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# 2011 Instructions for Form 1040-SS



Department of the Treasury  
Internal Revenue Service

## U.S. Self-Employment Tax Return (Including the Additional Child Tax Credit for Bona Fide Residents of Puerto Rico)

Section references are to the Internal Revenue Code unless otherwise noted.

### General Instructions

#### What's New

**Deduction for self-employed health insurance expired.** The self-employed health insurance deduction expired on December 31, 2010. Errors discovered on previously filed Forms 1040-SS are corrected on Part V, line 1b of Form 1040-SS. At the top of page 1 of the corrected return, enter "CORRECTED" in dark bold letters followed by the date.

**Maximum income subject to social security.** For 2011, the maximum amount of self-employment income subject to social security tax remains at \$106,800.

**Optional methods to figure net earnings.** For 2011, the maximum income for using the optional methods is \$4,480.

#### Reminders

**Electronic filing.** You may be able to e-file Form 1040-SS if you are claiming only the additional child tax credit. For general information about electronic filing, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on "Individual Taxpayers."

**Estimated tax payments.** If you expect to owe self-employment (SE) tax of \$1,000 or more for 2012, you may need to make estimated tax payments. Use Form 1040-ES, Estimated Tax for Individuals, to figure your required payments and for the vouchers to send with your payments.

#### Purpose of Form

This form is for residents of the U.S. Virgin Islands (USVI), Guam, American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), and the Commonwealth of Puerto Rico (Puerto Rico) who are not required to file a U.S. income tax return. One purpose of the form is to report net earnings from self-employment to the United States and, if necessary, pay SE tax on that income. The Social Security Administration (SSA) uses this information to figure your benefits under the social security program. SE tax applies no matter how old you are and even if you already are

receiving social security or Medicare benefits.

See *Who Must File* below for additional uses of this form.

You may also be required to file an income tax return with the government of Guam, American Samoa, the USVI, the CNMI, or Puerto Rico. Check with your local tax office for more details.

#### Who Must File

You must file Form 1040-SS if you meet all three requirements below.

1. You, or your spouse if filing a joint return, had net earnings from self-employment (from other than church employee income) of \$400 or more (or you had church employee income of \$108.28 or more—see *Church Employees* later).
2. You do not have to file Form 1040 with the United States.
3. You are a resident of:
  - a. Guam,
  - b. American Samoa,
  - c. The USVI,
  - d. The CNMI, or
  - e. Puerto Rico (you can file either Form 1040-PR (in Spanish) or Form 1040-SS).

**TIP** *Even if you have a loss or little income from self-employment, it may benefit you to file Form 1040-SS and use either "optional method" in Part VI. See Part VI later.*

If (2) and (3) above apply, you also must file Form 1040-SS (or you can use Form 1040-PR in Spanish if you are a resident of Puerto Rico) to:

- Report and pay household employment taxes;
- Report and pay employee social security and Medicare tax on (a) unreported tips, (b) wages from an employer with no social security or Medicare tax withheld, or (c) uncollected social security and Medicare tax on tips or group-term life insurance (see the instructions for Part I, line 5, later);
- Claim excess social security tax withheld;
- Claim the additional child tax credit (bona fide residents of Puerto Rico only); and
- Claim the health coverage tax credit (bona fide residents of Puerto Rico only).

#### Who Must Pay SE Tax

##### Self-Employed Persons

You must pay SE tax if you had net earnings of \$400 or more as a self-employed person. If you are in business (farm or nonfarm) for yourself, you are self-employed.

You must also pay SE tax on your share of certain partnership income and your guaranteed payments. See *Partnership Income or Loss* later.

##### Church Employees

If you had church employee income of \$108.28 or more, you must pay SE tax on that income. Church employee income is wages you received as an employee (other than as a minister or member of a religious order) of a church or qualified church-controlled organization that has a certificate in effect electing exemption from employer social security and Medicare taxes.

If your only income subject to self-employment tax is church employee income, skip lines 1a through 4b in Part V. Enter "0-" on line 4c and go to line 5a.

##### Ministers and Members of Religious Orders

In most cases, you must pay SE tax on salaries and other income for services you performed as a minister, a member of a religious order who has not taken a vow of poverty, or a Christian Science practitioner. But if you filed Form 4361, Application for Exemption From Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners, and received IRS approval, you will be exempt from paying SE tax on those net earnings. If you had no other income subject to SE tax and do not owe any of the taxes listed earlier under *Who Must File*, you are not required to file Form 1040-SS. However, if you had other earnings of \$400 or more subject to SE tax, see Part V, line A.



**CAUTION** *If you have ever filed Form 2031, Revocation of Exemption From Self-Employment Tax for Use By Ministers, Members of Religious Orders, and Christian Science Practitioners, to elect social security coverage on your earnings as a minister, you cannot revoke that election.*

If you must pay SE tax, include this income in Part IV, line 1. But do not report

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it in Part V, line 5a; it is not considered church employee income.

Also include in Part IV, line 1:

- The rental value of a home or allowance for a home furnished to you (including payments for utilities), and
- The value of meals and lodging provided to you, your spouse, and your dependents for your employer's convenience.

However, do not include in Part IV, line 1:

- Retirement benefits you received from a church plan after retirement, or
- The rental value of or allowance for a home furnished to you (including payments for utilities) after retirement.

If you were an ordained minister, a member of a religious order who has not taken a vow of poverty, or a Christian Science practitioner, and were employed by a church (congregation) for a salary, do not include that income in Form 1040-SS, Part IV. Instead, figure your SE tax by completing Part V, including on line 2 this income and any rental (parsonage) allowance or the value of meals and lodging provided to you. On the same line, subtract the allowable amount of any unreimbursed business expenses you incurred as a church employee. Attach an explanation.

For details, see Pub. 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

### Members of Recognized Religious Sects

If you have conscientious objections to social security insurance because of your membership in and belief in the teachings of a religious sect recognized as being in existence at all times since December 31, 1950, and which has provided a reasonable level of living for its dependent members, you can request exemption from SE tax by filing Form 4029, Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits. If you filed Form 4029 and have received IRS approval, do not file Form 1040-SS. See Pub. 517 for details.

### Employees of Foreign Governments or International Organizations

You must pay SE tax on income you earned as a U.S. citizen or a resident of Puerto Rico employed by a foreign government (or, in certain cases, by a wholly owned instrumentality of a foreign government or an international organization under the International Organizations Immunities Act) for services performed in the United States, Puerto Rico, Guam, American Samoa, the USVI, or the CNMI. Report income from this employment in Part IV, line 1. Enter the net amount from Part IV, line 27, in Part V, line 2. If you performed services elsewhere as an employee of a foreign government or an international

organization, those earnings are exempt from SE tax.

### Commonwealth or Territory Residents Living Abroad

Generally, if you are a resident of Guam, American Samoa, the USVI, the CNMI, or Puerto Rico living abroad, you must pay SE tax.

**Exception.** The United States has social security agreements with many countries to eliminate dual taxes under two social security systems. Under these agreements, you must generally pay social security and Medicare taxes only to the country you live in.

The United States now has social security agreements with the following countries: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Poland, Portugal, South Korea, Spain, Sweden, Switzerland, and the United Kingdom. Additional agreements are expected in the future.

If you have questions about international social security agreements, you can:

1. Visit the Social Security Administration (SSA) website at [www.socialsecurity.gov/international](http://www.socialsecurity.gov/international);
2. Call the SSA Office of International Programs at 410-965-3549 (not toll free) for questions about the agreements; or
3. Write to Social Security Administration, Office of International Programs, P.O. Box 17741, Baltimore, MD 21235-7741 USA. (Do not send Form 1040-SS to this address. Instead, see *Where To File* later.)

Even if you do not have to pay SE tax because of a social security agreement, you may still have to file a tax return with the Internal Revenue Service.

### Chapter 11 Bankruptcy Cases

While you are a debtor in a chapter 11 bankruptcy case, your net profit or loss from self-employment will be included on the income tax return (Form 1041) of the bankruptcy estate. However, you—not the bankruptcy estate—are responsible for paying self-employment tax on your net earnings from self-employment.

Enter on the dotted line to the left of line 3 of Form 1040-SS, Part V, "Chap. 11 bankruptcy income" and the amount of your net profit or (loss). Combine that amount with the total of lines 1a, 1b, and 2 (if any) and enter the result on line 3.

For other reporting requirements, see the instructions for Form 1040.

### More Than One Business

If you were a farmer and had at least one other business or you had two or more nonfarm businesses, your net earnings from self-employment are the combined net earnings from all of your businesses. If you had a loss in one business, it reduces the income from another.

Complete and file only one Form 1040-SS for any 1 year. Attach a separate Part III or Part IV for each trade or business, and combine the net earnings in a single Part V.

**Joint returns.** If both you and your spouse have self-employment income from separate farm or nonfarm businesses, each of you must complete and file a separate Part III or Part IV. Be sure to enter at the top of each Part III or Part IV the name and SSN of the spouse who owns the business. Each of you must also complete a separate Part V. Attach these pages to a single Form 1040-SS.

### Husband-Wife Business

If you and your spouse jointly own and operate an unincorporated farm or nonfarm business and share in the profits and losses, you are partners in a partnership, whether or not you have a formal partnership agreement. Do not use Part III or IV. Instead, file the appropriate partnership return.

#### Exception—Qualified joint venture.

If you and your spouse materially participate (see *Material participation* in the 2011 Instructions for Schedule C) as the only members of a jointly owned and operated business, and you file a joint Form 1040-SS for the tax year, you can make a joint election to be taxed as a qualified joint venture instead of a partnership. To make this election, you must divide all items of income, gain, loss, deduction, and credit attributable to the business between you and your spouse in accordance with your respective interests in the venture. Each of you must file a separate Part III or Part IV, as well as a separate Part V. On each line of your separate Part III or Part IV, you must enter your share of the applicable income, deduction, or loss. For complete information on this election, see the 2011 Instructions for Schedule C.

For more information on qualified joint ventures, go to IRS.gov. Enter "QJV election" in the search box and select "Benefits of Qualified Joint Ventures for Family Businesses."

**Rental real estate business.** If you and your spouse make the election for your rental real estate business, the income generally is not subject to SE tax (for an exception, see item 3 under *Other Income and Losses Included in Net Earnings From Self-Employment* later).

If the election is made for a farm rental business that is not included in self-employment, file two Forms 4835, Farm Rental Income and Expenses, with Form 1040. **Do not** file Form 1040-SS.

**Exception—Community income.** If you and your spouse wholly own an unincorporated business as community property under the community property laws of a state, foreign country, or U.S. possession, the income and deductions are reported based on the following.

- If only one spouse participates in the business, all of the income from that

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business is the self-employment earnings of the spouse who carried on the business.

- If both spouses participate, the income and deductions are allocated to the spouses based on their distributive shares.
- If either or both you and your spouse are partners in a partnership, see *Partnership Income or Loss* later.
- If you and your spouse elected to treat the business as a qualifying joint venture, see *Exception—Qualified joint venture* earlier.

## When To File

If you file on a calendar year basis, file by April 17, 2012. (The due date is April 17, instead of April 15, because of the Emancipation Day holiday in the District of Columbia—even if you do not live in the District of Columbia).

If you file on a fiscal year basis, file by the 15th day of the 4th month after the close of your fiscal year.

## Extension of Time To File

If you cannot file Form 1040-SS by the due date, you can get an extension of time to file the form. In some cases, you can get an extension of time to file and pay any tax due.

### Bona fide residents of Puerto Rico.

You can apply for an automatic 6-month extension of time to file Form 1040-SS (until October 15, 2012, for calendar year taxpayers). To get this automatic extension, you must file Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return, by the regular due date of your return (April 17, 2012, for calendar year taxpayers). You can file Form 4868 either by paper or electronically through IRS *e-file*. For details, see the instructions on Form 4868.



**This 6-month extension to file does *not* extend the time to pay your tax. Any interest due on unpaid taxes is calculated from the original due date of the return.**

### Bona fide residents of American Samoa, the CNMI, Guam, or the USVI.

You can apply for the automatic 6-month extension described above, or you can receive an automatic 2-month extension and then apply for an additional 4-month extension if you still need more time.

**Automatic 2-month extension.** You are allowed an automatic 2-month extension to file your return and pay your tax if you are outside the United States and Puerto Rico on the day Form 1040-SS is due (April 17, 2012, for calendar year taxpayers). Although you have an extension of time to pay your tax, interest on any unpaid tax will be charged from the original due date of the return.

To get this automatic extension, you must file Form 1040-SS by the extended due date (June 15, 2012, for calendar year taxpayers) and attach a statement explaining that on the regular due date of

your return you were a bona fide resident of American Samoa, the CNMI, Guam, or the USVI.

**Additional 4-month extension.** If you cannot file your return within the automatic 2-month extension period, you generally can get an additional 4 months to file your return, for a total of 6 months. File Form 4868 by the new due date allowed by the 2-month extension (June 15, 2012, for calendar year taxpayers). Follow the instructions for completing Form 4868, and be sure to check the box on line 8.

Unlike the original 2-month extension, the additional 4 months of time to file is **not** an extension of time to pay. You must make an accurate estimate of your tax based on the information available to you. If you find you cannot pay the full amount due with Form 4868, you can still get the extension. You will owe interest on the unpaid amount from the original due date of the return.

### Where to file extension requests.

If you are making a payment, send Form 4868 with your payment to:

Department of the Treasury  
Internal Revenue Service Center  
P.O. Box 1302  
Charlotte, NC 28201-1302

If you are not making a payment, send Form 4868 to:

Department of the Treasury  
Internal Revenue Service Center  
Austin, TX 73301-0045

## Where To File

Send your Form 1040-SS to:

Department of the Treasury  
Internal Revenue Service Center  
Austin, TX 73301-0215

## Specific Instructions

### Fiscal Year Filers

If your tax year is a fiscal year, use the tax rate and earnings base that apply at the time the fiscal year begins. Do not prorate the tax or earnings base for a fiscal year that overlaps the date of a rate or earnings base change.

### Name and SSN

To ensure proper credit to your social security account, enter your name and social security number (SSN), and your spouse's if filing a joint return, exactly as shown on your social security card. If you do not have an SSN, get Form SS-5, Application for a Social Security Card, from an SSA district office or online at [www.socialsecurity.gov/online/ss-5.html](http://www.socialsecurity.gov/online/ss-5.html).

## Part I—Total Tax and Credits

### Line 1

Check the filing status that applies to you.

**Single.** Your filing status is single if:

1. On the last day of the year, you are unmarried or legally separated from your spouse under a divorce or separate maintenance decree, or
2. You meet all of the following conditions.
  - a. You lived apart from your spouse for the last 6 months of 2011. Temporary absences for special circumstances, such as business, medical care, school, or military service, count as time lived in the home.
  - b. You file a separate return from your spouse.
  - c. You paid over half the cost of keeping up your home for 2011.
  - d. Your home was the main home of your child, adopted child, stepchild, or eligible foster child for more than half of 2011 (if half or less, see information on temporary absences in item 2a above).
  - e. If you filed Form 1040, you could claim the child as your dependent or could claim the child except that the child's other parent can claim the child under the rules for children of divorced or separated parents (see Pub. 501, Exemptions, Standard Deduction, and Filing Information).

**Married filing jointly.** You can choose this filing status if you were married at the end of 2011 and both you and your spouse agree to file a joint return. You can also choose this filing status if your spouse died in 2011 and you did not remarry in 2011.

If you choose to file a joint return, check the box for married filing jointly and be sure to include your spouse's name and SSN on the lines provided below your name and SSN. If your spouse also had self-employment income, complete and attach a separate Part V and, if applicable, Part VI. If necessary, attach a separate Part III or Part IV for your spouse's farm or nonfarm business.

**Joint and several tax liability.** If you file a joint return, both you and your spouse generally are 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, you may qualify for relief from liability for tax on your joint return if (a) there is an understatement of the amount 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 generally must file Form 8857, Request for Innocent Spouse Relief, no later than 2 years after the date on which

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the IRS first attempted to collect the tax from you. For more information, see Pub. 971, Innocent Spouse Relief, and Form 8857; or you can call the Innocent Spouse office at 1-866-897-4270 (toll free except in American Samoa).

**Married filing separately.** You can choose this filing status if you were married at the end of 2011. This method may benefit you if you want to be responsible only for your own tax.

#### Line 4

If either of the following applies, see Schedule H (Form 1040), Household Employment Taxes, and its instructions to find out if you owe these taxes.

- You paid any one household employee cash wages of \$1,700 or more in 2011.
- You paid total cash wages of \$1,000 or more in any calendar quarter of 2010 or 2011 to all household employees.

#### Line 5

Also include the following taxes in the line 5 total.

##### **Employee social security and Medicare tax on tips not reported to employer.**

Complete Form 4137, Social Security and Medicare Tax on Unreported Tip Income, if you received cash and charge tips of \$20 or more in a calendar month and did not report all of those tips to your employer. On the dotted line next to line 5, enter "Tax on Tips," and the amount of tax due (from Form 4137, line 13). Be sure to include this tax in the total for line 5. Attach to Form 1040-SS the completed Form 4137.

##### **Uncollected employee social security and Medicare tax on tips.**

If you did not have enough wages to cover the social security and Medicare tax due on tips you reported to your employer, the amount of tax due should be identified with codes A and B in box 12 of your Form W-2AS, W-2CM, W-2GU, or W-2VI; or entered in boxes 22 and 23 of your Form 499R-2/W-2PR. Include this tax in the total for line 5. Enter the amount of this tax and "Uncollected Tax" on the dotted line next to line 5.

##### **Uncollected employee social security and Medicare tax on group-term life insurance.**

If you had group-term life insurance through a former employer, you may have to pay social security and Medicare tax on part of the cost of the life insurance. The amount of tax due should be identified with codes M and N in box 12 of your Form W-2AS, W-2CM, W-2GU, or W-2VI. Include this tax in the total for line 5. Enter the amount of this tax and "Uncollected Tax" on the dotted line next to line 5.

##### **Uncollected employee social security and Medicare tax on wages.**

If you are an employee who received wages from an employer who did not withhold social security and Medicare tax from your wages, complete Form 8919, Uncollected Social Security and Medicare Tax on Wages, to figure your share of the unreported tax. Enter the amount of tax

due (from Form 8919, line 13) and "Uncollected Tax" on the dotted line next to line 5, and include this tax in the total for line 5. Attach to Form 1040-SS the completed Form 8919.

##### **Repayment of excess advance payments of the health coverage tax credit.**

If you received advance payments of the health coverage tax credit for months you were not eligible, the amount on line 5 of Form 8885, Health Coverage Tax Credit, may be negative. On the dotted line next to line 5 (Form 1040-SS, Part I), enter "HCTC" and the additional tax as a positive amount. Include this tax in the total for line 5. Attach to Form 1040-SS the completed Form 8885.

#### Line 6

Enter any estimated tax payments you made for 2011 including any overpayment from your 2010 return that you applied to your 2011 estimated tax. If you or your spouse paid separate estimated tax but are now filing a joint return, add the amounts you each paid and enter the total on line 6. If you and your spouse paid joint estimated tax but are now filing separate returns, you can divide the amount paid in any way you choose as long as you both agree. If you cannot agree, you must divide the payments in proportion to each spouse's individual tax as shown on your separate returns for 2011. For an example of how to do this, see chapter 3 of Pub. 505, Tax Withholding and Estimated Tax.

#### Line 7

If you, or your spouse if filing a joint return, had more than one employer for 2011 and total wages of more than \$106,800, too much social security tax may have been withheld. You can take a credit on this line for the amount withheld in excess of \$6,621.60. But if any one employer withheld more than \$6,621.60, you must ask that employer to refund the excess to you. You cannot claim it on Form 1040-SS. Figure this amount separately for you and your spouse. You must attach Forms W-2AS, W-2CM, W-2GU, W-2VI, or 499R-2/W-2PR. See chapter 3 of Pub. 505 for more information.

#### Line 9

If, during 2011, you were a bona fide resident of Puerto Rico and an eligible trade adjustment assistance (TAA) recipient, alternative TAA (ATAA) recipient, reemployment trade adjustment assistance (RTAA) recipient, or Pension Benefit Guaranty Corporation (PBG) pension recipient, see Form 8885, Health Coverage Tax Credit, to figure the amount of your credit, if any.

If you have a negative amount on Form 8885, line 5, do not make an entry on line 9, but see *Repayment of excess advance payments of the health coverage tax credit* under *Line 5* earlier.

See chapter 1 of Pub. 570, Tax Guide for Individuals With Income From U.S.

Possessions, for the bona fide residency rules.

#### Line 10

Add lines 6 through 9. Enter the total on line 10.

##### **Amount paid with request for 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 10 any amount you paid with that form, by electronic funds withdrawal, or by credit or debit card. If you paid by credit or debit card, do not include on line 10 the convenience fee you were charged. On the dotted line next to line 10, enter "Form 4868" and show the amount paid.

#### Lines 12a Through 12d

If you want us to directly deposit the amount shown on line 12a to your checking or savings account at a U.S. bank or other U.S. financial institution (such as a mutual fund, brokerage firm, or credit union):

- Check the box on line 12a and attach Form 8888, Allocation of Refund (Including Savings Bond Purchases), if you want to split the direct deposit of your refund among two or three accounts; or
- Complete lines 12b through 12d 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 to your account, do not check the box on line 12a. Draw a line through the boxes on lines 12b and 12d.



*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.*

You cannot request a deposit of your refund to an account that is not in your name (such as your tax preparer's own account).

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

**TreasuryDirect®.** You can request a deposit of your refund (or part of it) to a TreasuryDirect® online account to buy U.S. Treasury marketable securities and savings bonds. For more information, go to [www.treasurydirect.gov](http://www.treasurydirect.gov).

**Form 8888.** You can have your refund directly deposited into more than one account or use it to buy up to \$5,000 in paper Series I savings bonds. The amount you request must be a multiple of \$50. You do not need a TreasuryDirect® account to do this. See the Form 8888 instructions for details.

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**Line 12a**

Check the box on line 12a and attach Form 8888 if you want to split the direct deposit of your refund among two or three accounts.

If you file a joint return, check the box on line 12a and attach Form 8888, or fill in lines 12b through 12d, your spouse may get at least part of the refund.

**Line 12b**

The routing number for your financial institution 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.

Ask your financial institution for the correct routing number to enter on line 12b if:

- Your deposit is to a savings account that does not allow you to write checks, or
- Your checks state they are payable through a financial institution different from the one at which you have your checking account.

**Line 12c**

Check the appropriate box for the type of account. Do not check more than one box. You must check the correct box to ensure your deposit is accepted. For a TreasuryDirect® online account, check the "Savings" box.

**Line 12d**

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. Do not include the check number.



*Some financial institutions will not allow a joint refund to be deposited to 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.*

**Line 13**

Enter on line 13 the amount, if any, of the overpayment on line 11 you want applied to your 2012 estimated tax. The election to apply part or all of the overpaid amount to your 2012 estimated tax cannot be changed later.

**Line 14—Amount You Owe**

There are several ways to pay the amount of tax you owe.

**To pay by check or money order.**

Enclose your check or money order for the full amount due with Form 1040-SS. Make it payable to the "United States Treasury." Do not send cash. Do not attach the payment to your return. Enter "2011 Form 1040-SS" 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 Form 1040-SS.

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<sup>XX</sup>/<sub>100</sub>").

**To pay electronically.** For information on paying your taxes by Electronic Federal Tax Payment System (EFTPS) or with a credit or debit card, go to [www.irs.gov/e-pay](http://www.irs.gov/e-pay).

## Part II—Bona Fide Residents of Puerto Rico Claiming Additional Child Tax Credit

If, during 2011, you were a bona fide resident of Puerto Rico and you qualify to claim the additional child tax credit, you must list your qualifying children in Part I, line 2. Also complete Part II and the worksheet later to figure the amount of your credit.



*You must have three or more qualifying children to claim the additional child tax credit.*

**Qualifying for the Credit**

You may be able to claim the additional child tax credit for 2011 if all of the following apply.

- You were a bona fide resident of Puerto Rico (see Pub. 570, chapter 1).
- Social security and Medicare taxes were withheld from your wages or you paid self-employment tax.
- You or your spouse cannot be claimed as a dependent on someone else's U.S. income tax return.
- You had three or more qualifying children (defined below).

**Qualifying child.** A qualifying child for purposes of the additional child tax credit is a child who:

1. Is your son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, half brother, half sister, or a descendant of any of them (for example, your grandchild, niece, or nephew). A foster child is any child placed with you by an authorized placement agency or by a judgment, decree, or other order of any court of competent jurisdiction.
2. Was under 19 at the end of 2011.
3. Was younger than you (or your spouse, if filing jointly) or was permanently and totally disabled (see *Permanently and totally disabled* in the 2011 Instructions for Form 1040, line 6c).
4. Did not provide over half of his or her own support for 2011.
5. Lived with you for more than half of 2011. If the child did not live with you for the required time, see *Exception to time lived with you* in the 2011 Instructions for Form 1040, line 6c.
6. Is not filing a joint return for 2011 (or is filing a joint return for 2011 only as a claim for refund and neither spouse would have a tax liability if they filed separate returns).
7. Was a U.S. citizen, U.S. national, or a U.S. resident alien.

**Note.** An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption. If you are a U.S. citizen or U.S. national and your adopted child lived with you all year as a member of your household, that child meets the citizen test.

**Information about your qualifying child.**

In Part I, line 2, enter each qualifying child's name, social security number, and relationship to you. If you have more than six qualifying children, attach a statement to Form 1040-SS with the required information. If the child meets the conditions to be a qualifying child of any other person (other than your spouse if filing jointly) for 2011, see *Qualifying child of more than one person* in the 2011 Instructions for Form 1040, line 6c.

**Line 1**

For purposes of figuring the additional child tax credit, you must report all of your income derived from sources within Puerto Rico that is excluded from U.S. tax because you were a bona fide resident of Puerto Rico. This includes items such as wages, interest, dividends, taxable pensions and annuities, and taxable social security benefits. Also include any profit or (loss) from Part III, line 36, and Part IV, line 27. For more information on these and other types of income to include on line 1, see the Form 1040 instructions. See Pub. 570, chapter 2, for the rules to use in determining your Puerto Rican source income.

## Part III—Profit or Loss From Farming

For assistance with Part III (*Profit or Loss From Farming*), see the 2011 Instructions for Schedule F (Form 1040), Profit or Loss From Farming, and Pub. 225, Farmer's Tax Guide.

**Accounting Methods**

The accounting method you used to record your farm income determines whether you complete, in addition to Section B, Section A or C.

**Cash method.** Include in income both the cash actually or constructively received and the fair market value of goods or other property you received. Generally, you deduct your expenses when you pay them.

**Accrual method.** Include your income in the year you earned it. It does not matter when you get it. Deduct your expenses when you incur them.

**Section A or C—Sales of Livestock**

Form 4797, Sales of Business Property, is used to report sales of livestock held for draft, breeding, sport, or dairy purposes, and is attached to Form 1040. This income is taxable, but is not subject to self-employment tax. You should check to see if this additional amount of gross

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income will require you to file Form 1040 instead of Form 1040-SS.

Line 12

If you claim any car or truck expenses (actual or the standard mileage rate), you must provide the information requested in Part V of Form 4562, Depreciation and Amortization. Be sure to attach Form 4562 to your return.

Part IV—Profit or Loss From Business (Sole Proprietorship)

For assistance with Part IV (Profit or Loss From Business (Sole Proprietorship)), see the 2011 Instructions for Schedule C (Form 1040), Profit or Loss From Business, and Pub. 334, Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ).

Line 7

If you claim any car or truck expenses (actual or the standard mileage rate), you must provide the information requested in Part V of Form 4562, Depreciation and Amortization. Be sure to attach Form 4562 to your return.

Part V—Self-Employment Tax

Specific line instructions for Part V begin later.



If you are filing a joint return and both you and your spouse have income subject to self-employment tax, you must each complete a separate Part V. This includes those who made a joint election to be taxed as a qualified joint venture.

What Is Included in Net Earnings From Self-Employment

Generally, net earnings include your net profit from a farm or nonfarm business. If you were a partner in a partnership, see the following instructions.

Partnership Income or Loss

When figuring your total net earnings from self-employment, include your share of partnership income or loss attributable to a trade or business and any guaranteed payments for services or the use of capital. However, if you were a limited partner, include only guaranteed payments for services you actually rendered to or on behalf of the partnership.

If you were a general partner, reduce lines 1a and 2 of Part V for any section 179 expense deduction, oil or gas depletion, and unreimbursed partnership

Additional Child Tax Credit Worksheet—Part II, Line 3

Keep for Your Records



1. Do you have three or more qualifying children?
2. Number of qualifying children: \_\_\_\_\_ x \$1,000. Enter the result
3. Enter the amount from Part II, line 1
4. Enter the amount shown below for your filing status
5. Is the amount on line 3 more than the amount on line 4?
6. Multiply the amount on line 5 by 5% (.05). Enter the result
7. Is the amount on line 2 more than the amount on line 6?
8. Enter one-half of the amount from Part V, line 12
9. Enter the total of any:
10. Add lines 8 and 9
11. Enter the amount, if any, from Part I, line 7
12. Is the amount on line 10 more than the amount on line 11?
13. Additional child tax credit. Enter the smaller of line 7 or line 12 here and on Form 1040-SS, Part II, line 3.

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expenses. Attach an explanation of these deductions.

If your partnership was engaged solely in the operation of a group investment program, earnings from the operation are not self-employment earnings for either the general or limited partners.

If a partner died and the partnership continued, include in self-employment income the deceased partner's distributive share of the partnership's ordinary income or loss through the end of the month in which he or she died. See section 1402(f).

If you were married and both you and your spouse were partners in a partnership, each of you must report your net earnings from self-employment from the partnership. Each of you must complete a separate Part V. If only one of you was a partner in a partnership, the spouse who was the partner must pay SE tax on all of his or her share of partnership income.

**Community income.** Your own distributive share of partnership income is included in figuring your net earnings from self-employment. Unlike the division of that income between spouses for figuring income tax, no part of your share can be included in figuring your spouse's net earnings from self-employment.

### Share Farming

You are considered self-employed if you produced crops or livestock on someone else's land for a share of the crops or livestock produced (or a share of the proceeds from the sale of them). This applies even if you paid another person (an agent) to do the actual work or management for you. For details, see Pub. 225.

### Other Income and Losses Included in Net Earnings From Self-Employment

1. Rental income from a farm if, as landlord, you materially participated in the production or management of the production of farm products on this land. This income is farm earnings. To determine if you materially participated in farm management or production, do not consider the activities of any agent who acted for you. The material participation tests for landlords are explained in chapter 12 of Pub. 225.

2. Cash or a payment-in-kind from the Department of Agriculture for participating in a land diversion program.

3. Payments for the use of rooms or other space when you also provided substantial services for the convenience of your tenants. Examples are hotel rooms, boarding houses, tourist camps or homes, parking lots, warehouses, and storage garages. See chapter 5 of Pub. 334 for more information.

4. Income from the retail sale of newspapers and magazines if you were age 18 or older and kept the profits.

5. Income you receive as a direct seller. Newspaper carriers or distributors

of any age are direct sellers if certain conditions apply. See chapter 5 of Pub. 334 for details.

6. Amounts received by current or former self-employed insurance agents and salespersons that are:

- Paid after retirement but figured as a percentage of commissions received from the paying company before retirement,
- Renewal commissions, or
- Deferred commissions paid after retirement for sales made before retirement.

However, certain termination payments received by former insurance salespersons are not included in net earnings from self-employment (as explained in item 10 under *Income and Losses Not Included in Net Earnings From Self-Employment*).

7. Income of certain crew members of fishing vessels with crews of normally fewer than 10 people. See chapter 10 of Pub. 334 for details.

8. Fees as a state or local government employee if you were paid only on a fee basis and the job was not covered under a federal-state social security coverage agreement.

9. Interest received in the course of any trade or business, such as interest on notes or accounts receivable.

10. Fees and other payments received by you for services as a director of a corporation.

11. Recapture amounts under sections 179 and 280F included in gross income because the business use of the property dropped to 50% or less. Do not include amounts you recaptured on the disposition of property. See Form 4797, *Sales of Business Property*.

12. Fees you received as a professional fiduciary. This may also apply to fees paid to you as a nonprofessional fiduciary if the fees relate to active participation in the operation of the estate's business or the management of an estate that required extensive management activities over a long period of time.

13. Gain or loss from section 1256 contracts or related property by an options or commodities dealer in the normal course of dealing in or trading section 1256 contracts.

### Income and Losses Not Included in Net Earnings From Self-Employment

1. Salaries, fees, etc., subject to social security or Medicare tax that you received for performing services as an employee, including services performed as a public official (except as a fee basis government employee as explained in item 8 under *Other Income and Losses Included in Net Earnings From Self-Employment* earlier).

2. Fees received for services performed as a notary public. However, if you have other earnings of \$400 or more subject to SE tax, on the dotted line next

to Part V, line 3, enter "Exempt—Notary" and the amount of your net profit as a notary public included in line 2. Subtract that amount from the total of lines 1a, 1b, and 2 and enter the result on line 3.

3. Income you received as a retired partner under a written partnership plan that provides lifelong periodic retirement payments if you had no other interest in the partnership and did not perform services for it during the year.

4. Income from real estate rentals if you did not receive the income in the course of a trade or business as a real estate dealer. Report this income in Part IV if you and your spouse made an election to be taxed as a qualified joint venture.

5. Income from farm rentals (including rentals paid in crop shares) if, as landlord, you did not materially participate in the production or management of the production of farm products on the land. See chapter 12 of Pub. 225 for details.

Report this income on Form 4835 and Form 1040. Use two Forms 4835 if you and your spouse made an election to be taxed as a qualified joint venture.

6. Payments you receive from the Conservation Reserve Program if you are receiving social security benefits for retirement or disability. Deduct these payments on line 1b of Part V.

7. Dividends on shares of stock and interest on bonds, notes, etc., if you did not receive the income in the course of your trade or business as a dealer in stocks or securities.

8. Gain or loss from:

- The sale or exchange of a capital asset;
- Certain transactions in timber, coal, or domestic iron ore; or
- The sale, exchange, involuntary conversion, or other disposition of property unless the property is stock in trade or other property that would be includible in inventory, or held mainly for sale to customers in the ordinary course of the business.

9. Net operating losses from other years.

10. Termination payments you received as a former insurance salesperson if all of the following conditions are met.

a. The payment was received from an insurance company because of services you performed as an insurance salesperson for the company.

b. The payment was received after termination of your agreement to perform services for the company.

c. You did not perform any services for the company after termination and before the end of the year in which you received the payment.

d. You entered into a covenant not to compete against the company for at least a 1-year period beginning on the date of termination.

e. The amount of the payment depended primarily on policies sold by or credited to your account during the last year of the agreement, or the extent to

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which those policies remain in force for some period after termination, or both.

f. The amount of the payment did not depend to any extent on length of service or overall earnings from services performed for the company (regardless of whether eligibility for the payment depended on length of service).

### Line 1b

#### Conservation Reserve Program Payments

If you were receiving social security retirement or social security disability benefits at the time you received your Conservation Reserve Program (CRP) payment(s), include the amount of your taxable CRP payment(s) in the total on line 1b. The amount of these payments is included in Part III, line 6, and in information received from farm partnerships showing your distributive share.

#### Lines 4a Through 4c

If both lines 4a and 4c are less than \$400 and you have deducted CRP payments on line 1b, combine lines 1a and 2.

- If the total of lines 1a and 2 is \$434 or more, complete Part V through line 4c. Enter -0- in Part I, line 3. If you also have church employee income (see earlier), also complete lines 5a and 5b. Complete the rest of Part V, as appropriate.
- If the total of lines 1a and 2 is less than \$434, **do not** complete Part V unless you choose to use an optional method to figure your SE tax.

### Line 8b

If you received tips of \$20 or more in any month and did not report the full amount to your employer, you must file Form 4137 with Form 1040-SS (see instructions for Part I, line 5, earlier). Disregard the references to Form 1040 shown on Form 4137. Enter on line 8b the amount from Form 4137, line 10.

### Line 8c

If you are an employee who received wages from an employer who did not withhold social security and Medicare tax, you must file Form 8919 with Form 1040-SS (see instructions for Part I, line 5, earlier). Enter on line 8c the amount from Form 8919, line 10.

## Part VI—Optional Methods To Figure Net Earnings

The optional methods may give you credit toward your social security coverage even though you have a loss or a small amount of income from self-employment. But the optional methods may require you to pay SE tax when you would otherwise not be required to pay.

If you are filing a joint return and both you and your spouse choose to use an optional method to figure net earnings from self-employment, you must each complete and attach a separate Part VI.

You can change the method after you file your return. That is, you can change from the regular to the optional method or from the optional to the regular method. To do this, file a new Form 1040-SS. See the instructions under *Amended returns* earlier.



*Using the optional methods may qualify bona fide residents of Puerto Rico to claim the additional child tax credit or give them a larger credit.*

### Farm Optional Method

You may use this method to figure your net earnings from farm self-employment if your gross farm income was \$6,720 or less or your net farm profits were less than \$4,851. Net farm profits are the total of the amounts from Part III, line 36, and your distributive share from farm partnerships—minus the amount you would have entered in Part V, line 1b, had you not used the optional method.

There is no limit on how many years you can use this method.

Under this method, report in Part VI, line 2, the smaller of: two-thirds of your gross farm income (not less than zero), or \$4,480. This method can increase or decrease your net self-employment farm earnings. You can use this method even if your farming business had a loss.

For a farm partnership, figure your share of gross income based on the partnership agreement. With guaranteed payments, your share of the partnership's gross income is your guaranteed payments plus your share of the gross income after it is reduced by all guaranteed payments made by the partnership. If you were a limited partner, include only guaranteed payments for services you actually rendered to or on behalf of the partnership.

### Nonfarm Optional Method

You may be able to use this method to figure your net earnings from nonfarm self-employment if your net nonfarm profits were less than \$4,851 and also less than 72.189% of your gross nonfarm income. Net nonfarm profits are the total of the amounts from Part IV, line 27, and your distributive share from other than farm partnerships.

To use this method, you also must be regularly self-employed. You meet this requirement if your actual net earnings from self-employment were \$400 or more in 2 of the 3 years preceding the year you use the nonfarm optional method. The net earnings of \$400 or more could be from either farm or nonfarm earnings or both. The net earnings include your distributive share of partnership income or loss subject to SE tax.

Use of the nonfarm optional method from nonfarm self-employment is limited to 5 years. The 5 years do not have to be consecutive.

Under this method, report in Part VI, line 4, the smaller of: two-thirds of your

gross nonfarm income (not less than zero), or the amount in Part VI, line 3. But you cannot report less than your actual net earnings from nonfarm self-employment.

Figure your share of gross income from a nonfarm partnership in the same manner as a farm partnership. For details, see *Farm Optional Method* earlier.

### Using Both Optional Methods

If you can use both optional methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings from self-employment, you cannot report more than \$4,480 of net earnings from self-employment.

## Completing Your Return

### Third Party Designee

If you want to allow your preparer, a friend, family member, or any other person you choose to discuss your 2011 tax return with the IRS, check the "Yes" box in the "Third Party Designee" area on page 1 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).

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, *Practice Before the IRS and Power of Attorney*.

The authorization will automatically end no later than the due date (without regard to extensions) for filing your 2012 tax return. This is April 15, 2013, for most people. If you wish to revoke the authorization before it ends, see Pub. 947.

### Signature and Date

Sign and date your return. It is not valid 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.



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Generally, anyone you pay to prepare your return must sign it and fill in the Paid Preparer Use Only area 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.

If you have someone prepare your return, you are still responsible for the correctness of the return.

### Daytime Phone Number

Providing your daytime phone number can help speed the processing of your return. If we have questions about items on your return and you can answer 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.

## Additional Information

### Amended Returns

File a new Form 1040-SS to change a Form 1040-SS you already filed. If you filed Form 1040-SS but should have filed Form 1040, file a corrected return on Form 1040. In either case, at the top of page 1 of the corrected return, enter "CORRECTED" in dark bold letters followed by the date. Generally, an amended Form 1040-SS (or Form 1040, if applicable) must be filed within 3 years after the date on which the original return was filed or within 2 years after the tax was paid, whichever is later.

### Interest and Penalties

Do not figure the amount of any interest or penalties you may owe. We will send you a bill for any amount due.

#### Interest

The IRS will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. Also, you will be charged interest on penalties imposed for failure to file, negligence, fraud, substantial valuation misstatements, substantial understatements of tax, and reportable transaction understatements. Interest is charged on the penalty from the due date of the return (including extensions).

#### Penalties

**Late filing.** If you do not file your return by the due date (including extensions), 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. If your return is more than 60 days late, the minimum penalty will be \$135 or the amount of any tax you owe, whichever is smaller.

**Late payment of tax.** If you pay your taxes late, the penalty is usually  $\frac{1}{2}$  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. This penalty is in addition to interest charges on late payments.

**Frivolous return.** 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. For a list of positions identified as frivolous, see Notice 2010-33, 2010-17 I.R.B. 609, available at [http://www.irs.gov/irb/2010-17\\_IRB/ar13.html](http://www.irs.gov/irb/2010-17_IRB/ar13.html).

**Other.** Other penalties can be imposed for negligence, substantial understatement of tax, reportable transaction understatements, filing an erroneous refund claim, and fraud. Criminal penalties may be imposed for willful failure to file, tax evasion, or making a false statement. See Pub. 17, Your Federal Income Tax, for details on some of these penalties.

### How To Get Forms and Publications

#### By Internet

You can access IRS.gov 24 hours a day, 7 days a week to download forms, instructions, and publications.

#### By Phone

You can order forms and publications by calling 1-800-TAX-FORM (1-800-829-3676) (not toll free in American Samoa).

#### By Mail

You can order forms and publications by sending your order to:

Internal Revenue Service  
1201 N. Mitsubishi Motorway  
Bloomington, IL 61705-6613

#### In Person

You can get forms and publications at the following walk-in sites.

**Note.** The following addresses are subject to change.

#### American Samoa

American Samoa Government  
Tax Office  
First Floor  
Executive Office Building—Utulei  
Pago Pago, AS 96799

#### CNMI

Division of Revenue and Taxation  
DanDan Commercial Center  
Saipan, MP 96950

#### Guam

Department of Revenue and Taxation  
1240 Army Drive  
Barrigada, Guam 96913

#### Puerto Rico

U.S. Internal Revenue Service  
7 Tabonuco Street, Suite 120  
San Patricio Office Center  
Guaynabo, PR 00966

#### USVI

U.S. Internal Revenue Service  
Almeric L. Christian Federal Building  
3013 Estate Golden Rock, Room 3013  
Christiansted, VI 00820

U.S. Internal Revenue Service  
Ron De Lugo Federal Building and  
Courthouse  
5500 Veterans Drive, Room 216  
Charlotte Amalie, VI 00802

USVI Bureau of Internal Revenue  
9601 Estate Thomas  
Charlotte Amalie, VI 00802

USVI Bureau of Internal Revenue  
4008 Estate Diamond  
Christiansted, VI 00820

**Disclosure, Privacy Act, and Paperwork Reduction Act Notice.** The IRS Restructuring and Reform Act of 1998, the Privacy Act of 1974, and 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 sections 6001, 6011, and 7651 and their regulations. They say that you must file a return or statement with the IRS and pay to the United States Treasury any tax for which you are liable. Your response is mandatory under these sections. Section 6109 requires you to provide your identifying number on the return. 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.

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.

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If you do not file a return, do not provide the information we ask for, or provide fraudulent information, you may be charged penalties and be subject to criminal prosecution. We may also have to disallow any deductions shown on the tax return. This could make the tax higher or delay any refund, and the calculation of your social security benefits may be affected. Interest may also be charged.

Generally, tax returns and return information are confidential, as stated in section 6103. However, section 6103 allows or requires the IRS 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 SSA for use in calculating your social security benefits; to the Department of Justice, to enforce the tax laws, both civil and criminal; and to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws.

We may disclose your tax information to other persons as necessary to obtain

information needed 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, or to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

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, call or visit any IRS office.

The time needed to complete and file this form will vary depending on individual

circumstances. The estimated average time is:

|   |                |
|---|----------------|
| <b>Recordkeeping</b> . . . . .                              | 5 hr., 27 min. |
| <b>Learning about the law or the form</b> . . . . .         | 59 min.        |
| <b>Preparing the form</b> . . . . .                         | 3 hr., 46 min. |
| <b>Copying, assembling, and sending the form to the IRS</b> | 1 hr., 3 min.  |

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File* earlier.