



Publication 4218
(July 2003)

Draft Excerpts from Form 1040 Family of Instructions (including Schedule Instructions)

For use in preparing
2003 Returns

Contents

Introduction	2
Form 1040 Instructions	
Qualified Dividends and Capital Gain Tax Worksheet—Line 41	3
Child Tax Credit Worksheet—Line 49	4
2003 Earned Income Credit (EIC) Table	5

Caution: DRAFT WORKSHEETS

This publication contains early release drafts of selected worksheets from the Instructions for Form 1040 and related Schedule Instructions. The worksheets are subject to change before they are officially released. The drafts will appear only on the internet.

If you have comments on any of the draft worksheets, you can submit the comments to us on our web site. Include the word **DRAFT** in your response and the “Proof as of” date. You may make comments anonymously, or you may include your name and e-mail address or phone number. We cannot respond to all comments due to the high volume we receive. However, we will consider each suggestion carefully.

Introduction

This publication contains draft worksheets and tables from the Instructions for Form 1040 and related Schedule Instructions for tax year 2003. We are making these drafts available to help you plan for the coming filing season. This publication is only available on the Internet.

The status of the worksheet or table will be shown in the overlay. For example, the worksheet may show “Proof as of July 25, 2003 (Subject to Change).”

A new version of a worksheet or table will be posted only if there is a change in the computation. The final version of the worksheet will be posted as part of the ok-to-print 1040 Instruction product.

Qualified Dividends and Capital Gain Tax Worksheet—Line 41

Keep for Your Records

Before you begin: ✓ Be sure you do not have to file Schedule D (see the instructions for Form 1040, line 13a, on page 25).
 ✓ Be sure you checked the box on line 13a of Form 1040.



1.	Enter the amount from Form 1040, line 40	1.	_____	
2.	Enter the amount from Form 1040, line 9b	2.	_____	
3.	Enter the amount from Form 1040, line 13a	3.	_____	
4.	Add lines 2 and 3	4.	_____	
5.	If you are claiming investment interest expense on Form 4952, enter the amount from line 4g; otherwise enter -0-	5.	_____	
6.	Subtract line 5 from line 4. If zero or less, enter -0-	6.	_____	
7.	Subtract line 6 from line 1, if zero or less, enter -0-	7.	_____	
8.	Enter the smaller of: • The amount on line 1 or • \$56,800 if married filing jointly or qualifying widow(er), \$28,400 if single or married filing separately, or \$38,050 if head of household.	8.	_____	
9.	Is the amount on line 7 equal to or more than the amount on line 8? <input type="checkbox"/> Yes. Skip lines 9 through 15; go to line 16 and check the "No" box. <input type="checkbox"/> No. Enter the amount from line 7	9.	_____	
10.	Subtract line 9 from line 8	10.	_____	
11.	Add Form 1040, line 13b, and line 2 above	11.	_____	
12.	Enter the smaller of line 10 or line 11	12.	_____	
13.	Multiply line 12 by 5% (.05)	13.	_____	
14.	Subtract line 12 from line 10. If zero, go to line 16	14.	_____	
15.	Multiply line 14 by 10% (.10)	15.	_____	
16.	Are the amounts on lines 6 and 10 the same? <input type="checkbox"/> Yes. Skip lines 16 through 25; go to line 26. <input type="checkbox"/> No. Enter the smaller of line 1 or line 6	16.	_____	
17.	Enter the amount from line 10 (if line 10 is blank, enter -0-)	17.	_____	
18.	Subtract line 17 from line 16	18.	_____	
19.	Add Form 1040, line 13b, and line 2 above	19.	_____	
20.	Enter the amount from line 12 (if line 12 is blank, enter -0-)	20.	_____	
21.	Subtract line 20 from line 19	21.	_____	
22.	Enter the smaller of line 18 or line 21	22.	_____	
23.	Multiply line 22 by 15% (.15)	23.	_____	
24.	Subtract line 22 from line 18. If zero, go to line 26	24.	_____	
25.	Multiply line 24 by 20% (.20)	25.	_____	
26.	Figure the tax on the amount on line 7. Use the Tax Table or Tax Rate Schedules, whichever applies	26.	_____	
27.	Add lines 13, 15, 23, 25, and 26	27.	_____	
28.	Figure the tax on the amount on line 1. Use the Tax Table or Tax Rate Schedule, whichever applies	28.	_____	
29.	Tax on all taxable income. Enter the smaller of line 27 or line 28 here and on Form 1040, line 41	29.	_____	

Child Tax Credit Worksheet—Line 49

Keep for Your Records

Before you begin:

✓ If you received (before offset) an advance payment of the child tax credit and you filed a joint return for 2002, you and your spouse are each considered to have received one-half of the payment.



- To be a qualifying child for the child tax credit, the child must be under age 17 at the end of 2003, and meet the other requirements listed on page 39.
- **Do not** use this worksheet if you answered “Yes” to question 1, 2, or 3 on page 39. Instead, use Pub. 972.

1. Number of qualifying children: _____ X \$1,000. Enter the result.

1	
---	--

2. Enter the amount, if any, of your advance child tax credit (before offset).

2	
---	--

3. Is line 1 less than line 2?

- Yes.** You cannot take this credit. If line 2 is more than line 1, you do not have to pay back the difference.
- No.** Subtract line 2 from line 1.

3	
---	--

4. Enter the amount from Form 1040, line 43.

4	
---	--

5. Enter the total of the amounts from Form 1040, lines 44 through 48.

5	
---	--

6. Are the amounts on lines 4 and 5 the same?

- Yes.** You cannot take this credit because there is no tax to reduce. However, you may be able to take the **additional child tax credit**. See the **TIP** below before completing the rest of your Form 1040.
- No.** Subtract line 5 from line 4.

6	
---	--

7. Is the amount on line 1 more than the amount on line 6?

- Yes.** Enter the amount from line 6. Also, you may be able to take the **additional child tax credit**. See the **TIP** below.
- No.** Enter the amount from line 1.

This is your child tax credit.

7	
---	--

Enter this amount on Form 1040, line 49.



You may be able to take the **additional child tax credit** on Form 1040, line 65, if you answered “Yes” on line 6 or line 7 above.

- First, complete your Form 1040 through line 64.
- Then, use Form 8812 to figure any additional child tax credit.

2003 Earned Income Credit (EIC) Table

Caution. This is not a tax table.

1. 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.

2. Then, go to the column that includes your filing status and the number of qualifying children you have. Enter the credit from that column on your EIC Worksheet.

Example. If your filing status is single, you have one qualifying child, and the amount you are looking up from your EIC Worksheet is \$2,455, you would enter \$842.

If the amount you are looking up from the worksheet is—		And your filing status is—		
		No children	One child	Two children
At least	But less than	Your credit is—		
2,400	2,450	186	825	970
2,450	2,500	189	842	990

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—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
\$1	\$50	\$2	\$9	\$10	\$2	\$9	\$10	3,000	3,050	231	1,029	1,210	231	1,029	1,210
50	100	6	26	30	6	26	30	3,050	3,100	235	1,046	1,230	235	1,046	1,230
100	150	10	43	50	10	43	50	3,100	3,150	239	1,063	1,250	239	1,063	1,250
150	200	13	60	70	13	60	70	3,150	3,200	243	1,080	1,270	243	1,080	1,270
200	250	17	77	90	17	77	90	3,200	3,250	247	1,097	1,290	247	1,097	1,290
250	300	21	94	110	21	94	110	3,250	3,300	251	1,114	1,310	251	1,114	1,310
300	350	25	111	130	25	111	130	3,300	3,350	254	1,131	1,330	254	1,131	1,330
350	400	29	128	150	29	128	150	3,350	3,400	258	1,148	1,350	258	1,148	1,350
400	450	33	145	170	33	145	170	3,400	3,450	262	1,165	1,370	262	1,165	1,370
450	500	36	162	190	36	162	190	3,450	3,500	266	1,182	1,390	266	1,182	1,390
500	550	40	179	210	40	179	210	3,500	3,550	270	1,199	1,410	270	1,199	1,410
550	600	44	196	230	44	196	230	3,550	3,600	273	1,216	1,430	273	1,216	1,430
600	650	48	213	250	48	213	250	3,600	3,650	277	1,233	1,450	277	1,233	1,450
650	700	52	230	270	52	230	270	3,650	3,700	281	1,250	1,470	281	1,250	1,470
700	750	55	247	290	55	247	290	3,700	3,750	285	1,267	1,490	285	1,267	1,490
750	800	59	264	310	59	264	310	3,750	3,800	289	1,284	1,510	289	1,284	1,510
800	850	63	281	330	63	281	330	3,800	3,850	293	1,301	1,530	293	1,301	1,530
850	900	67	298	350	67	298	350	3,850	3,900	296	1,318	1,550	296	1,318	1,550
900	950	71	315	370	71	315	370	3,900	3,950	300	1,335	1,570	300	1,335	1,570
950	1,000	75	332	390	75	332	390	3,950	4,000	304	1,352	1,590	304	1,352	1,590
1,000	1,050	78	349	410	78	349	410	4,000	4,050	308	1,369	1,610	308	1,369	1,610
1,050	1,100	82	366	430	82	366	430	4,050	4,100	312	1,386	1,630	312	1,386	1,630
1,100	1,150	86	383	450	86	383	450	4,100	4,150	316	1,403	1,650	316	1,403	1,650
1,150	1,200	90	400	470	90	400	470	4,150	4,200	319	1,420	1,670	319	1,420	1,670
1,200	1,250	94	417	490	94	417	490	4,200	4,250	323	1,437	1,690	323	1,437	1,690
1,250	1,300	98	434	510	98	434	510	4,250	4,300	327	1,454	1,710	327	1,454	1,710
1,300	1,350	101	451	530	101	451	530	4,300	4,350	331	1,471	1,730	331	1,471	1,730
1,350	1,400	105	468	550	105	468	550	4,350	4,400	335	1,488	1,750	335	1,488	1,750
1,400	1,450	109	485	570	109	485	570	4,400	4,450	339	1,505	1,770	339	1,505	1,770
1,450	1,500	113	502	590	113	502	590	4,450	4,500	342	1,522	1,790	342	1,522	1,790
1,500	1,550	117	519	610	117	519	610	4,500	4,550	346	1,539	1,810	346	1,539	1,810
1,550	1,600	120	536	630	120	536	630	4,550	4,600	350	1,556	1,830	350	1,556	1,830
1,600	1,650	124	553	650	124	553	650	4,600	4,650	354	1,573	1,850	354	1,573	1,850
1,650	1,700	128	570	670	128	570	670	4,650	4,700	358	1,590	1,870	358	1,590	1,870
1,700	1,750	132	587	690	132	587	690	4,700	4,750	361	1,607	1,890	361	1,607	1,890
1,750	1,800	136	604	710	136	604	710	4,750	4,800	365	1,624	1,910	365	1,624	1,910
1,800	1,850	140	621	730	140	621	730	4,800	4,850	369	1,641	1,930	369	1,641	1,930
1,850	1,900	143	638	750	143	638	750	4,850	4,900	373	1,658	1,950	373	1,658	1,950
1,900	1,950	147	655	770	147	655	770	4,900	4,950	377	1,675	1,970	377	1,675	1,970
1,950	2,000	151	672	790	151	672	790	4,950	5,000	382	1,692	1,990	382	1,692	1,990
2,000	2,050	155	689	810	155	689	810	5,000	5,050	382	1,709	2,010	382	1,709	2,010
2,050	2,100	159	706	830	159	706	830	5,050	5,100	382	1,726	2,030	382	1,726	2,030
2,100	2,150	163	723	850	163	723	850	5,100	5,150	382	1,743	2,050	382	1,743	2,050
2,150	2,200	166	740	870	166	740	870	5,150	5,200	382	1,760	2,070	382	1,760	2,070
2,200	2,250	170	757	890	170	757	890	5,200	5,250	382	1,777	2,090	382	1,777	2,090
2,250	2,300	174	774	910	174	774	910	5,250	5,300	382	1,794	2,110	382	1,794	2,110
2,300	2,350	178	791	930	178	791	930	5,300	5,350	382	1,811	2,130	382	1,811	2,130
2,350	2,400	182	808	950	182	808	950	5,350	5,400	382	1,828	2,150	382	1,828	2,150
2,400	2,450	186	825	970	186	825	970	5,400	5,450	382	1,845	2,170	382	1,845	2,170
2,450	2,500	189	842	990	189	842	990	5,450	5,500	382	1,862	2,190	382	1,862	2,190
2,500	2,550	193	859	1,010	193	859	1,010	5,500	5,550	382	1,879	2,210	382	1,879	2,210
2,550	2,600	197	876	1,030	197	876	1,030	5,550	5,600	382	1,896	2,230	382	1,896	2,230
2,600	2,650	201	893	1,050	201	893	1,050	5,600	5,650	382	1,913	2,250	382	1,913	2,250
2,650	2,700	205	910	1,070	205	910	1,070	5,650	5,700	382	1,930	2,270	382	1,930	2,270
2,700	2,750	208	927	1,090	208	927	1,090	5,700	5,750	382	1,947	2,290	382	1,947	2,290
2,750	2,800	212	944	1,110	212	944	1,110	5,750	5,800	382	1,964	2,310	382	1,964	2,310
2,800	2,850	216	961	1,130	216	961	1,130	5,800	5,850	382	1,981	2,330	382	1,981	2,330
2,850	2,900	220	978	1,150	220	978	1,150	5,850	5,900	382	1,998	2,350	382	1,998	2,350
2,900	2,950	224	995	1,170	224	995	1,170	5,900	5,950	382	2,015	2,370	382	2,015	2,370
2,950	3,000	228	1,012	1,190	228	1,012	1,190	5,950	6,000	382	2,032	2,390	382	2,032	2,390

(Continued on page 51)

2003 Earned Income Credit (EIC) Table—Continued

(Caution. This is not a tax table.)

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—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
28,450	28,500	0	190	1,099	0	350	1,309	31,950	32,000	0	0	362	0	0	572
28,500	28,550	0	182	1,088	0	342	1,299	32,000	32,050	0	0	351	0	0	562
28,550	28,600	0	174	1,078	0	334	1,288	32,050	32,100	0	0	341	0	0	551
28,600	28,650	0	166	1,067	0	326	1,278	32,100	32,150	0	0	330	0	0	541
28,650	28,700	0	158	1,057	0	318	1,267	32,150	32,200	0	0	319	0	0	530
28,700	28,750	0	150	1,046	0	310	1,257	32,200	32,250	0	0	309	0	0	520
28,750	28,800	0	142	1,036	0	302	1,246	32,250	32,300	0	0	298	0	0	509
28,800	28,850	0	134	1,025	0	294	1,236	32,300	32,350	0	0	288	0	0	498
28,850	28,900	0	126	1,014	0	286	1,225	32,350	32,400	0	0	277	0	0	488
28,900	28,950	0	118	1,004	0	278	1,215	32,400	32,450	0	0	267	0	0	477
28,950	29,000	0	110	993	0	270	1,204	32,450	32,500	0	0	256	0	0	467
29,000	29,050	0	102	983	0	262	1,193	32,500	32,550	0	0	246	0	0	456
29,050	29,100	0	94	972	0	254	1,183	32,550	32,600	0	0	235	0	0	446
29,100	29,150	0	86	962	0	246	1,172	32,600	32,650	0	0	225	0	0	435
29,150	29,200	0	78	951	0	238	1,162	32,650	32,700	0	0	214	0	0	425
29,200	29,250	0	70	941	0	230	1,151	32,700	32,750	0	0	204	0	0	414
29,250	29,300	0	63	930	0	222	1,141	32,750	32,800	0	0	193	0	0	404
29,300	29,350	0	55	920	0	214	1,130	32,800	32,850	0	0	183	0	0	393
29,350	29,400	0	47	909	0	206	1,120	32,850	32,900	0	0	172	0	0	383
29,400	29,450	0	39	899	0	198	1,109	32,900	32,950	0	0	162	0	0	372
29,450	29,500	0	31	888	0	190	1,099	32,950	33,000	0	0	151	0	0	362
29,500	29,550	0	23	878	0	182	1,088	33,000	33,050	0	0	140	0	0	351
29,550	29,600	0	15	867	0	174	1,078	33,050	33,100	0	0	130	0	0	341
29,600	29,650	0	7	857	0	166	1,067	33,100	33,150	0	0	119	0	0	330
29,650	29,700	0	**	846	0	158	1,057	33,150	33,200	0	0	109	0	0	319
29,700	29,750	0	0	835	0	150	1,046	33,200	33,250	0	0	98	0	0	309
29,750	29,800	0	0	825	0	142	1,036	33,250	33,300	0	0	88	0	0	298
29,800	29,850	0	0	814	0	134	1,025	33,300	33,350	0	0	77	0	0	288
29,850	29,900	0	0	804	0	126	1,014	33,350	33,400	0	0	67	0	0	277
29,900	29,950	0	0	793	0	118	1,004	33,400	33,450	0	0	56	0	0	267
29,950	30,000	0	0	783	0	110	993	33,450	33,500	0	0	46	0	0	256
30,000	30,050	0	0	772	0	102	983	33,500	33,550	0	0	35	0	0	246
30,050	30,100	0	0	762	0	94	972	33,550	33,600	0	0	25	0	0	235
30,100	30,150	0	0	751	0	86	962	33,600	33,650	0	0	14	0	0	225
30,150	30,200	0	0	741	0	78	951	33,650	33,700	0	0	***	0	0	214
30,200	30,250	0	0	730	0	70	941	33,700	33,750	0	0	0	0	0	204
30,250	30,300	0	0	720	0	63	930	33,750	33,800	0	0	0	0	0	193
30,300	30,350	0	0	709	0	55	920	33,800	33,850	0	0	0	0	0	183
30,350	30,400	0	0	699	0	47	909	33,850	33,900	0	0	0	0	0	172
30,400	30,450	0	0	688	0	39	899	33,900	33,950	0	0	0	0	0	162
30,450	30,500	0	0	678	0	31	888	33,950	34,000	0	0	0	0	0	151
30,500	30,550	0	0	667	0	23	878	34,000	34,050	0	0	0	0	0	140
30,550	30,600	0	0	656	0	15	867	34,050	34,100	0	0	0	0	0	130
30,600	30,650	0	0	646	0	7	857	34,100	34,150	0	0	0	0	0	119
30,650	30,700	0	0	635	0	**	846	34,150	34,200	0	0	0	0	0	109
30,700	30,750	0	0	625	0	0	835	34,200	34,250	0	0	0	0	0	98
30,750	30,800	0	0	614	0	0	825	34,250	34,300	0	0	0	0	0	88
30,800	30,850	0	0	604	0	0	814	34,300	34,350	0	0	0	0	0	77
30,850	30,900	0	0	593	0	0	804	34,350	34,400	0	0	0	0	0	67
30,900	30,950	0	0	583	0	0	793	34,400	34,450	0	0	0	0	0	56
30,950	31,000	0	0	572	0	0	783	34,450	34,500	0	0	0	0	0	46
31,000	31,050	0	0	562	0	0	772	34,500	34,550	0	0	0	0	0	35
31,050	31,100	0	0	551	0	0	762	34,550	34,600	0	0	0	0	0	25
31,100	31,150	0	0	541	0	0	751	34,600	34,650	0	0	0	0	0	14
31,150	31,200	0	0	530	0	0	741	34,650	34,692	0	0	0	0	0	4
31,200	31,250	0	0	520	0	0	730	34,692 or more		0	0	0	0	0	0
31,250	31,300	0	0	509	0	0	720								
31,300	31,350	0	0	498	0	0	709								
31,350	31,400	0	0	488	0	0	699								
31,400	31,450	0	0	477	0	0	688								
31,450	31,500	0	0	467	0	0	678								
31,500	31,550	0	0	456	0	0	667								
31,550	31,600	0	0	446	0	0	656								
31,600	31,650	0	0	435	0	0	646								
31,650	31,700	0	0	425	0	0	635								
31,700	31,750	0	0	414	0	0	625								
31,750	31,800	0	0	404	0	0	614								
31,800	31,850	0	0	393	0	0	604								
31,850	31,900	0	0	383	0	0	593								
31,900	31,950	0	0	372	0	0	583								

**If the amount you are looking up from the worksheet is at least \$29,650 (\$30,650 if married filing jointly) but less than \$29,666 (\$30,666 if married filing jointly), your credit is \$1. Otherwise, you cannot take the credit.

***If the amount you are looking up from the worksheet is at least \$33,650 but less than \$33,692, your credit is \$4. Otherwise, you cannot take the credit.