

2008 Instructions for Schedule H (Form 1040)

Purpose: This is the first circulated draft of the Instructions for Schedule H (Form 1040). See below for a discussion of the major changes.

TPCC Meeting: None, but one may be arranged if requested.

Prior Version: The 2007 Instructions for Schedule H (Form 1040) is available at:
<http://www.irs.gov/pub/irs-pdf/i1040sh.pdf>

Form: The 2008 Schedule H (Form 1040) was circulated earlier at
[http://linprod1.publish.no.irs.gov/tfpcirc/circ/2008/circ_08f1040\(schh\)_20080703141822.pdf](http://linprod1.publish.no.irs.gov/tfpcirc/circ/2008/circ_08f1040(schh)_20080703141822.pdf)
A copy of the circulation is attached for your convenience.

Other Products: Circulations of draft tax forms, instructions, notices, and publications are posted at: <http://taxforms.web.irs.gov/Circulations/index.htm>

Comments: Please email, fax, or call with any comments to the TLS below **and** to reviewer, Gerald Fournier at Gerald.P.Fournier@irs.gov by **August 29, 2008**.

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Major Changes

- On page H-2 and the **Contents**, a **What's New** topic has been added to address the new paid preparer signature block added to Schedule H to reflect section 8246 of the Small Business and Work Opportunity Act of 2007. Also, on page H-5, a new instruction for Paid Preparers has been added.
- On page H-7 we added **How To Correct Schedule H** as a new topic as requested by Chief Counsel and the 94X task force. Previously, the instructions provided no guidance on correcting Schedule H.
- Under the **Privacy Act and Paperwork Reduction Act Notice**, the reference to employer identifying number (EIN) in the third paragraph has been revised to identifying numbers as required by section 6109 to include both the taxpayer and preparer. Section 8246 of the Small Business and Work Opportunity Act.

General Instructions

- Statutory amounts for social security, Medicare, and EIC wages have been updated where appropriate.
- Years and dates have been updated where appropriate.
- Graphics, table of state contacts, filing addresses will be updated as needed.

A suggestion was received from TAP to add a second example to illustrate how to complete Schedule H, W-2, and W-3 when the employer withholds payroll taxes. Due to space limitations, we plan to add the example to Pub. 926 instead. We added a reference to the new example in these instructions.