid" and the amount you repaid in the space to the left of line 3. If you repaid unemployment compensation in 2007 that you included in gross income in an earlier year, you can deduct the amount repaid. But you must use Form 1040 to do so. See Pub. 525 for details.

Alaska Permanent Fund dividends. Include the dividends in the total on line 3. But you cannot use Form 1040EZ for a child who was under age 18 at the end of 2007 if the child's dividends are more than \$1,700. Instead, you must file Form 8615 and Form 1040A or 1040 for the child. You must also use Form 8615 and Form 1040A or 1040 for the child if the child's dividends and taxable interest (line 2) total more than \$1,700. A child born on January 1, 1990, is considered to be age 18 at the end of 2007. Do not use Form 8615 for such a child.

Payments and Tax

Line 7

Federal Income Tax Withheld

Enter the total amount of federal income tax withheld. This should be shown on your 2007 Form(s) W-2 in box 2.

If you received a 2007 Form 1099-INT, 1099-G, or 1099-OID showing federal income tax withheld, include the tax withheld in the total on line 7. This tax should be shown in box 4 of these forms.

If federal income tax was withheld from your Alaska Permanent Fund dividends, include the tax withheld in the total on line 7.

Worksheet To See if Any of Your Social Security Benefits Are Taxable

Keep for Your Records



Before you begin: ✓ If you are filing a joint return, be sure to include any amounts your spouse received when entering amounts on lines 1, 3, and 4 below.

1. Enter the amount from box 5 of all your Forms SSA-1099 and Forms RRB-1099	1.	<input type="text"/>
2. Is the amount on line 1 more than zero?		
<input type="checkbox"/> No. None of your social security benefits are taxable.		
<input type="checkbox"/> Yes. Enter one-half of line 1	2.	<input type="text"/>
3. Enter your total wages, salaries, tips, etc., from Form(s) W-2. Also, include any taxable unemployment compensation and Alaska Permanent Fund dividends you received (see the instructions for line 3 on page 13)	3.	<input type="text"/>
4. Enter your total interest income, including any tax-exempt interest	4.	<input type="text"/>
5. Add lines 2, 3, and 4	5.	<input type="text"/>
6. If you are:		
• Single, enter \$25,000	}	6. <input type="text"/>
• Married filing jointly, enter \$32,000		
7. Is the amount on line 6 less than the amount on line 5?		
<input type="checkbox"/> No. None of your social security benefits are taxable this year. You can use Form 1040EZ. Do not list your benefits as income.		
<input type="checkbox"/> Yes. Some of your benefits are taxable this year. You must use Form 1040A or 1040.		

Lines 8a and 8b Earned Income Credit (EIC)

What Is the EIC?

The EIC is a credit for certain people who work. The credit may give you a refund even if you do not owe any tax.

Note. If you have a qualifying child (see page 14), you may be able to take the credit, but you must use Schedule EIC and Form 1040A or 1040 to do so. For details, see Pub. 596.

To Take the EIC:

- Follow the steps on pages 13 through 15.
- Complete the worksheet on page 16 or let the IRS figure the credit for you.

For help in determining if you are eligible for the EIC, go to www.irs.gov/eitc and click on "EIC Assistant." This service is available in English and Spanish.



If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. See Form 8862, who must file, on page 15. You may also have to pay penalties.

Step 1 All Filers

- Is the amount on Form 1040EZ, line 4, less than \$12,590 (\$14,590 if married filing jointly)?
 - Yes.** Continue →
 - No.** You cannot take the credit.

- Do you, and your spouse if filing a joint return, have a social security number that allows you to work or is valid for EIC purposes (see page 15)?
 - Yes.** Go to question 3.
 - No.** You cannot take the credit. Enter "No" in the space to the left of line 8a.

- Can you, or your spouse if filing a joint return, be claimed as a dependent on someone else's 2007 tax return?
 - Yes.** You cannot take the credit.
 - No.** Continue →

- Were you, or your spouse if filing a joint return, at least age 25 but under age 65 at the end of 2007?
 - Yes.** Continue →
 - No.** You cannot take the credit.

- Was your home, and your spouse's if filing a joint return, in the United States for more than half of 2007? Members of the military stationed outside the United States, see page 15 before you answer.
 - Yes.** Continue →
 - No.** You cannot take the credit. Enter "No" in the space to the left of line 8a.

- Look at the qualifying child conditions below. Could you, or your spouse if filing a joint return, be a qualifying child of another person in 2007?
 - Yes.** You cannot take the credit. Enter "No" in the space to the left of line 8a.
 - No.** Go to Step 2 on this page.

A **qualifying child** for the EIC is a child who is a...

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew)

AND

was
Under age 19 at the end of 2007

or

Under age 24 at the end of 2007 and a student (see page 15)

or

Any age and permanently and totally disabled (see page 15)

AND

who...

Either lived with another person in the United States for more than half of 2007 or was born or died in 2007 and that person's home was the child's home for the entire time the child was alive in 2007.



Special rules apply if the child was married or also meets the conditions to be a qualifying child of another person (other than your spouse if filing a joint return). For details, use TeleTax topic 601 (see page 6) or see Pub. 596.

Step 2 Earned Income

1. Figure earned income:

Form 1040EZ, line 1 _____

Subtract, if included in line 1, any:

- Taxable scholarship or fellowship grant not reported on a Form W-2.
- Amount paid to an inmate in a penal institution for work (enter "PRI" in the space to the left of line 1 on Form 1040EZ).
- Amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (enter "DFC" and the amount subtracted in the space to the left of line 1 on Form 1040EZ). This amount may be shown on your Form W-2 in box 11. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity.

Add all of your nontaxable combat pay if you elect to include it in earned income. Also enter this amount on Form 1040EZ, line 8b. See *Combat pay, nontaxable* on page 15.

+ _____



Electing to include nontaxable combat pay may increase or decrease your EIC. Figure the credit with and without your nontaxable combat pay before making the election.

Earned Income =

2. Is your earned income less than \$12,590 (\$14,590 if married filing jointly)?

- Yes.** Go to Step 3. **No.**

You cannot take the credit.

Step 3 How To Figure the Credit

1. Do you want the IRS to figure the credit for you?

- Yes.** See *Credit figured by the IRS* on page 15. **No.** Go to the worksheet on page 16.

Definitions and Special Rules

(listed in alphabetical order)

Combat pay, nontaxable. If you were a member of the U.S. Armed Forces who served in a combat zone, certain pay is excluded from your income. See *Combat Zone Exclusion* in Pub. 3. You can elect to include this pay in your earned income when figuring the EIC. The amount of your nontaxable combat pay should be shown in Form(s) W-2, box 12, with code Q. If you are filing a joint return and both you and your spouse received nontaxable combat pay, you can each make your own election.

Credit figured by the IRS. To have the IRS figure the credit for you:

1. Enter "EIC" in the space to the left of line 8a on Form 1040EZ.
2. Be sure you enter the nontaxable combat pay you elect to include in earned income on Form 1040EZ, line 8b. See *Combat pay, nontaxable*, above.
3. If your EIC for a year after 1996 was reduced or disallowed, see *Form 8862, who must file*, below.

Form 8862, who must file. You must file Form 8862 if your EIC for a year after 1996 was reduced or disallowed for any reason other than a math or clerical error. But do not file Form 8862 if either of the following applies.

1. You filed Form 8862 for another year, the EIC was allowed for that year, and your EIC has not been reduced or disallowed again for any reason other than a math or clerical error.
2. The only reason your EIC was reduced or disallowed in the earlier year was because it was determined that a child listed on Schedule EIC was not your qualifying child.

Also, do not file Form 8862 or take the credit for:

- 2 years after the most recent tax year for which there was a final determination that your EIC claim was due to reckless or intentional disregard of the EIC rules, or
- 10 years after the most recent tax year for which there was a final determination that your EIC claim was due to fraud.

Members of the military. If you were on extended active duty outside the United States, your home is considered to be in the United States during that duty period. Extended active duty is military duty ordered for an indefinite period or for a period of more than 90 days. Once you begin serving extended active duty, you are considered to be on extended active duty even if you serve fewer than 91 days.

Permanently and totally disabled. A person is permanently and totally disabled if, at any time in 2007, the person cannot engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition has lasted or can be expected to last continuously for at least a year or can be expected to lead to death.

Social security number (SSN). For the EIC, a valid SSN is a number issued by the Social Security Administration unless "Not Valid for Employment" is printed on the social security card and the number was issued solely to apply for or receive a federally funded benefit.

To find out how to get an SSN, see page 11. If you will not have an SSN by the date your return is due, see *What if You Cannot File on Time?* on page 8.

Student. A student is a child who during any part of 5 calendar months of 2007 was enrolled as a full-time student at a school, or took a full-time, on-farm training course given by a school or a state, county, or local government agency. A school includes a technical, trade, or mechanical school. It does not include an

Earned Income Credit (EIC) Worksheet—Lines 8a and 8b

Keep for Your Records



Part 1

All Filers

1. Enter your earned income from Step 2 on page 11.

1	
---	--

2. Look up the amount on line 1 above in the EIC Table on page 14 to find the credit. Be sure you use the correct column for your filing status. Enter the credit here.

2	
---	--

If line 2 is zero, You cannot take the credit. Enter "No" in the space to the left of line 8a.

3. Enter the amount from Form 1040EZ, line 4.

3	
---	--

4. Are the amounts on lines 3 and 1 the same?
 Yes. Skip line 5; enter the amount from line 2 on line 6.
 No. Go to line 5.

Part 2

Filers Who Answered "No" on Line 4

5. Is the amount on line 3 less than \$7,000 (\$9,000 if married filing jointly)?
 Yes. Leave line 5 blank; enter the amount from line 2 on line 6.
 No. Look up the amount on line 3 in the EIC Table on page 14 to find the credit. Be sure you use the correct column for your filing status. Enter the credit here.

5	
---	--

 Look at the amounts on lines 5 and 2. Then, enter the **smaller** amount on line 6.

Part 3

Your Earned Income Credit

6. **This is your earned income credit.**

6	
---	--

Enter this amount on Form 1040EZ, line 8a.



If your EIC for a year after 1996 was reduced or disallowed, see page 11 to find out if you must file Form 8862 to take the credit for 2007.



on-the-job training course, correspondence school, or a school offering courses only through the Internet.

Welfare benefits, effect of credit on. Any refund you receive as a result of taking the EIC will not be used to determine if you are eligible for the following programs or how much you can receive from them. But if the refund you receive because of the EIC is not

spent within a certain period of time, it can count as an asset (or resource) and affect your eligibility.

- Temporary Assistance for Needy Families (TANF).
- Medicaid and supplemental security income (SSI).
- Food stamps and low-income housing.

2007 Earned Income Credit (EIC) Table

Caution. This is not a tax table.

- To find your credit, read down the "At least—But less than" columns and find the line that includes the amount you were told to look up from your EIC Worksheet on page 16.
- Then, read across to the column for your filing status. Enter the credit from that column on your EIC Worksheet.

If the amount you are looking up from the worksheet is –		And your filing status is –		If the amount you are looking up from the worksheet is –		And your filing status is –		If the amount you are looking up from the worksheet is –		And your filing status is –		If the amount you are looking up from the worksheet is –		And your filing status is –					
At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly				
Your credit is –		Your credit is –		Your credit is –		Your credit is –		Your credit is –		Your credit is –		Your credit is –		Your credit is –					
\$1	\$50	\$2	\$2	3,000	3,050	231	231	6,000	6,050	428	428	9,000	9,050	273	426	12,000	12,050	43	196
50	100	6	6	3,050	3,100	235	235	6,050	6,100	428	428	9,050	9,100	269	422	12,050	12,100	39	192
100	150	10	10	3,100	3,150	239	239	6,100	6,150	428	428	9,100	9,150	265	418	12,100	12,150	36	189
150	200	13	13	3,150	3,200	243	243	6,150	6,200	428	428	9,150	9,200	261	414	12,150	12,200	32	185
200	250	17	17	3,200	3,250	247	247	6,200	6,250	428	428	9,200	9,250	257	410	12,200	12,250	28	181
250	300	21	21	3,250	3,300	251	251	6,250	6,300	428	428	9,250	9,300	254	407	12,250	12,300	24	177
300	350	25	25	3,300	3,350	254	254	6,300	6,350	428	428	9,300	9,350	250	403	12,300	12,350	20	173
350	400	29	29	3,350	3,400	258	258	6,350	6,400	428	428	9,350	9,400	246	399	12,350	12,400	16	169
400	450	33	33	3,400	3,450	262	262	6,400	6,450	428	428	9,400	9,450	242	395	12,400	12,450	13	166
450	500	36	36	3,450	3,500	266	266	6,450	6,500	428	428	9,450	9,500	238	391	12,450	12,500	9	162
500	550	40	40	3,500	3,550	270	270	6,500	6,550	428	428	9,500	9,550	234	387	12,500	12,550	5	158
550	600	44	44	3,550	3,600	273	273	6,550	6,600	428	428	9,550	9,600	231	384	12,550	12,600	1	154
600	650	48	48	3,600	3,650	277	277	6,600	6,650	428	428	9,600	9,650	227	380	12,600	12,650	0	150
650	700	52	52	3,650	3,700	281	281	6,650	6,700	428	428	9,650	9,700	223	376	12,650	12,700	0	146
700	750	55	55	3,700	3,750	285	285	6,700	6,750	428	428	9,700	9,750	219	372	12,700	12,750	0	143
750	800	59	59	3,750	3,800	289	289	6,750	6,800	428	428	9,750	9,800	215	368	12,750	12,800	0	139
800	850	63	63	3,800	3,850	293	293	6,800	6,850	428	428	9,800	9,850	212	365	12,800	12,850	0	135
850	900	67	67	3,850	3,900	296	296	6,850	6,900	428	428	9,850	9,900	208	361	12,850	12,900	0	131
900	950	71	71	3,900	3,950	300	300	6,900	6,950	428	428	9,900	9,950	204	357	12,900	12,950	0	127
950	1,000	75	75	3,950	4,000	304	304	6,950	7,000	428	428	9,950	10,000	200	353	12,950	13,000	0	124
1,000	1,050	78	78	4,000	4,050	308	308	7,000	7,050	426	428	10,000	10,050	196	349	13,000	13,050	0	120
1,050	1,100	82	82	4,050	4,100	312	312	7,050	7,100	422	428	10,050	10,100	192	345	13,050	13,100	0	116
1,100	1,150	86	86	4,100	4,150	316	316	7,100	7,150	418	428	10,100	10,150	189	342	13,100	13,150	0	112
1,150	1,200	90	90	4,150	4,200	319	319	7,150	7,200	414	428	10,150	10,200	185	338	13,150	13,200	0	108
1,200	1,250	94	94	4,200	4,250	323	323	7,200	7,250	410	428	10,200	10,250	181	334	13,200	13,250	0	104
1,250	1,300	98	98	4,250	4,300	327	327	7,250	7,300	407	428	10,250	10,300	177	330	13,250	13,300	0	101
1,300	1,350	101	101	4,300	4,350	331	331	7,300	7,350	403	428	10,300	10,350	173	326	13,300	13,350	0	97
1,350	1,400	105	105	4,350	4,400	335	335	7,350	7,400	399	428	10,350	10,400	169	322	13,350	13,400	0	93
1,400	1,450	109	109	4,400	4,450	339	339	7,400	7,450	395	428	10,400	10,450	166	319	13,400	13,450	0	89
1,450	1,500	113	113	4,450	4,500	342	342	7,450	7,500	391	428	10,450	10,500	162	315	13,450	13,500	0	85
1,500	1,550	117	117	4,500	4,550	346	346	7,500	7,550	387	428	10,500	10,550	158	311	13,500	13,550	0	81
1,550	1,600	120	120	4,550	4,600	350	350	7,550	7,600	384	428	10,550	10,600	154	307	13,550	13,600	0	78
1,600	1,650	124	124	4,600	4,650	354	354	7,600	7,650	380	428	10,600	10,650	150	303	13,600	13,650	0	74
1,650	1,700	128	128	4,650	4,700	358	358	7,650	7,700	376	428	10,650	10,700	146	299	13,650	13,700	0	70
1,700	1,750	132	132	4,700	4,750	361	361	7,700	7,750	372	428	10,700	10,750	143	296	13,700	13,750	0	66
1,750	1,800	136	136	4,750	4,800	365	365	7,750	7,800	368	428	10,750	10,800	139	292	13,750	13,800	0	62
1,800	1,850	140	140	4,800	4,850	369	369	7,800	7,850	365	428	10,800	10,850	135	288	13,800	13,850	0	59
1,850	1,900	143	143	4,850	4,900	373	373	7,850	7,900	361	428	10,850	10,900	131	284	13,850	13,900	0	55
1,900	1,950	147	147	4,900	4,950	377	377	7,900	7,950	357	428	10,900	10,950	127	280	13,900	13,950	0	51
1,950	2,000	151	151	4,950	5,000	381	381	7,950	8,000	353	428	10,950	11,000	124	277	13,950	14,000	0	47
2,000	2,050	155	155	5,000	5,050	384	384	8,000	8,050	349	428	11,000	11,050	120	273	14,000	14,050	0	43
2,050	2,100	159	159	5,050	5,100	388	388	8,050	8,100	345	428	11,050	11,100	116	269	14,050	14,100	0	39
2,100	2,150	163	163	5,100	5,150	392	392	8,100	8,150	342	428	11,100	11,150	112	265	14,100	14,150	0	36
2,150	2,200	166	166	5,150	5,200	396	396	8,150	8,200	338	428	11,150	11,200	108	261	14,150	14,200	0	32
2,200	2,250	170	170	5,200	5,250	400	400	8,200	8,250	334	428	11,200	11,250	104	257	14,200	14,250	0	28
2,250	2,300	174	174	5,250	5,300	404	404	8,250	8,300	330	428	11,250	11,300	101	254	14,250	14,300	0	24
2,300	2,350	178	178	5,300	5,350	407	407	8,300	8,350	326	428	11,300	11,350	97	250	14,300	14,350	0	20
2,350	2,400	182	182	5,350	5,400	411	411	8,350	8,400	322	428	11,350	11,400	93	246	14,350	14,400	0	16
2,400	2,450	186	186	5,400	5,450	415	415	8,400	8,450	319	428	11,400	11,450	89	242	14,400	14,450	0	13
2,450	2,500	189	189	5,450	5,500	419	419	8,450	8,500	315	428	11,450	11,500	85	238	14,450	14,500	0	9
2,500	2,550	193	193	5,500	5,550	423	423	8,500	8,550	311	428	11,500	11,550	81	234	14,500	14,550	0	5
2,550	2,600	197	197	5,550	5,600	428	428	8,550	8,600	307	428	11,550	11,600	78	231	14,550	14,590	0	2
2,600	2,650	201	201	5,600	5,650	428	428	8,600	8,650	303	428	11,600	11,650	74	227				
2,650	2,700	205	205	5,650	5,700	428	428	8,650	8,700	299	428	11,650	11,700	70	223				
2,700	2,750	208	208	5,700	5,750	428	428	8,700	8,750	296	428	11,700	11,750	66	219				
2,750	2,800	212	212	5,750	5,800	428	428	8,750	8,800	292	428	11,750	11,800	62	215				
2,800	2,850	216	216	5,800	5,850	428	428	8,800	8,850	288	428	11,800	11,850	59	212				
2,850	2,900	220	220	5,850	5,900	428	428	8,850	8,900	284	428	11,850	11,900	55	208				
2,900	2,950	224	224	5,900	5,950	428	428	8,900	8,950	280	428	11,900	11,950	51	204				
2,950	3,000	228	228	5,950	6,000	428	428	8,950	9,000	277	428	11,950	12,000	47	200				

Line 9

Add lines 7 and 8a. Enter the total on line 9.

Amount paid with extension of time to file. If you filed Form 4868 to get an automatic extension of time to file, include in the total on line 9 any amount you paid with that form or by electronic funds withdrawal or credit card. If you paid by credit card, do not include on line 9 the convenience fee you were charged. To the left of line 9, enter "Form 4868" and show the amount paid.

Line 10

Tax

Do you want the IRS to figure your tax for you?

- Yes.** See Pub. 967 for details, including who is eligible and what to do. If you have paid too much, we will send you a refund. If you did not pay enough, we will send you a bill.
- No.** Use the Tax Table that starts on page 24.

Refund

If line 11a is under \$1, we will send the refund only if you request it when you file your return. If you want to check the status of your refund, please wait at least 6 weeks (3 weeks if you filed electronically) from the date you filed to do so. But if you filed Form 8379 with your return, allow 14 weeks (11 weeks if you filed electronically). See page 6 for details.



If your refund is large, you may want to decrease the amount of income tax withheld from your pay by filing a new Form W-4. See Income tax withholding and estimated tax payments for 2008 on page 21.

Refund Offset

If you owe past-due federal tax, state income tax, child support, spousal support, or certain federal nontax debts, such as student loans, all or part of the refund on line 11a may be used (offset) to pay the past-due amount. Offsets for federal taxes are made by the IRS. All other offsets are made by the Treasury Department's Financial Management Service (FMS). For federal tax offsets, you will receive a notice from the IRS. For all other offsets, you will receive a notice from FMS. To find out if you may have an offset or if you have a question about it, contact the agency(ies) you owe the debt to.

Injured spouse claim. If you file a joint return and your spouse has not paid past-due federal tax, state income tax, child support, spousal support, or a federal nontax debt, such as a student loan, part or all of the refund on line 11a may be used (offset) to pay the past-due amount. But your part of the refund may be refunded to you if certain conditions apply and you complete Form 8379. For details, use TeleTax topic 203 (see page 6) or see Form 8379.

Lines 11a Through 11d

DIRECT DEPOSIT

Simple. Safe. Secure.

Fast Refunds! Choose direct deposit—a fast, simple, safe, secure way to have your refund deposited automatically into your checking or savings account.

Why Use Direct Deposit?

- You get your refund fast—in half the time as paper filers if you e-file.

Need more information or forms? See page 5.

- Payment is more secure—there is no check to get lost.
- More convenient. No trip to the bank to deposit your check.
- Saves tax dollars. A refund by direct deposit costs less than a check.

If you want us to directly deposit the amount shown on line 11a into your checking or savings account at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) in the United States:

- Check the box on line 11a and attach Form 8888 if you want to split the direct deposit of your refund among two or three accounts, or
 - Complete lines 11b through 11d if you want your refund deposited to only one account.
- Otherwise, we will send you a check.

Note. If you do not want your refund directly deposited into your account, do not check the box on line 11a. Draw a line through the boxes on lines 11b and 11d.



*The IRS is not responsible for a lost refund if you enter the wrong account information. Check with your financial institution to make sure your direct deposit will be accepted and to get the **correct** routing and account numbers. Do not use the routing number on a deposit slip if it is different from the routing number on your checks.*

If you file a joint return and check the box on line 11a and attach Form 8888 or fill in lines 11b through 11d, you are allowing your spouse to receive the refund on your behalf. This appointment cannot be changed later.

If the direct deposit to your account is different from the amount you expected, you will receive an explanation in the mail about 2 weeks after your refund is deposited.

Line 11a. You cannot file Form 8888 and split your refund among two or three accounts if Form 8379 is filed with your return.

Line 11b. The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. Otherwise, the direct deposit will be rejected and a check sent instead. On the sample check below, the routing number is 250250025. William and Doris Maple would use that routing number unless their financial institution instructed them to use a different routing number for direct deposits.

Your check may state that it is payable through a financial institution different from the one at which you have your checking account. If so, do not use the routing number on that check. Instead, contact your financial institution for the correct routing number to enter on line 11b.

Line 11c. Check the appropriate box for the type of account. Do not check more than one box.

Line 11d. The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check below, the account number is 20202086. Do not include the check number.



Some financial institutions will not allow a joint refund to be deposited into an individual account. If the direct deposit is rejected, a check will be sent instead. The IRS is not responsible if a financial institution rejects a direct deposit.

Sample Check—Lines 11b Through 11d

William Maple
Doris Maple
1234 Redwood Circle
Anytown, MD 20000

PAY TO THE ORDER OF

ANYTOWN BANK
Anytown, MD 20000

For

1:250250025:20202086:1234

1234
0000/0000

DOLLARS

Do not include the check number.



The routing and account numbers may be in different places on your check.

Amount You Owe



IRS *e-file* offers the electronic payment option of electronic funds withdrawal (EFW). EFW can be used to pay your current year balance due and can be used to make up to four estimated tax payments. If you are filing early, you can schedule your payment for withdrawal from your account on a future date, up to and including April 15, 2008. If you file your return after April 15, 2008, you now can include interest and penalty in your payment. Visit www.irs.gov and enter keyword “e-pay” for details.

You also can pay using the electronic federal tax payment system (EFTPS), a free tax payment system that allows you to make payments online or by phone. For more information or details on enrolling, visit www.eftps.gov or call Customer Service at 1-800-316-6541. TTY/TDD help is available by calling 1-800-733-4829.

Line 12



To save interest and penalties, pay your taxes in full by April 15, 2008. You do not have to pay if line 12 is under \$1.

You can pay by check, money order, or credit card.

To pay by check or money order. Enclose in the envelope with your return a check or money order payable to the “United States Treasury” for the full amount when you file. Do not attach the payment to your return. Do not send cash. Write “2007 Form 1040EZ” and your name, address, daytime phone number, and social security number (SSN) on your payment. If you are filing a joint return, enter the SSN shown first on your return.

To help process your payment, enter the amount on the right side of the check like this: \$ XXX.XX. Do not use dashes or lines (for example, do not enter “XXX-” or “XXX $\frac{XX}{100}$ ”).

To pay by credit card. You can use your American Express® Card, Discover® Card, MasterCard® card, or Visa® card. To pay by credit card, call toll-free or visit the website of either service provider listed on this page and follow the instructions. A convenience fee will be charged by the service provider based on the amount you are paying. Fees may vary between the providers. You will be told what the fee is during the transaction and you will have the option to either continue or cancel the transaction. You can also find out what the fee will be by calling the provider’s toll-free automated customer service number or visiting the provider’s website shown on this page. If you pay by credit card before filing your return, enter on page 1 of Form 1040EZ in the upper left corner the

confirmation number you were given at the end of the transaction and the amount you charged (not including the convenience fee).

Link2Gov Corporation
1-888-PAY-1040SM
(1-888-729-1040)
1-888-658-5465
(Customer Service)
www.PAY1040.com

Official Payments Corporation
1-800-2PAY-TAXSM
(1-800-272-9829)
1-877-754-4413
(Customer Service)
www.officialpayments.com



You may need to increase the amount of income tax withheld from your pay by filing a new Form W-4. See Income tax withholding and estimated tax payments for 2008 on page 21.

What if You Cannot Pay?

Installment payments. If you cannot pay the full amount shown on line 12 when you file, you can ask to make monthly installment payments for the full or a partial amount. You may have up to 60 months to pay. However, even if your request to pay in installments is granted, you will be charged interest and may be charged a late payment penalty on the tax not paid by April 15, 2008. You must also pay a fee. To limit the interest and penalty charges, pay as much of the tax as possible when you file. But before requesting an installment agreement, you should consider other less costly alternatives, such as a bank loan or credit card payment.

To ask for an installment agreement, you can apply online or use Form 9465. To apply online, go to www.irs.gov, use the pull-down menu under “I need to ...” and select “Set Up a Payment Plan.” If you use Form 9465, you should receive a response to your request to make installment payments within 30 days. But if you file your return after March 31, it may take us longer to reply.

Penalty for Not Paying Enough Tax During the Year

You may have to pay a penalty if line 12 is at least \$1,000 and it is more than 10% of the tax shown on your return. The “tax shown on your return” is the amount on line 10 minus the amount on line 8a. You may choose to have the IRS figure the penalty for you. If you owe a penalty, the IRS will send you a bill. However, if you want to figure the penalty yourself on Form 2210, you must file Form 1040A or 1040 to do so.

The penalty may be waived under certain conditions. See Pub. 505 for details.

Exceptions to the penalty. You will not owe the penalty if your 2006 tax return was for a tax year of 12 full months and either of the following applies.

1. You had no tax shown on your 2006 return and you were a U.S. citizen or resident for all of 2006, or
2. Line 7 on your 2007 return is at least as much as the tax shown on your 2006 return.

Third Party Designee

If you want to allow a friend, family member, or any other person you choose to discuss your 2007 tax return with the IRS, check the “Yes” box in the “Third party designee” area of your return. Also, enter the designee’s name, phone number, and any five digits the designee chooses as his or her personal identification number (PIN). But if you want to allow the paid preparer who signed your return to discuss it with the IRS, just enter “Preparer” in the space for the designee’s name. You do not have to provide the other information requested.

If you check the “Yes” box, you, and your spouse if filing a joint return, are authorizing the IRS to call the designee to answer any questions that may arise during the processing of your return. You are also authorizing the designee to:

- Give the IRS any information that is missing from your return,
- Call the IRS for information about the processing of your return or the status of your refund or payment(s),
- Receive copies of notices or transcripts related to your return, upon request, and
- Respond to certain IRS notices about math errors, offsets, and return preparation.

You are not authorizing the designee to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the IRS. If you want to expand the designee's authorization, see Pub. 947.

The authorization will automatically end no later than the due date (without regard to extensions) for filing your 2008 tax return. This is April 15, 2009, for most people. If you want to revoke the authorization before it ends, see Pub. 947.

Sign Your Return

Form 1040EZ is not considered a valid return unless you sign it. If you are filing a joint return, your spouse must also sign. If your spouse cannot sign the return, see Pub. 501. Be sure to date your return and enter your occupation(s). If you are filing a joint return as a surviving spouse, see *Death of a taxpayer* on page 21.

Child's return. If your child cannot sign the return, either parent can sign the child's name in the space provided. Then, add "By (your signature), parent for minor child."

Daytime phone number. Providing your daytime phone number may help speed the processing of your return. We can have questions about items on your return, such as the earned income credit. By answering our questions over the phone, we may be able to continue processing your return without mailing you a letter. If you are filing a joint return, you can enter either your or your spouse's daytime phone number.

Paid preparer must sign your return. Generally, anyone you pay to prepare your return must sign it in the space provided. The

preparer must give you a copy of the return for your records. Someone who prepares your return but does not charge you should not sign your return.



Electronic return signatures! Create your own personal identification number (PIN) and file a paperless return electronically or use a tax professional. If you are married filing jointly, you and your spouse will each need to create a PIN and enter these PINs as your electronic signatures.

A PIN is any combination of five digits you choose except five zeros. If you use a PIN, there is nothing to sign and nothing to mail—not even your Forms W-2.

To verify your identity, you will be prompted to enter your adjusted gross income (AGI) from your originally filed 2006 federal income tax return, if applicable. Do not use your AGI from an amended return (Form 1040X). AGI is the amount shown on your 2006 Form 1040, line 38; Form 1040A, line 21; or Form 1040EZ, line 4. If you do not have your 2006 income tax return, call the IRS at 1-800-829-1040 to get a free transcript of your return. You will also be prompted to enter your date of birth (DOB). Make sure your DOB is accurate and matches the information on record with the Social Security Administration by checking your annual social security statement.



You cannot sign your return electronically if you are a first-time filer under age 16 at the end of 2007.

For more details, visit www.irs.gov/efile and click on "e-file for Individual Taxpayers."

Forms 8453 and 8453-OL. Your return is not complete without your signature. If you are not eligible or choose not to sign your return electronically, you must complete, sign, and file Form 8453 or Form 8453-OL, whichever applies.

Sign electronically and file a completely paperless return. If you use a paid preparer, ask to sign your return electronically!

2007 Tax Table—Continued

If Form 1040EZ, line 6, is—		And you are—		If Form 1040EZ, line 6, is—		And you are—		If Form 1040EZ, line 6, is—		And you are—		If Form 1040EZ, line 6, is—		And you are—	
At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly
Your tax is—				Your tax is—				Your tax is—				Your tax is—			
9,000				12,000				15,000				18,000			
9,000	9,050	963	903	12,000	12,050	1,413	1,203	15,000	15,050	1,863	1,503	18,000	18,050	2,313	1,921
9,050	9,100	970	908	12,050	12,100	1,420	1,208	15,050	15,100	1,870	1,508	18,050	18,100	2,320	1,929
9,100	9,150	978	913	12,100	12,150	1,428	1,213	15,100	15,150	1,878	1,513	18,100	18,150	2,328	1,936
9,150	9,200	985	918	12,150	12,200	1,435	1,218	15,150	15,200	1,885	1,518	18,150	18,200	2,335	1,944
9,200	9,250	993	923	12,200	12,250	1,443	1,223	15,200	15,250	1,893	1,523	18,200	18,250	2,343	1,951
9,250	9,300	1,000	928	12,250	12,300	1,450	1,228	15,250	15,300	1,900	1,528	18,250	18,300	2,350	1,959
9,300	9,350	1,008	933	12,300	12,350	1,458	1,233	15,300	15,350	1,908	1,533	18,300	18,350	2,358	1,966
9,350	9,400	1,015	938	12,350	12,400	1,465	1,238	15,350	15,400	1,915	1,538	18,350	18,400	2,365	1,974
9,400	9,450	1,023	943	12,400	12,450	1,473	1,243	15,400	15,450	1,923	1,543	18,400	18,450	2,373	1,981
9,450	9,500	1,030	948	12,450	12,500	1,480	1,248	15,450	15,500	1,930	1,548	18,450	18,500	2,380	1,989
9,500	9,550	1,038	953	12,500	12,550	1,488	1,253	15,500	15,550	1,938	1,553	18,500	18,550	2,388	1,996
9,550	9,600	1,045	958	12,550	12,600	1,495	1,258	15,550	15,600	1,945	1,558	18,550	18,600	2,395	2,004
9,600	9,650	1,053	963	12,600	12,650	1,503	1,263	15,600	15,650	1,953	1,563	18,600	18,650	2,403	2,011
9,650	9,700	1,060	968	12,650	12,700	1,510	1,268	15,650	15,700	1,960	1,569	18,650	18,700	2,410	2,019
9,700	9,750	1,068	973	12,700	12,750	1,518	1,273	15,700	15,750	1,968	1,576	18,700	18,750	2,418	2,026
9,750	9,800	1,075	978	12,750	12,800	1,525	1,278	15,750	15,800	1,975	1,584	18,750	18,800	2,425	2,034
9,800	9,850	1,083	983	12,800	12,850	1,533	1,283	15,800	15,850	1,983	1,591	18,800	18,850	2,433	2,041
9,850	9,900	1,090	988	12,850	12,900	1,540	1,288	15,850	15,900	1,990	1,599	18,850	18,900	2,440	2,049
9,900	9,950	1,098	993	12,900	12,950	1,548	1,293	15,900	15,950	1,998	1,606	18,900	18,950	2,448	2,056
9,950	10,000	1,105	998	12,950	13,000	1,555	1,298	15,950	16,000	2,005	1,614	18,950	19,000	2,455	2,064
10,000				13,000				16,000				19,000			
10,000	10,050	1,113	1,003	13,000	13,050	1,563	1,303	16,000	16,050	2,013	1,621	19,000	19,050	2,463	2,071
10,050	10,100	1,120	1,008	13,050	13,100	1,570	1,308	16,050	16,100	2,020	1,629	19,050	19,100	2,470	2,079
10,100	10,150	1,128	1,013	13,100	13,150	1,578	1,313	16,100	16,150	2,028	1,636	19,100	19,150	2,478	2,086
10,150	10,200	1,135	1,018	13,150	13,200	1,585	1,318	16,150	16,200	2,035	1,644	19,150	19,200	2,485	2,094
10,200	10,250	1,143	1,023	13,200	13,250	1,593	1,323	16,200	16,250	2,043	1,651	19,200	19,250	2,493	2,101
10,250	10,300	1,150	1,028	13,250	13,300	1,600	1,328	16,250	16,300	2,050	1,659	19,250	19,300	2,500	2,109
10,300	10,350	1,158	1,033	13,300	13,350	1,608	1,333	16,300	16,350	2,058	1,666	19,300	19,350	2,508	2,116
10,350	10,400	1,165	1,038	13,350	13,400	1,615	1,338	16,350	16,400	2,065	1,674	19,350	19,400	2,515	2,124
10,400	10,450	1,173	1,043	13,400	13,450	1,623	1,343	16,400	16,450	2,073	1,681	19,400	19,450	2,523	2,131
10,450	10,500	1,180	1,048	13,450	13,500	1,630	1,348	16,450	16,500	2,080	1,689	19,450	19,500	2,530	2,139
10,500	10,550	1,188	1,053	13,500	13,550	1,638	1,353	16,500	16,550	2,088	1,696	19,500	19,550	2,538	2,146
10,550	10,600	1,195	1,058	13,550	13,600	1,645	1,358	16,550	16,600	2,095	1,704	19,550	19,600	2,545	2,154
10,600	10,650	1,203	1,063	13,600	13,650	1,653	1,363	16,600	16,650	2,103	1,711	19,600	19,650	2,553	2,161
10,650	10,700	1,210	1,068	13,650	13,700	1,660	1,368	16,650	16,700	2,110	1,719	19,650	19,700	2,560	2,169
10,700	10,750	1,218	1,073	13,700	13,750	1,668	1,373	16,700	16,750	2,118	1,726	19,700	19,750	2,568	2,176
10,750	10,800	1,225	1,078	13,750	13,800	1,675	1,378	16,750	16,800	2,125	1,734	19,750	19,800	2,575	2,184
10,800	10,850	1,233	1,083	13,800	13,850	1,683	1,383	16,800	16,850	2,133	1,741	19,800	19,850	2,583	2,191
10,850	10,900	1,240	1,088	13,850	13,900	1,690	1,388	16,850	16,900	2,140	1,749	19,850	19,900	2,590	2,199
10,900	10,950	1,248	1,093	13,900	13,950	1,698	1,393	16,900	16,950	2,148	1,756	19,900	19,950	2,598	2,206
10,950	11,000	1,255	1,098	13,950	14,000	1,705	1,398	16,950	17,000	2,155	1,764	19,950	20,000	2,605	2,214
11,000				14,000				17,000				20,000			
11,000	11,050	1,263	1,103	14,000	14,050	1,713	1,403	17,000	17,050	2,163	1,771	20,000	20,050	2,613	2,221
11,050	11,100	1,270	1,108	14,050	14,100	1,720	1,408	17,050	17,100	2,170	1,779	20,050	20,100	2,620	2,229
11,100	11,150	1,278	1,113	14,100	14,150	1,728	1,413	17,100	17,150	2,178	1,786	20,100	20,150	2,628	2,236
11,150	11,200	1,285	1,118	14,150	14,200	1,735	1,418	17,150	17,200	2,185	1,794	20,150	20,200	2,635	2,244
11,200	11,250	1,293	1,123	14,200	14,250	1,743	1,423	17,200	17,250	2,193	1,801	20,200	20,250	2,643	2,251
11,250	11,300	1,300	1,128	14,250	14,300	1,750	1,428	17,250	17,300	2,200	1,809	20,250	20,300	2,650	2,259
11,300	11,350	1,308	1,133	14,300	14,350	1,758	1,433	17,300	17,350	2,208	1,816	20,300	20,350	2,658	2,266
11,350	11,400	1,315	1,138	14,350	14,400	1,765	1,438	17,350	17,400	2,215	1,824	20,350	20,400	2,665	2,274
11,400	11,450	1,323	1,143	14,400	14,450	1,773	1,443	17,400	17,450	2,223	1,831	20,400	20,450	2,673	2,281
11,450	11,500	1,330	1,148	14,450	14,500	1,780	1,448	17,450	17,500	2,230	1,839	20,450	20,500	2,680	2,289
11,500	11,550	1,338	1,153	14,500	14,550	1,788	1,453	17,500	17,550	2,238	1,846	20,500	20,550	2,688	2,296
11,550	11,600	1,345	1,158	14,550	14,600	1,795	1,458	17,550	17,600	2,245	1,854	20,550	20,600	2,695	2,304
11,600	11,650	1,353	1,163	14,600	14,650	1,803	1,463	17,600	17,650	2,253	1,861	20,600	20,650	2,703	2,311
11,650	11,700	1,360	1,168	14,650	14,700	1,810	1,468	17,650	17,700	2,260	1,869	20,650	20,700	2,710	2,319
11,700	11,750	1,368	1,173	14,700	14,750	1,818	1,473	17,700	17,750	2,268	1,876	20,700	20,750	2,718	2,326
11,750	11,800	1,375	1,178	14,750	14,800	1,825	1,478	17,750	17,800	2,275	1,884	20,750	20,800	2,725	2,334
11,800	11,850	1,383	1,183	14,800	14,850	1,833	1,483	17,800	17,850	2,283	1,891	20,800	20,850	2,733	2,341
11,850	11,900	1,390	1,188	14,850	14,900	1,840	1,488	17,850	17,900	2,290	1,899	20,850	20,900	2,740	2,349
11,900	11,950	1,398	1,193	14,900	14,950	1,848	1,493	17,900	17,950	2,298	1,906	20,900	20,950	2,748	2,356
11,950	12,000	1,405	1,198	14,950	15,000	1,855	1,498	17,950	18,000	2,305	1,914	20,950	21,000	2,755	2,364

(Continued on page 21)

2007 Tax Table—Continued

If Form 1040EZ, line 6, is—		And you are—		If Form 1040EZ, line 6, is—		And you are—		If Form 1040EZ, line 6, is—		And you are—		If Form 1040EZ, line 6, is—		And you are—	
At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly
Your tax is—				Your tax is—				Your tax is—				Your tax is—			
93,000				95,000				97,000				99,000			
93,000	93,050	20,158	16,104	95,000	95,050	20,718	16,604	97,000	97,050	21,278	17,104	99,000	99,050	21,838	17,604
93,050	93,100	20,172	16,116	95,050	95,100	20,732	16,616	97,050	97,100	21,292	17,116	99,050	99,100	21,852	17,616
93,100	93,150	20,186	16,129	95,100	95,150	20,746	16,629	97,100	97,150	21,306	17,129	99,100	99,150	21,866	17,629
93,150	93,200	20,200	16,141	95,150	95,200	20,760	16,641	97,150	97,200	21,320	17,141	99,150	99,200	21,880	17,641
93,200	93,250	20,214	16,154	95,200	95,250	20,774	16,654	97,200	97,250	21,334	17,154	99,200	99,250	21,894	17,654
93,250	93,300	20,228	16,166	95,250	95,300	20,788	16,666	97,250	97,300	21,348	17,166	99,250	99,300	21,908	17,666
93,300	93,350	20,242	16,179	95,300	95,350	20,802	16,679	97,300	97,350	21,362	17,179	99,300	99,350	21,922	17,679
93,350	93,400	20,256	16,191	95,350	95,400	20,816	16,691	97,350	97,400	21,376	17,191	99,350	99,400	21,936	17,691
93,400	93,450	20,270	16,204	95,400	95,450	20,830	16,704	97,400	97,450	21,390	17,204	99,400	99,450	21,950	17,704
93,450	93,500	20,284	16,216	95,450	95,500	20,844	16,716	97,450	97,500	21,404	17,216	99,450	99,500	21,964	17,716
93,500	93,550	20,298	16,229	95,500	95,550	20,858	16,729	97,500	97,550	21,418	17,229	99,500	99,550	21,978	17,729
93,550	93,600	20,312	16,241	95,550	95,600	20,872	16,741	97,550	97,600	21,432	17,241	99,550	99,600	21,992	17,741
93,600	93,650	20,326	16,254	95,600	95,650	20,886	16,754	97,600	97,650	21,446	17,254	99,600	99,650	22,006	17,754
93,650	93,700	20,340	16,266	95,650	95,700	20,900	16,766	97,650	97,700	21,460	17,266	99,650	99,700	22,020	17,766
93,700	93,750	20,354	16,279	95,700	95,750	20,914	16,779	97,700	97,750	21,474	17,279	99,700	99,750	22,034	17,779
93,750	93,800	20,368	16,291	95,750	95,800	20,928	16,791	97,750	97,800	21,488	17,291	99,750	99,800	22,048	17,791
93,800	93,850	20,382	16,304	95,800	95,850	20,942	16,804	97,800	97,850	21,502	17,304	99,800	99,850	22,062	17,804
93,850	93,900	20,396	16,316	95,850	95,900	20,956	16,816	97,850	97,900	21,516	17,316	99,850	99,900	22,076	17,816
93,900	93,950	20,410	16,329	95,900	95,950	20,970	16,829	97,900	97,950	21,530	17,329	99,900	99,950	22,090	17,829
93,950	94,000	20,424	16,341	95,950	96,000	20,984	16,841	97,950	98,000	21,544	17,341	99,950	100,000	22,104	17,841
94,000				96,000				98,000				<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: auto;"> \$100,000 or over — use Form 1040 28 </div>			
94,000	94,050	20,438	16,354	96,000	96,050	20,998	16,854	98,000	98,050	21,558	17,354				
94,050	94,100	20,452	16,366	96,050	96,100	21,012	16,866	98,050	98,100	21,572	17,366				
94,100	94,150	20,466	16,379	96,100	96,150	21,026	16,879	98,100	98,150	21,586	17,379				
94,150	94,200	20,480	16,391	96,150	96,200	21,040	16,891	98,150	98,200	21,600	17,391				
94,200	94,250	20,494	16,404	96,200	96,250	21,054	16,904	98,200	98,250	21,614	17,404				
94,250	94,300	20,508	16,416	96,250	96,300	21,068	16,916	98,250	98,300	21,628	17,416				
94,300	94,350	20,522	16,429	96,300	96,350	21,082	16,929	98,300	98,350	21,642	17,429				
94,350	94,400	20,536	16,441	96,350	96,400	21,096	16,941	98,350	98,400	21,656	17,441				
94,400	94,450	20,550	16,454	96,400	96,450	21,110	16,954	98,400	98,450	21,670	17,454				
94,450	94,500	20,564	16,466	96,450	96,500	21,124	16,966	98,450	98,500	21,684	17,466				
94,500	94,550	20,578	16,479	96,500	96,550	21,138	16,979	98,500	98,550	21,698	17,479				
94,550	94,600	20,592	16,491	96,550	96,600	21,152	16,991	98,550	98,600	21,712	17,491				
94,600	94,650	20,606	16,504	96,600	96,650	21,166	17,004	98,600	98,650	21,726	17,504				
94,650	94,700	20,620	16,516	96,650	96,700	21,180	17,016	98,650	98,700	21,740	17,516				
94,700	94,750	20,634	16,529	96,700	96,750	21,194	17,029	98,700	98,750	21,754	17,529				
94,750	94,800	20,648	16,541	96,750	96,800	21,208	17,041	98,750	98,800	21,768	17,541				
94,800	94,850	20,662	16,554	96,800	96,850	21,222	17,054	98,800	98,850	21,782	17,554				
94,850	94,900	20,676	16,566	96,850	96,900	21,236	17,066	98,850	98,900	21,796	17,566				
94,900	94,950	20,690	16,579	96,900	96,950	21,250	17,079	98,900	98,950	21,810	17,579				
94,950	95,000	20,704	16,591	96,950	97,000	21,264	17,091	98,950	99,000	21,824	17,591				

General Information

How to avoid common mistakes. Mistakes can delay your refund or result in notices being sent to you.

1. Be sure to enter the correct social security number for you and your spouse if married in the space provided on Form 1040EZ. Check that your name and SSN agree with your social security card.

2. Use the amount from line 6 to find your tax in the tax table. Be sure you enter the correct tax on line 10.

3. If you think you can take the earned income credit, read the instructions for lines 8a and 8b that begin on page 13 to make sure you qualify. If you do, make sure you use the correct column of the EIC Table for your filing status.

4. Check your math, especially when figuring your taxable income, federal income tax withheld, earned income credit, total payments, and your refund or amount you owe.

5. Check one or both boxes on line 5 if you (or your spouse) can be claimed as a dependent on someone's (such as your parents') 2007 return. Check the box even if that person chooses not to claim you (or your spouse). If no one can claim you (or your spouse) as a dependent, do not check any of the boxes.

6. Enter an amount on line 5. If you check any of the boxes, use the worksheet on the back of Form 1040EZ to figure the amount to enter. If you do not check any of the boxes, enter \$8,750 if single; \$17,500 if married filing jointly.

7. Remember to sign and date Form 1040EZ and enter your occupation(s).

8. If you got a peel-off label, make sure it shows the correct name(s) and address. If not, enter the correct information. If you did not get a label, enter your name and address in the spaces provided on Form 1040EZ. Check that your name agrees with your social security card.

9. Attach your Form(s) W-2 to the left margin of Form 1040EZ.

10. If you owe tax and are paying by check or money order, be sure to include all the required information on your payment. See the instructions for line 12 on page 19 for details.

What are your rights as a taxpayer? You have the right to be treated fairly, professionally, promptly, and courteously by IRS employees. Our goal at the IRS is to protect your rights so that you will have the highest confidence in the integrity, efficiency, and fairness of our tax system. To ensure that you always receive such treatment, you should know about the many rights you have at each step of the tax process. For details, see Pub. 1.

Innocent spouse relief. Generally, both you and your spouse are each responsible for paying the full amount of tax, interest, and penalties on your joint return. However, you may qualify for relief from liability for tax on a joint return if (a) there is an understatement of tax because your spouse omitted income or claimed false deductions or credits, (b) you are divorced, separated, or no longer living with your spouse, or (c) given all the facts and circumstances, it would not be fair to hold you liable for the tax. To request relief, you must file Form 8857 no later than 2 years after the date on which the IRS first attempted to collect the tax from you. For more information, see Pub. 971 and Form 8857. You can call the Innocent Spouse office toll-free at 1-866-897-4270.

Income tax withholding and estimated tax payments for 2008. If the amount you owe or your refund is large, you may want to file a new Form W-4 with your employer to change the amount of income tax withheld from your 2008 pay. For details on how to complete Form W-4, see Pub. 919. In general, you do not have to make estimated tax payments if you expect that your 2008 tax return will show a tax refund or a tax balance due of less than \$1,000. See Pub. 505 for more details.

How long should you keep your tax return? Keep a copy of your tax return, worksheets you used, and records of all items appearing

on it (such as Forms W-2 and 1099) until the statute of limitations runs out for that return. Usually, this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. You should keep some records longer. See Pub. 552 for details.

How do you amend your tax return? Use Form 1040X to change a return you already filed. Generally, Form 1040X must be filed within 3 years after the date the original return was filed, or within 2 years after the date the tax was paid, whichever is later. But you may have more time to file Form 1040X if you are physically or mentally unable to manage your financial affairs. See Pub. 556 for details.

How do you make a gift to reduce debt held by the public? If you wish to do so, make a check payable to "Bureau of the Public Debt." You can send it to: Bureau of the Public Debt, Department G, P.O. Box 2188, Parkersburg, WV 26106-2188. Or you can enclose the check with your income tax return when you file.



You may be able to deduct this gift on your 2008 tax return.

How do you get a copy of your tax return? If you need a copy of your tax return, use Form 4506. There is a \$39 fee for each return requested. If your main home, principal place of business, or tax records are located in a Presidentially declared disaster area, this fee will be waived. If you want a free transcript of your tax return or account, use Form 4506-T or call us. See page 6 for the number.

Parent of a kidnapped child. The parent of a child who is presumed by law enforcement authorities to have been kidnapped by someone who is not a family member may be able to take the child into account in determining his or her eligibility for the head of household or qualifying widow(er) filing status, deduction for dependents, child tax credit, and the earned income credit (EIC). For details, use TeleTax topic 357 (see page 6) or see Pub. 501 (Pub. 596 for the EIC).

Do both the name and social security number (SSN) on your tax forms agree with your social security card? If not, your exemption(s) and any earned income credit may be disallowed, your refund may be delayed, and you may not receive credit for your social security earnings. If your Form W-2 shows an incorrect name or SSN, notify your employer or the form-issuing agent as soon as possible to make sure your earnings are credited to your social security record. If the name or SSN on your social security card is incorrect, call the Social Security Administration at 1-800-772-1213.

Identity theft. If you believe someone has assumed your identity to file federal income tax returns, or to commit other tax fraud, complete Form 3949-A, Information Referral, and send it to the Internal Revenue Service, Fresno, CA 93888. Victims of identity theft who are suffering economic harm, experiencing a systemic problem, or seeking help in resolving tax problems that have not been resolved through normal channels may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling toll-free 1-877-777-4778 or TTY/TDD 1-800-829-4059. For additional information about identity theft prevention and victim assistance, you can access the IRS Identity Theft page at www.irs.gov by entering keyword "identity theft."

The IRS does not send out unsolicited emails requesting personal taxpayer information. If you receive this type of request, it may be an attempt by identity thieves to get your private tax information. Send a copy of the fraudulent email to phishing@irs.gov. For more information on how to forward one of these emails, go to

www.irs.gov and enter keyword “phishing.” Once there, see the article titled “How To Protect Yourself From Suspicious E-Mails or Phishing Schemes.”

Death of a taxpayer. If a taxpayer died before filing a return for 2007, the taxpayer’s spouse or personal representative may have to file and sign a return for that taxpayer. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased taxpayer’s property. If the deceased taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund. The person who files the return must enter “Deceased,” the deceased taxpayer’s name, and the date of death across the top of the return. If this information is not provided, the processing of the return may be delayed.

If your spouse died in 2007 and you did not remarry in 2007, or if your spouse died in 2008 before filing a return for 2007, you can file a joint return. A joint return should show your spouse’s 2007 income before death and your income for all of 2007. Enter “Filing as surviving spouse” in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

The surviving spouse or personal representative should promptly notify all payers of income, including financial institutions, of the taxpayer’s death. This will ensure the proper reporting of income earned by the taxpayer’s estate or heirs. A deceased taxpayer’s social security number should not be used for tax years after the year of death, except for estate tax return purposes.

Claiming a refund for a deceased taxpayer. If you are filing a joint return as a surviving spouse, you only need to file the tax return to claim the refund. If you are a court-appointed representative, file the return and attach a copy of the certificate that shows your appointment. All other filers requesting the deceased taxpayer’s refund must file the return and attach Form 1310.

For more details, use TeleTax topic 356 (see page 6) or see Pub. 559.

Other Ways To Get Help

Send your written tax questions to the IRS. You should get an answer in about 30 days. If you do not have the mailing address, call us. See page 6 for the number. Do not send questions with your return.

Research your tax questions online. You can find answers to many of your tax questions online in several ways by accessing the IRS website at www.irs.gov/help and then clicking on “Help with Tax Questions.” Here are some of the methods you may want to try.

- **Frequently asked questions.** This section contains an extensive list of questions and answers. You can select your question by category or keyword.

- **Tax trails.** This is an interactive section which asks questions you can answer by selecting “Yes” or “No.”

- **Tax topics.** This is an online version of the TeleTax topics listed on page 32.

Free help with your return. Free help in preparing your return is available nationwide from IRS-sponsored volunteers. These volunteers are trained and certified to prepare federal income tax returns by passing an IRS test. The Volunteer Income Tax Assistance (VITA) program is designed to help low-income taxpayers. The Tax Counseling for the Elderly (TCE) program is designed to assist taxpayers age 60 or older with their tax return preparation. VITA/TCE tax preparation sites must adhere to strict quality standards necessary to prepare accurate returns. Free electronic filing is offered by IRS authorized e-file providers at many of the VITA/TCE locations nationwide. Volunteers will help you with claiming the credits and deductions you may be entitled to. If you are a member of the military, you can also get assistance on military tax benefits, such as combat zone tax benefits, at an office within your installation. For more information on these programs, go to www.irs.gov and enter keyword “VITA” in the upper right corner. Or, call us at 1-800-829-1040. To find the nearest AARP Tax-Aide site, visit AARP’s website at www.aarp.org/taxaide or call 1-888-227-7669.

When you go for help, take proof of identity and social security numbers (or individual taxpayer identification numbers) for your spouse, your dependents, and yourself. Also take a copy of your 2006 tax return (if available), all your Forms W-2, 1099, and 1098 for 2007, and any other information about your 2007 income and expenses.

Everyday tax solutions. You can get face-to-face help solving tax problems every business day in IRS Taxpayer Assistance Centers. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. Call your local Taxpayer Assistance Center for an appointment. To find the number, go to www.irs.gov/localcontacts or look in the phone book under “United States Government, Internal Revenue Service.”

Online services. If you subscribe to an online service, ask about online filing or tax information.

Help for people with disabilities. Telephone help is available using TTY/TDD equipment by calling 1-800-829-4059. Braille materials are available at libraries that have special services for people with disabilities.

IRS Customer Service Standards

At the IRS, our goal is to continually improve the quality of our services. To achieve that goal, we have developed customer service standards in the following areas.

- Easier filing and payment options.
- Access to information.
- Accuracy.

- Prompt refunds.
- Canceling penalties.
- Resolving problems.
- Simpler forms.

If you would like information about the IRS standards and a report of our accomplishments, see Pub. 2183.

Help With Unresolved Tax Issues

Taxpayer Advocate Service

The Taxpayer Advocate Service is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should. You may be eligible for assistance if:

- You are experiencing economic harm or significant cost (including fees for professional representation),
- You have experienced a delay of more than 30 days to resolve your tax issue, or
- You have not received a response or resolution to the problem by the date promised by the IRS.

The service is free, confidential, tailored to meet your needs, and available for businesses as well as individuals. There is at least one local taxpayer advocate in each state, the District of Columbia, and Puerto Rico. Because advocates are part of the IRS, they know the tax system and how to navigate it. If you qualify for assistance, you will receive personalized service from a knowledgeable advocate who will:

- Listen to your problem,
- Help you understand what needs to be done to resolve it, and
- Stay with you every step of the way until your problem is resolved.

You can contact the Taxpayer Advocate Service by:

- Calling their toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059,
- Writing or calling your local taxpayer advocate, whose address and phone number are listed in the government listings in your local telephone directory and in Pub. 1546, The Taxpayer Advocate Service of the IRS—How to Get Help With Unresolved Tax Problems,
- Filing Form 911, Application for Taxpayer Assistance Order, with the Taxpayer Advocate Service, or
- Asking an IRS employee to complete Form 911 on your behalf.

To get a copy of Form 911 or learn more about the Taxpayer Advocate Service, go to www.irs.gov/advocate.

Low Income Taxpayer Clinics (LITCs)

LITCs are independent organizations that provide low income taxpayers with representation in federal tax controversies with the IRS for free or for a nominal charge. The clinics also provide tax education and outreach for taxpayers with limited English proficiency or who speak English as a second language. Pub. 4134, Low Income Taxpayer Clinic List, provides information on clinics in your area. It is available at www.irs.gov or your local IRS office.

Quick and Easy Access to Tax Help and Forms




If you live outside the United States, see Pub. 54 to find out how to get help and forms.



Internet

You can access the IRS website 24 hours a day, 7 days a week, at www.irs.gov to:

-  Access commercial tax preparation and *e-file* services available free to eligible taxpayers;
- Check the status of your 2007 refund;
- Download forms, instructions, and publications;
- Order IRS products online;
- Research your tax questions online;
- Search publications online by topic or keyword;
- Figure your withholding allowances using our Withholding Calculator; and
- Sign up to receive local and national tax news by email.



Mail

You can send your order for forms, instructions, and publications to the address below and receive a response within 10 days after your request is received.

Internal Revenue Service
National Distribution Center
P.O. Box 8903
Bloomington, IL 61702-8903



Phone

You can order forms and publications and receive automated information by phone.

Forms and publications. Call 1-800-TAX-FORM (1-800-829-3676) during the hours shown on page 6 to order current-year forms, instructions, and publications, and prior-year forms and instructions. You should receive your order within 10 days.

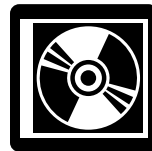
TeleTax topics. Call 1-800-829-4477 24 hours a day, 7 days a week, to listen to pre-recorded messages covering about 150 tax topics. See page 7 for a list of the topics.

Refund information. You can check the status of your 2007 refund 24 hours a day, 7 days a week. See page 6 for details.



Walk-In

You can pick up some of the most requested forms, instructions, and publications at many IRS offices, post offices, and libraries. Some grocery stores, copy centers, city and county government offices, credit unions, and office supply stores have a collection of reproducible tax forms available to photocopy or print from a CD.



IRS Tax Products CD/DVD

You can order Publication 1796, IRS Tax Products CD/DVD, and obtain:

- Current-year forms, instructions, and publications.
- Prior-year forms, instructions, and publications.
- Bonus: Historical Tax Products DVD—Ships with the final release.
- Tax Map: an electronic research tool and finding aid.
- Tax law frequently asked questions.
- Tax Topics from the IRS telephone response system.
- Fill-in, print, and save features for most tax forms.
- Internal Revenue Bulletins.
- Toll-free and email technical support.

The CD is released twice during the year. The first release will ship the beginning of January 2008, and the final release will ship the beginning of March 2008.

Buy the CD/DVD from National Technical Information Service at www.irs.gov/cdorders for \$35 (no handling fee) or call **1-877-CDFORMS** (1-877-233-6767) toll-free to buy the CD for \$35 (plus a \$5 handling fee). Price is subject to change.

Other ways to get help. See page 22 for information.

Refund Information

You can check on the status of your 2007 refund if it has been at least 6 weeks from the date you filed your return (3 weeks if you filed electronically). But if you filed Form 8379 with your return, allow 14 weeks (11 weeks if you filed electronically).

Be sure to have a copy of your 2007 tax return available because you will need to know the exact whole-dollar amount of your refund. You will also need to know your filing status. Then, do one of the following.

- Go to www.irs.gov and click on *Where's My Refund*.
- Call 1-800-829-4477 24 hours a day, 7 days a week, for automated refund information.
- Call 1-800-829-1954 during the hours shown below under *Calling the IRS*.



Refunds are sent out weekly on Fridays. If you check the status of your refund and are not given the date it will be issued, please wait until the next week before checking back.

Do not send in a copy of your return unless asked to do so.

To get a refund, you generally must file your return within 3 years from the date the return was due (including extensions).

What Is TeleTax?

Recorded Tax Information

A complete list of topics is on the next page. Recorded tax information is available 24 hours a day, 7 days a week. Select the number of the topic you want to hear. Then, call 1-800-829-4477. Have paper and pencil handy to take notes.

Topics by Internet

TeleTax topics are also available on the IRS website at www.irs.gov.

TeleTax Topics				Topic No.	Subject	Topic No.	Subject	Topic No.	Subject
All topics are available in Spanish.				421	Scholarship and fellowship grants	558	Tax on early distributions from retirement plans	761	Tips—Withholding and reporting
Topic No.	Subject	Topic No.	Subject	422	Nontaxable income			762	Independent contractor vs. employee
IRS Help Available		302	Highlights of tax changes	423	Social security and equivalent railroad retirement benefits	Tax Credits		Electronic Magnetic Media Filers—1099 Series and Related Information Returns	
101	IRS services—Volunteer tax assistance, toll-free telephone, walk-in assistance, and outreach programs	303	Checklist of common errors when preparing your tax return	424	401(k) plans	601	Earned income credit (EIC)	801	Who must file magnetically
102	Tax assistance for individuals with disabilities and the hearing impaired	304	Extension of time to file your tax return	425	Passive activities—Losses and credits	602	Child and dependent care credit	802	Applications, forms, and information
103	Tax help for small businesses and the self-employed	305	Recordkeeping	426	Other income	603	Credit for the elderly or the disabled	803	Waivers and extensions
104	Taxpayer Advocate Service—Help for problem situations	306	Penalty for underpayment of estimated tax	427	Stock options	604	Advance earned income credit	804	Test files and combined federal and state filing
105	Armed Forces tax information	307	Backup withholding	428	Roth IRA distributions	605	Education credits	805	Electronic filing of information returns
107	Tax relief in disaster situations	308	Amended returns	429	Traders in securities (information for Form 1040 filers)	606	Child tax credits	Tax Information for Aliens and U.S. Citizens Living Abroad	
IRS Procedures		309	Roth IRA contributions	430	Exchange of policyholder interest for stock	607	Adoption credit	851	Resident and nonresident aliens
151	Your appeal rights	310	Coverdell education savings accounts	Adjustments to Income		608	Excess social security and RRTA tax withheld	852	Dual-status alien
152	Refunds—How long they should take	311	Power of attorney information	451	Individual retirement arrangements (IRAs)	610	Retirement savings contributions credit	853	Foreign earned income exclusion—General
153	What to do if you haven't filed your tax return	312	Disclosure authorizations	452	Alimony paid	IRS Notices		854	Foreign earned income exclusion—Who qualifies?
154	2007 Form W-2 and Form 1099-R—What to do if not received	313	Qualified tuition programs (QTPs)	453	Bad debt deduction	651	Notices—What to do	855	Foreign earned income exclusion—What qualifies?
155	Forms and publications—How to order	Filing Requirements, Filing Status, and Exemptions		454	Moving expenses	652	Notice of underreported income—CP 2000	856	Foreign tax credit
156	Copy of your tax return—How to get one	351	Who must file?	455	Student loan interest deduction	653	IRS notices and bills, penalties, and interest charges	857	Individual taxpayer identification number (ITIN)—Form W-7
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Calling the IRS

If you cannot find the answer to your question using one of the methods listed on page 5, please call us for assistance at 1-800-829-1040. You will not be charged for the call unless your phone company charges you for toll-free calls. Our normal hours of operation are Monday through Friday from 7:00 a.m. to 10:00 p.m. local time. Assistance provided to callers from Alaska and Hawaii will be based on the hours of operation in the Pacific time zone.



If you want to check the status of your 2007 refund, see Refund Information above.

Before You Call

IRS representatives care about the quality of the service provided to you, our customer. You can help us provide accurate, complete answers to your questions by having the following information available.

- The tax form, schedule, or notice to which your question relates.
- The facts about your particular situation. The answer to the same question often varies from one taxpayer to another because of differences in their age, income, whether they can be claimed as a dependent, etc.
- The name of any IRS publication or other source of information that you used to look for the answer.

To maintain your account security, you may be asked for the following information, which you should also have available: (a) your social security number, date of birth, or personal identification number (PIN) if you have one, and (b) the amount of refund shown on your tax return, your filing status, the "Caller ID Number" shown at the top of any notice you received, the numbers in your street address, or your ZIP code. If you are asking for an installment agreement to pay your tax, you will be asked for the highest amount you can pay each month and the date on which you can pay it.

Evaluation of services provided. The IRS uses several methods to evaluate our telephone service. One method is to record telephone calls for quality purposes only. A random sample of recorded calls is selected for review through the quality assurance process. Other methods include listening to live calls in progress and random

selection of customers for participation in a customer satisfaction survey.

Making the Call

Call 1-800-829-1040 (deaf customers with access to TTY/TDD equipment may call 1-800-829-4059). Our menu allows you to speak your responses or use your key pad to select a menu option. After receiving your menu selection, the system will direct your call to the appropriate assistance. You can do the following within the system: (a) order tax forms and publications, (b) find out what you owe, (c) determine if we have adjusted your account or received payments you made, (d) request a transcript of your tax return or account, (e) find out where to send your tax return or payment, (f) request more time to pay or set up a monthly installment agreement, and (g) find out if you qualify for innocent spouse relief.

Before You Hang Up

If you do not fully understand the answer you receive, or you feel our representative may not fully understand your question, our representative needs to know this. He or she will be happy to take additional time to be sure your question is answered fully.

By law, you are responsible for paying your share of federal income tax. If we should make an error in answering your question, you are still responsible for the payment of the correct tax. Should this occur, however, you will not be charged any penalty.

Disclosure, Privacy Act, and Paperwork Reduction Act Notice

The IRS Restructuring and Reform Act of 1998, the Privacy Act of 1974, and the Paperwork Reduction Act of 1980 require that when we ask you for information we must first tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

This notice applies to all papers you file with us, including this tax return. It also applies to any questions we need to ask you so we can complete, correct, or process your return; figure your tax; and collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001, 6011, and 6012(a), which require you to file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections. Code section 6109 requires that you provide your social security number or individual taxpayer identification number on what you file. This is so we know who you are, and can process your return and other papers. You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund or for the third party designee. You also do not have to provide your daytime phone number.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents

may become material in the administration of any Internal Revenue law.

We ask for tax return information to carry out the tax laws of the United States. We need it to figure and collect the right amount of tax.

If you do not file a return, do not give the information asked for, or give false information, you may be charged penalties and be subject to criminal prosecution. We may also have to disallow the exemptions, credits, or deductions shown on your tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Generally, tax returns and return information are confidential, as stated in Code section 6103. However, Code section 6103 allows or requires the Internal Revenue Service to disclose or give the information shown on your tax return to others as described in the Code. For example, we may disclose your tax information to the Department of Justice to enforce the tax laws, both civil and criminal, and to cities, states, the District of Columbia, U.S. commonwealths or possessions, and certain foreign governments to carry out their tax laws. We may disclose your tax information to the Department of Treasury and contractors for tax administration purposes; and to other persons as necessary to obtain information which we cannot get in any other way in order to determine the amount of or to collect the tax you owe. We may disclose your tax information to the Comptroller General of the United States to permit the Comptroller General to review the Internal Revenue Service. We may

disclose your tax information to Committees of Congress; federal, state, and local child support agencies; and to other federal agencies for the purposes of determining entitlement for benefits or the eligibility for and the repayment of loans. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism..

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

We welcome comments on forms. If you have suggestions for making this form simpler, we would be happy to hear from you. You can email us at **taxforms@irs.gov*. (The asterisk must be included in the address.) Enter “Forms Comment” on the subject line. Or you can write to Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send your return to this address. Instead, see *Where Do You File?* on the back cover.

Estimates of Taxpayer Burden

The table below shows burden estimates by form type and type of taxpayer. Time burden is further broken out by taxpayer activity. The largest component of time burden for all taxpayers is record-keeping, as opposed to form completion and submission. In addition, the time burden associated with form completion and submission activities is closely tied to preparation method (self-prepared without software, self-prepared with software, and prepared by paid preparer).

Estimated Average Taxpayer Burden for Individuals by Activity

The average time and costs required to complete and file Form 1040, Form 1040A, Form 1040EZ, their schedules, and accompanying forms will vary depending on individual circumstances. The estimated averages are:

Major Form Filed or Type of Taxpayer	Percentage of Returns	Average Time Burden (Hours)						Average Cost (Dollars)
		Total Time	Record Keeping	Tax Planning	Form Completion	Form Submission	All Other	
All taxpayers	100	24.2	14.6	3.4	3.3	0.5	2.5	\$207
Major forms filed								
1040	68	30.3	19.0	4.0	3.7	0.5	3.1	269
1040A & 1040EZ	32	11.1	5.0	1.9	2.4	0.5	1.3	72
Type of taxpayer								
Nonbusiness*	72	13.2	5.8	2.6	2.9	0.5	1.5	103
Business*	28	52.2	37.0	5.4	4.3	0.5	5.1	470

* You are a “business” filer if you file one or more of the following with Form 1040: Schedule C, C-EZ, E, or F or Form 2106 or 2106-EZ. You are a “nonbusiness” filer if you did not file any of those schedules or forms with Form 1040.

Time spent and out-of-pocket costs are estimated separately. Out-of-pocket costs include any expenses incurred by taxpayers to prepare and submit their tax returns. Examples of out-of-pocket costs include tax return preparation and submission fees, postage, tax preparation software costs, photocopying costs, and phone calls (if not toll-free).

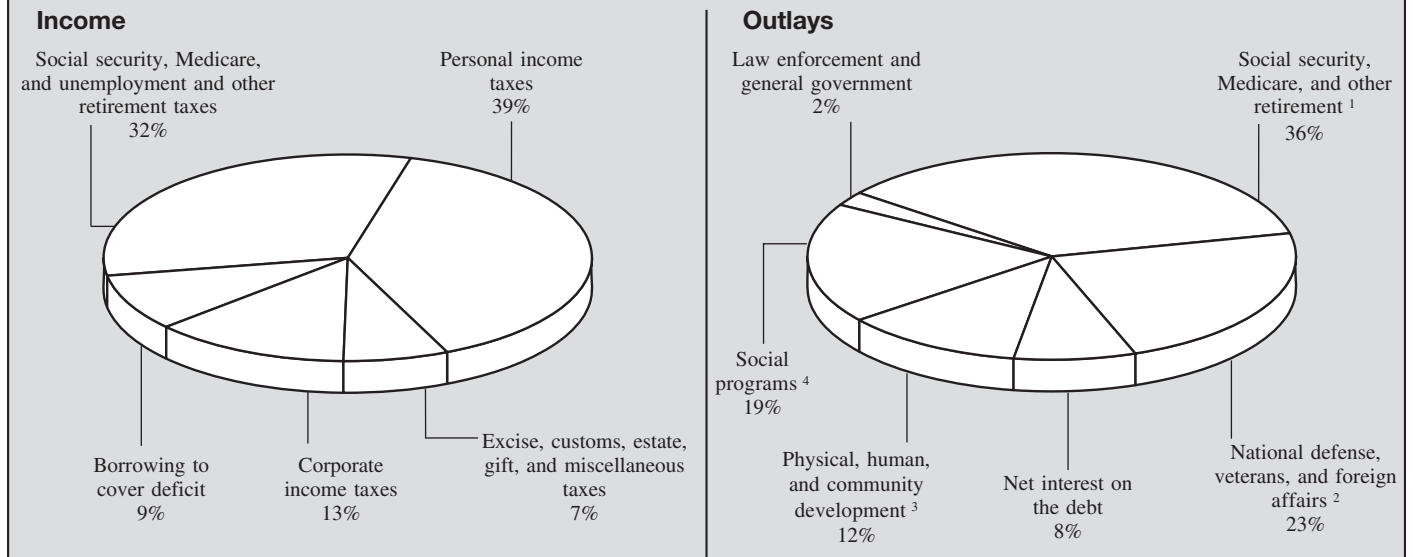
Both time and cost burdens are national averages and do not necessarily reflect a “typical” case. For instance, the average time burden for all taxpayers filing a 1040, 1040A, or 1040EZ was 24.2 hours, with an average cost of \$207 per return. This average includes all associated forms and schedules, across all preparation methods and all taxpayer activities. Taxpayers filing Form 1040 had an average burden of about 30 hours, and taxpayers filing Form 1040A and Form 1040EZ averaged about 11 hours. However, within each of these estimates, there is significant variation in taxpayer activity. Similarly, tax preparation fees vary extensively depending on the taxpayer’s tax situation and issues, the type of professional preparer, and the geographic area.

The data shown are the best estimates available as of xxx, from tax returns filed for 2006. The method used to estimate taxpayer burden incorporates results from a taxpayer burden survey conducted in 2000 and 2001. The estimates are subject to change as new forms and data become available. The estimates do not include burden associated with post-filing activities. However, operational IRS data indicate that electronically prepared and e-filed returns have fewer errors, implying a lower overall post-filing burden.

If you have comments concerning the time and cost estimates below, you can contact us at either one of the addresses shown under *We Welcome Comments on Forms* above.

Major Categories of Federal Income and Outlays for Fiscal Year 2005

Income and Outlays. These pie charts show the relative sizes of the major categories of federal income and outlays for fiscal year 2006.



On or before the first Monday in February of each year, the President is required by law to submit to the Congress a budget proposal for the fiscal year that begins the following October. The budget plan sets forth the President's proposed receipts, spending, and the surplus or deficit for the Federal Government. The plan includes recommendations for new legislation as well as recommendations to change, eliminate, and add programs. After receiving the President's proposal, the Congress reviews it and makes changes. It first passes a budget resolution setting its own targets for receipts, outlays, and surplus or deficit. Next, individual spending and revenue bills that are consistent with the goals of the budget resolution are enacted.

In fiscal year 2006 (which began on October 1, 2005, and ended on September 30, 2006), federal income was \$2.407 trillion and outlays were \$2.655 trillion, leaving a deficit of \$0.248 trillion.

Footnotes for Certain Federal Outlays

1. **Social security, Medicare, and other retirement:** These programs provide income support for the retired and disabled and medical care for the elderly.

2. **National defense, veterans, and foreign affairs:** About 19% of outlays were to equip, modernize, and pay our armed forces and to fund the Global War on Terrorism and other national defense activities; about 3% were for veterans benefits and services; and about 1% were for international activities, including military and economic assistance to foreign countries and the maintenance of U.S. embassies abroad.

3. **Physical, human, and community development:** These outlays were for agriculture; natural resources; environment; transportation; aid for elementary and secondary education and direct assistance to college students; job training; deposit insurance, commerce and housing credit, and community development; and space, energy, and general science programs.

4. **Social programs:** About 13% of total outlays were for Medicaid, food stamps, temporary assistance for needy families, supplemental security income, and related programs; and the remaining outlays were for health research and public health programs, unemployment compensation, assisted housing, and social services.

Note. The percentages on this page exclude undistributed offsetting receipts, which were \$68 billion in fiscal year 2006. In the budget, these receipts are offset against spending in figuring the outlay totals shown above. These receipts are for the U.S. Government's share of its employee retirement programs, rents and royalties on the Outer Continental Shelf, and proceeds from the sale of assets.

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Where Do You File?

If an envelope addressed to "Internal Revenue Service Center" came with this booklet, please use it. If you do not have one or if you moved during the year, mail your return to the

Internal Revenue Service Center shown that applies to you. Envelopes without enough postage will be returned to you by the post office.

IF you live in...	THEN use this address if you:	
	Are not enclosing a check or money order...	Are enclosing a check or money order...
Alabama, Delaware, Florida, Georgia, North Carolina, Rhode Island, South Carolina, Virginia	Internal Revenue Service Center Atlanta, GA 39901-0014	Internal Revenue Service Center Atlanta, GA 39901-0114
District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont	Internal Revenue Service Center Andover, MA 05501-0014	Internal Revenue Service Center Andover, MA 05501-0114
Arkansas, Connecticut, Illinois, Indiana, Iowa, Kentucky, Michigan, Missouri, New Jersey, Ohio, Pennsylvania, Wisconsin	Internal Revenue Service Center Kansas City, MO 64999-0014	Internal Revenue Service Center Kansas City, MO 64999-0114
Kansas, Louisiana, Mississippi, Oklahoma, Tennessee, Texas, West Virginia, APO, FPO	Internal Revenue Service Center Austin, TX 73301-0014	Internal Revenue Service Center Austin, TX 73301-0114
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Internal Revenue Service Center Fresno, CA 93888-0014	Internal Revenue Service Center Fresno, CA 93888-0114
American Samoa, nonpermanent residents of Guam or the U.S. Virgin Islands*, Puerto Rico (or if excluding income under Internal Revenue Code section 933), dual-status aliens, a foreign country: U.S. citizens and those filing Form 2555, 2555-EZ, or Form 4563	Internal Revenue Service Center Austin, TX 73301-0215 USA	Internal Revenue Service Center Austin, TX 73301-0215 USA

* Permanent residents of Guam should use: Department of Revenue and Taxation, Government of Guam, P.O. Box 23607, GMF, GU 96921; permanent residents of the U.S. Virgin Islands should use: V.I. Bureau of Internal Revenue, 9601 Estate Thomas, Charlotte Amalie, St. Thomas, VI 00802.

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