

## Task 7: Taxpayer W-4 Usability

### DRAFT W-4 Usability Scenarios and Vignettes

Last Updated: 11/30/2018 for OMB submission

Note: Participants will be assigned Simple or Complex scenarios based on their response to the prescreening.

**Simple Scenario-1** (for single W-2 wage earners with only one job/W-2)  
*One job, wages, withholding, no dependents, filing as single*

**Name:** Name-1

**DOB:** DOB

**SS#:** xxx-xx-xxxx

**Employment:** Type of employment

**Marital Status:** Single

**Filing Status:** Single

You are single with no dependents. You are currently employed, and currently receive income from *name of Employer-1*. You have no other forms of income. You lived in the state of *State Name* for the entire year and are a U.S. Citizen.

When it is time to file your income tax return, you file your return for yourself. No one else can claim you as a dependent.

#### Supporting Materials:

- **Form W-2 Wage and Tax Statement:** Show \$XXXX in total income, show \$XXX amount withheld.
- **Draft 2020 Form W-4 with worksheets**
- **Draft 2020 Form W-4 Instructions**
- **2018 Form W-4 with worksheets**
- **2018 Form W-4 Instructions**
- **2017 Form 1040**

**Simple Scenario-2** (for single W-2 wage earners with only one job/W-2)  
*Single, one job, wages, withholding, dependents, filing as head of household*

**Name:** Name-2

**DOB:** DOB

**SS#:** xxx-xx-xxxx

**Employment:** Type of employment

**Marital Status:** Single

**Filing Status:** Head of Household

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You are single with dependents. You are currently employed, and currently receive income from *name of Employer-2*. You have no other forms of income. You lived in the state of *State Name* for the entire year and are a U.S. Citizen.

When it is time to file your income tax return, you file your return as a head of household. No one else can claim you as a dependent.

### Supporting Materials:

- **Form W-2 Wage and Tax Statement:** Show \$XXXX in total income, show \$XXX amount withheld.
- **Draft 2020 Form W-4 with worksheets**
- **Draft 2020 Form W-4 Instructions**
- **2018 Form W-4 with worksheets**
- **2018 Form W-4 Instructions**
- **2017 Form 1040**

**Complex Scenario-1:** (for married filers where both are W-2 wage earners)  
*Married (MFJ), wages, taxable interest, two dependents*

**Name:** *Name-3*

**DOB:** *DOB*

**SS#:** *xxx-xx-xxxx*

**Employment:** *Type of employment*

**Marital Status:** *Married*

**Spouse's Name:** *Name-4*

You and your spouse, *Name-3*, are both currently employed. You receive income from *name of Employer-3* and your spouse received income from *name of Employer-4*. In addition, you receive income in the form of taxable interest from *name of Bank-2*. You have two children who live with you and for whom you provide all their support. You and your family lived in the state of *State Name* for the entire year and are U.S. Citizens.

When it is time to file your income tax return, you and your wife file jointly on the same return.

### Supporting Materials:

- **W-2s** for both employers: Show \$XXXX in total income, show \$XXXX amount of Federal income tax withheld.
- **Draft 2020 Form W-4 with worksheets**
- **Draft 2020 Form W-4 Instructions**
- **2018 Form W-4 with worksheets**
- **2018 Form W-4 Instructions**
- **2017 Form 1040**

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- **Form 1099:** Show \$XXX in taxable income, no Federal income tax withheld (i.e., no backup withholding)

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**Complex Scenario-2:** (for married filers where both are W-2 wage earners)  
*Married (MFJ), wages, taxable interest, two dependents*

**Name:** *Name-5*

**DOB:** *DOB*

**SS#:** *xxx-xx-xxxx*

**Employment:** *Type of employment*

**Marital Status:** *Married*

**Spouse's Name:** *Name-6*

**Filing Status:** *Married Filing Single*

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

You and your spouse, *Name-6*, are both currently employed. You receive income from *name of Employer-5* and spouse received income from *name of Employer-6*. In addition, you receive income in the form of taxable interest from *name of Bank-2*. You have two children who live with you and for whom you provide all their support. You and your family lived in the state of *State Name* for the entire year and are U.S. Citizens.

When it is time to file your income tax return, you and your spouse file separately.

### Supporting Materials

- **W-2s** for both employers: Show \$XXXX in total income, show \$XXXX amount of Federal income tax withheld.
- **Draft 2020 Form W-4 with worksheets**
- **Draft 2020 Form W-4 Instructions**
- **2018 Form W-4 with worksheets**
- **2018 Form W-4 Instructions**
- **2017 Form 1040**
- **Form 1099:** Show \$XXX in taxable income, no Federal income tax withheld (i.e., no backup withholding)

### Vignettes (variables)

**For filers with additional sources of taxable income, deductions or credits**

#### **For Single Filers (Variations of Simple Scenarios 1 and 2):**

**(1) Taxable Interest.** You receive taxable income as interest from *name of Bank-2*.

#### **Additional Supporting Materials:**

- **Form 1099:** Show \$XXX in taxable income, no Federal income tax withheld.

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(2) **Deductions** - You expect to qualify for deductions (e.g. Mortgage Interest Deduction, State and Local Tax Deduction)

**Additional Supporting Materials:**

- **Form 1040 Schedule A Itemized Deductions**
- **Form 1098 Mortgage Interest Statement**

(3) **Credits**. Same as Scenario-1 above. In addition, you expect to qualify for tax credits (e.g., Earned income Credit, Child Tax Credit) in the upcoming year

**Additional Supporting Materials:**

- **Earned Income Credit Worksheet**
- **Child Tax Credit - check box on F1040 list of dependents, Schedule 8812**

**For Married filers (Variations of Complex Scenarios 1 and 2):**

**For filers with pensions or Federal Payments**

(4) **Pension and Taxable Social Security benefits**. Same as Scenario-2 above, except that your wife is retired. Your income is the same as above. Instead of income above, your wife receives income from a pension and social security.

Additional supporting material:

- **Form 1099-R** - showing gross \$XX distribution/taxable amount, and showing \$XX amount of Federal income tax withheld
- **Form SSA-1099** - showing \$XX amount of benefits paid in year, part of which is taxable.

(5) **Refundable Credit - Earned Income Tax Credit (EITC) and/or Child Tax Credit**

**Additional Supporting Materials:**

- **2017 Form 1040 Earned Income Credit (EIC) Worksheet**
- **2017 Child Tax Credit and Credit for Other Dependents Worksheet**

**For Married filers with Itemized deductions**

(6) **Itemized deductions -**

You itemized your deductions last year, and you think you may be able to itemize again this year. The following is a summary of the applicable receipts and records for itemizing deductions:

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### **Additional Supporting Materials:**

- **2017 Form 1040 Schedule A.**

### **For Married filers with other Income**

(7) **Other income** – When filing last year’s state tax return, you received income from stock dividends totaling \$XXXX in taxable income, with no Federal income tax withheld. You anticipate receiving dividend income again during this coming year.

### **Additional Supporting Materials:**

- **Form 1099-B** Show stock dividend income.
- **2017 Form 1040 Schedule A.** Show amount deducted from taxable income.