

Guide To Free Tax Services

*for Tax Year
1999*



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Guide to Free Tax Services

Guide to Free Tax Services identifies the many IRS tax materials and services available to you, and how, when, and where you can get them. Most materials and programs are free and most are available year-round through the IRS. Internet, telephone, and fax access of tax materials; filing options; tax publications; tax education and assistance programs; and tax tips are covered in this Guide. Publication 910 also gives direction to access recorded tax information and automated refund information. Please read on to see which IRS tax services will help make your tax filing easier.

Customer Service

Customer Service — taxpayer rights and good service and still collect the taxes — The Restructuring and Reform Act was truly a landmark in the history of the IRS. It laid out a fundamentally new direction for the agency — the first one since Harry Truman was in the White House. And since there are many detailed and complex provisions in the Bill, including 71 new taxpayer rights, it's easy to get lost in specifics and overlook the whole picture. Through this *Act*, the IRS was given a new direction and a new challenge, namely to measure its success or failure in terms of its effect on the people it serves as well as the taxes it collects. This new direction relies heavily on improved management, improved business practices, and improved technology.

Taxpayer Rights

The *IRS Restructuring and Reform Act of 1998*, signed into law on July 22, 1998, contains the *Taxpayer Bill of Rights 3*. The *Taxpayer Bill of Rights 3* preserves the balance between safeguarding the rights of the individual taxpayers and enabling the Internal Revenue Service to administer the tax laws efficiently, fairly, and with the least amount of burden to the taxpayer.

Under this Bill, taxpayer rights were expanded in several areas:

- The burden of proof shifted to the IRS in certain court proceedings.
- In certain cases, taxpayers may be awarded damages and fees, and get liens released.
- Penalties will be eased when the IRS exceeds specified time limits between when a return is filed and when the taxpayer is notified of a tax liability.
- Interest will be eliminated in certain cases involving federally-declared disaster areas.
- There are new rules for collection actions by levy.
- Innocent spouse relief provisions are strengthened.
- In certain situations, taxpayer-requested installment agreements must be accepted. Taxpayers will get annual status reports of their installment agreements.

The IRS revised Publications 1, *Your Rights as a Taxpayer*, and 1SP, *Derechos del Contribuyente*, to incorporate *Taxpayer Bill of Rights 3* with some of the most important rights. These publications can be downloaded from the IRS Web site (www.irs.gov) or ordered through the IRS by calling 1-800-829-3676.

Restructuring a new IRS that meets new expectations of the public and the Congress will require years of sustained effort. The new IRS mission statement, "*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*," clearly points to the Agency's new direction. In the past twelve months, the IRS has clarified its direction, developed a new attitude, and created new and exciting business practices. The IRS has taken the first bold steps toward achieving the goals as directed in the IRS Restructuring and Reform Act of 1998.

Good Service

In conjunction with the implementation of new taxpayer rights, the IRS has made many improvements in customer service. The Agency expanded hours of operations nationwide for both its tax assistance toll-free lines and its walk-in assistance at convenient locations. The Agency further increased options for filing and paying electronically, improved access to the taxpayer advocate, and set up 'problem solving days' in communities nationwide to resolve particularly difficult tax cases.

Still Collect the Taxes

The IRS works around the clock to provide revised tax materials to taxpayers. Publications, forms, instructions, booklets, brochures, CD-ROMs, videos, and etc., reflect the latest tax legislation. These products are available to help taxpayers meet their tax responsibilities. Publication 553, *Highlights of 1999 Tax Changes*, is a collection of the latest tax law changes that may affect you this filing season. You can download Publication 553 and nearly 100 other tax publications listed in this booklet from the IRS Web site (www.irs.gov), and you can request a free copy of any IRS tax publication by calling the IRS at 1-800-829-3676.

Advances in technology have provided new tools and new skills and have enabled significant improvements in operating processes and procedures. Currently, the IRS is capitalizing on these advances and is undertaking the enormous job of modernizing and replacing information computer systems designed in the early '60s. These improvements will greatly enhance the Agency's ability to achieve its goal of top quality service including timely and accurate responses to the taxpayers.

Tax Information — Where to Get It

The Internal Revenue Service produces and provides publications, forms, and other tax materials and information to help taxpayers meet their tax responsibilities. In addition to getting these materials over the telephone, through the mail, at local IRS offices, and at community locations, most materials can be obtained electronically — via the Internet, through a fax machine, and on CD-ROM.

Tax Information Available Electronically

From a computer, you can download and print any of 700 federal tax forms with instructions, approximately 100 tax publications, and other tax materials. Also for your convenience, you can request and receive forms through a fax machine or you can order the *Federal Tax Products on CD-ROM* of IRS forms and publications.

IRS Home Page: The IRS home page offers convenient access to information 24 hours a day, 7 days a week. The Web site has tax forms with instructions, publications, the latest tax law changes, and specific tax information for individuals and businesses. Access the IRS Web site at www.irs.gov

IRS Tax Fax: To get a faxed index of nearly 100 more frequently requested IRS tax forms, dial (703) 368-9694 from a fax machine. Follow the voice prompts and key in your response. You may select up to three (3) items to order during a single call. The forms are generally available for fax transmission at all times. Your order will be faxed back to you through your fax machine.

IRS CD-ROM: Publication 1796, *Federal Tax Products on CD-ROM*, of current and prior year tax publications and forms can be purchased from the National Technical Information Service (NTIS). Order by calling toll free 1-877-233-6767 (1-877-CDFORMS) or via the Internet at www.irs.gov/cdorders. (Cost is less when ordered through the Internet.)

IRS Community-Based Outlet Programs

The IRS and local community businesses across the United States are working together to increase accessibility of tax publications, forms, and other tax materials for your convenience. In addition to community outlets listed below, the IRS supplies tax forms and publications to a number of technical schools, military bases, prisons, and community colleges nationwide. Most banks are no longer tax form distribution outlets. However, banks that participate in the electronic filing program or are a VITA/TCE site may distribute tax forms. For businesses that would like to participate in one or more of these programs, call the IRS at 916-636-7703. Post offices and libraries need to call the IRS at 1-800-829-2765.

IRS Post Office Program: The IRS supplies free tax materials to many post offices nationwide. Most post offices stock Forms 1040 (*U.S. Individual Income Tax Return*), 1040A, and 1040EZ with the instructions and related schedules.

IRS Library Program: Members of the American Library Association and the Public Library Association continue to partner with the IRS to provide taxpayers access to a wide variety of tax products. Currently, over 14,000 libraries par-

ticipate in this program. There may be a nominal fee if you need to reproduce a tax form where stock is not available.

IRS Copy Center Program: Each year, the IRS furnishes thousands of copy centers (nationwide) either the IRS Publication 1796, *Federal Tax Products on CD-ROM*, or IRS Publication 3195, *Laminated Tax Forms*. Through this program, quick copy centers and office supply stores can offer taxpayers a wide variety of IRS forms with instructions for copying. It may be a good idea to call the store nearest you prior to visiting since not all copy centers have this material. There is often a nominal charge associated with making copies.

IRS Corporate Partnership Program: The IRS and employers with 100 or more employees are working together to get tax materials to their employees. Upon request, the IRS provides employers with a free copy of Publication 1796, *Federal Tax Products on CD-ROM*, that contains tax forms with instructions and publications. The employer can then load this information on their Intranet or local area network so their employees can access the tax information. Employees will be able to view and print more than 700 current IRS tax forms with instructions and publications. Prior-year forms, tax regulations, IR bulletins are also available on the CD. For companies that have employees that do not have computer access, the IRS can provide a free copy of Publication 1132, *Reproducible Copies of Federal Tax Forms*. This publication is a compilation of over 150 tax forms with instructions that can be photocopied and used. The forms are in camera-ready format for better quality reproduction.

IRS Credit Union Program: The IRS and credit unions are partnering to offer credit union members another outlet to access tax forms. Through this program, credit unions can get a free copy of IRS tax products on CD-ROM and IRS reproducible tax forms (Publications 1132, 1132L, and 3194). Credit unions also have the option to load the CD-ROM on their Internet site or they can link to the IRS Web site. Then credit union members can obtain tax materials at work or at home via their credit union Internet Web site or they can photocopy forms at their credit union.

IRS Grocery Store Program: Grocery store chains across the nation are partnering with the IRS to get tax forms to their customers. IRS provides Publication 3194, *Laminated Tax Forms*, to these stores. Then grocery stores may attach this Publication to a self-service copy machine so customers can make copies.

IRS Newspaper Supplement Program: Through this program, the IRS provides print media outlets with a package of the most frequently used IRS tax forms. The IRS will provide requested quantities of this package to insert in newspapers. Newspapers can also obtain a free copy of Publication 1796, *Federal Tax Products on CD-ROM*, to load to their Web site. And, when a newspaper is affiliated with a TV or radio station, the TV or radio station may want to take advantage of loading Publication 1796 on their Web site.

TELETAX (Recorded Tax Information, Automated Refund Information, and TeleTax Topics by Computer)

TeleTax is the IRS toll-free telephone service that provides both recorded tax information and automated refund information.

Recorded Tax Information consists of approximately 150 recorded topics, listed below, that provide basic tax information. This Touch-Tone service is available 24 hours a day, 7 days a week. Select, by number, the topic you want to hear, and then call 1-800-829-4477. **For the directory of topics, listen to topic #123.** You may listen to as many topics as you like during your call. Have paper and pencil handy to take notes.

Automated Refund Information allows you to check the status of your refund. Be sure to have a copy of your current tax return available since you will need to know the first social

security number shown on your return, the filing status, and the **exact** whole dollar amount of your refund. Then call 1-800-829-4477 and follow the recorded instructions. The IRS updates refund information every 7 days. If you call to find out about the status of your refund and do not receive a refund mailing date, please wait 7 days before calling back. This Touch-Tone service is available Monday through Friday from 7:00 a.m. to 11:00 p.m. and on Saturday from 7:00 a.m. to 4:00 p.m.

TeleTax Topics by Computer at www.irs.gov is another way to get the listing of TeleTax topics.

NOTE: This year, all TeleTax recorded messages on the TeleTax topics listed below will be available in Spanish language.

TeleTax Topic Menu Numbers

Topic numbers are effective January 1, 2000

Menu #s	Subject
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IRS Help Available

- 101 IRS services - volunteer income tax assistance, toll-free telephone, walk-in assistance, and outreach programs
- 102 Tax assistance for individuals with disabilities and the hearing-impaired
- 103 Small Business Tax Education Program (STEP) - tax help for small businesses
- 104 Taxpayer Advocate Service - help for problem situations
- 105 Public libraries - tax information tapes and reproducible tax forms

IRS Procedures

- 151 Your appeal rights
- 152 Refunds - how long they should take
- 153 What to do if you haven't filed your tax return (non-filers)
- 154 Form W-2 - what to do if not received
- 155 Forms and publications - how to order
- 156 Copy of your tax return - how to get one
- 157 Change of address - how to notify the IRS
- 158 Ensuring proper credit of payments

Menu #s	Subject	Menu #s	Subject
	Collection		Filing Requirements, Filing Status, and Exemptions
201	The collection process	351	Who must file
202	What to do if you can't pay your tax	352	Which form - 1040, 1040A, or 1040EZ
203	Failure to pay child support and other federal obligations	353	What is your filing status
204	Offers in compromise	354	Dependents
205	Innocent spouse relief (and separation of liability and equitable relief)	355	Estimated tax
	Alternative Filing Methods	356	Decedents
251	Form 1040PC tax return		Types of Income
252	Electronic filing	401	Wages and salaries
253	Substitute tax forms	402	Tips
254	How to choose a tax preparer	403	Interest received
255	TeleFile	404	Dividends
	General Information	405	Refunds of state and local taxes
301	When, where, and how to file	406	Alimony received
302	Highlights of tax changes	407	Business income
303	Checklist of common errors when preparing your tax return	408	Sole proprietorship
304	Extensions of time to file your tax return	409	Capital gains and losses
305	Recordkeeping	410	Pensions and annuities
306	Penalty for underpayment of estimated tax	411	Pensions - The general rule and the simplified method
307	Backup withholding	412	Lump-sum distributions
308	Amended returns	413	Rollovers from retirement plans
309	Roth IRA contributions	414	Rental income and expenses
310	Education IRA contributions	415	Renting vacation property and renting to relatives
311	Power of attorney information	416	Farming and fishing income
		417	Earnings for clergy
		418	Unemployment compensation
		419	Gambling income and expenses
		420	Bartering income

Menu #s	Subject
421	Scholarship and fellowship grants
422	Nontaxable income
423	Social security and equivalent railroad retirement benefits
424	401(k) plans
425	Passive activities - losses and credits
426	Other income
427	Stock options
428	Roth IRA distributions
Adjustments to Income	
451	Individual retirement arrangements (IRAs)
452	Alimony paid
453	Bad debt deduction
454	Tax shelters
455	Moving expenses
456	Student loan interest deduction
Itemized Deductions	
501	Should I itemize
502	Medical and dental expenses
503	Deductible taxes
504	Home mortgage points
505	Interest expense
506	Contributions
507	Casualty losses
508	Miscellaneous expenses
509	Business use of home
510	Business use of car
511	Business travel expenses
512	Business entertainment expenses
513	Educational expenses
514	Employee business expenses
515	Disaster area losses
Tax Computation	
551	Standard deduction
552	Tax and credits figured by the IRS
553	Tax on a child's investment income
554	Self-employment tax
555	Five- or ten-year tax options for lump-sum distributions
556	Alternative minimum tax
557	Tax on early distributions from traditional and Roth IRAs
558	Tax on early distributions from retirement plans

Menu #s	Subject
	Tax Credits
601	Earned income tax credit (EITC)
602	Child and dependent care credit
603	Credit for the elderly or the disabled
604	Advance earned income tax credit
605	Education credits
606	Child tax credits
607	Adoption credit
608	Excess social security and RRTA tax withheld
	IRS Notices
651	Notices - what to do
652	Notice of under-reported income - CP 2000
653	IRS notices and bills and penalty and interest charges
	Basis of Assets, Depreciation, and Sale of Assets
701	Sale of your home - after May 6, 1997
702	Sale of your home - before May 7, 1997
703	Basis of assets
704	Depreciation
705	Installment sales
	Employer Tax Information
751	Social security and Medicare withholding rates
752	Form W-2 - where, when, and how to file
753	Form W-4 - employee's withholding allowance certificate
754	Form W-5 - advance earned income credit
755	Employer identification number (EIN) - how to apply
756	Employment taxes for household employees
757	Form 941 - deposit requirements
758	Form 941 - employer's quarterly federal tax return
759	Form 940/940-EZ - deposit requirements
760	Form 940/940-EZ - employer's annual federal unemployment tax return
761	Tips - withholding and reporting
762	Independent contractor vs employee

*IRS recorded tax information available 24 hours a day,
7 days a week*

Menu #s	Subject
	Magnetic Media Filers - 1099 Series and Related Information Returns
801	Who must file magnetically
802	Applications, forms, and information
803	Waivers and extensions
804	Test files and combined federal and state filing
805	Electronic filing of information returns
	Tax Information for Aliens and U.S. Citizens Living Abroad
851	Resident and nonresident aliens
852	Dual status alien
853	Foreign earned income exclusion - general
854	Foreign earned income exclusion - who qualifies
855	Foreign earned income exclusion - what qualifies
856	Foreign tax credit
857	Individual Taxpayer Identification Number - Form W-7
858	Alien tax clearance
	Tax Information for Puerto Rico Residents (in Spanish)
901	Who must file a U.S. income tax return in Puerto Rico
902	Deductions and credits for Puerto Rico filers
903	Federal employment taxes in Puerto Rico
904	Tax assistance for Puerto Rico residents

Tax Publications

The IRS produces many free publications to help you fill out your tax return and to answer your tax questions. All IRS publications and forms can be downloaded from the Internet or ordered at no charge by calling the IRS at 1-800-829-3676. You can also get forms faxed to you. See section **IRS Tax Fax under Tax Information Available Electronically.**

Tax Publications and Related Forms: You may want to get one or more of the publications listed below for information on a specific topic. Where the publication title may not be enough to describe the contents of the publication, there is a brief description. Forms and schedules related to the contents of each publication are shown after each listing.

Most Popular Publications!

Pub 17, Your Federal Income Tax (For Individuals) — can help you prepare your individual tax return. This publication takes you step-by-step through each part of the return. It explains the tax law in a way that will help you better understand your taxes so that you pay only as much as you owe and no more. This publication also includes information on various kinds of credits you may be able to take to reduce your tax. (**Note to Tax Professionals only: There is a fee to order this publication.**)

Forms 1040 (Schedules A,B,D,E,EIC,R) 1040A, 1040EZ, 2106, 2119, 2441, 3903, W-2.

Pub 334, Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ) — explains federal tax laws that apply to sole proprietors and statutory employees. (**Note to Tax Professionals only: There is a fee for this publication.**)

Forms 1040 (Schedule C, C-EZ, SE), 4562.

Pub 553, Highlights of 1999 Tax Changes — provides detailed information about tax law changes that may affect you this filing season. There were a number of tax law changes that occurred in the Taxpayer Relief Act of 1997 and the IRS Restructuring and Reform Act of 1998 that may apply to many individuals and business owners over the next few years. Pub 553 includes these tax law changes.

Pub 579SP, Cómo Preparar la Declaración de Impuesto Federal (How to Prepare the Federal Income Tax Return) —

Forms 1040, 1040A, (Schedules 1 and 2), 1040EZ, and Schedule EIC.

Pub 1, Your Rights as a Taxpayer — explains some of your most important rights as a taxpayer. It also explains the examination, appeal, collection, and refund processes. To ensure that you always receive fair treatment in tax matters, you should know what your rights are.

Pub 1SP, Derechos del Contribuyente (Your Rights as a Taxpayer) — (Publication 1 in Spanish.)

Pub 3, Armed Forces Tax Guide — gives information about the special tax situations of active members of the Armed Forces. This publication contains information on items that are included in

and excluded from gross income, combat zone exclusion, alien status, dependency exemptions, sale of residence, itemized deductions, tax liability, extension of deadline, and filing returns.

Forms 1040, 1040A, 1040EZ, 1040NR, 1040X, 1310, 2106, 2688, 2848, 3903, 4868, 8822, 9465, W-2.

Pub 4, Student's Guide to Federal Income Tax — explains the federal tax laws that are of particular interest to high school and college students. It describes student's responsibilities to pay taxes and file returns and explains how to file and get help, if needed.

Forms 1040 (Schedules C-EZ and SE), 1040EZ, 4070, W-2, W-4.

Pub 15, Circular E, Employer's Tax Guide — Forms 940, 941.

Pub 15-A, Employer's Supplemental Tax Guide

Pub 51, Circular A, Agricultural Employer's Tax Guide — Form 943.

Pub 54, Tax Guide for U.S. Citizens and Resident Aliens Abroad — explains the special tax rules for U.S. citizens and resident aliens who live and work abroad or who have income earned in foreign countries. In particular, this publication explains the rules for excluding income and excluding or deducting certain housing costs.

Forms 1040, 1116, 2555, 2555-EZ.

Pub 80, Federal Tax Guide for Employers in the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands (Circular SS) —

Forms 940, 941SS, 943.

Pub 179, Guía Contributiva Federal Para Patronos Puertorriqueños (Circular PR) (Federal Tax Guide for Employers in Puerto Rico) —

Forms 940PR, 941PR, 943PR, W-3PR.

Pub 225, Farmer's Tax Guide — identifies the kind of farm income you must report and the different deductions you can take.

Forms 1040 (Schedules F,J,SE), 4562, 4684, 4797.

Pub 378, Fuel Tax Credits and Refunds — explains the credit or refund that may be allowable for the federal excise taxes on certain fuels. Also discusses the alcohol fuel credit.

Forms 720, 4136, 6478, 8849.

Pub 463, Travel, Entertainment, Gift, and Car Expenses — identifies business-related travel, entertainment, gift, and local transportation expenses that may be deductible.

Forms 2106, 2106EZ.

Pub 501, Exemptions, Standard Deduction, and Filing Information — discusses some tax rules that affect every person who may have to file a federal income tax return, such as who must file, what filing status to use, and how many exemptions to claim.

Forms 2120, 8332.

Pub 502, Medical and Dental Expenses — explains which medical and dental expenses are deductible, how to deduct them, and how to treat insurance reimbursements you may receive for medical care.

Form 1040 (Schedule A).

Pub 503, Child and Dependent Care Expenses — explains that you may be able to claim a credit if you pay someone to care for your dependent who is under age 13 or your spouse or dependent who is unable to care for himself or herself. Tax rules covering dependent care benefits from your employer are also explained. See Publication 926 for information on the employment taxes you may have to pay if you are a household employer.

Forms 1040A (Schedule 2), 2441.

Pub 504, Divorced or Separated Individuals — Form 8332.

Pub 505, Tax Withholding and Estimated Tax — Forms 1040-ES, 2210, 2210F, W-4, W-4P, W-4S, W-4V.

Pub 508, Tax Benefits for Work-Related Education — identifies work-related educational expenses that may be deductible. Also discusses the exclusion for employer-provided educational assistance.

Forms 1040 (Schedule A), 2106, 2106EZ.

Pub 509, Tax Calendars for 2000

Pub 510, Excise Taxes for 2000 — covers in detail the various federal excise taxes reported on Form 720. These include

environmental taxes; communications and air transportation taxes; fuel taxes; manufacturers' taxes; tax on vaccines; tax on heavy trucks, trailers, and tractors; luxury taxes; and the ship passenger tax. This publication briefly describes other excise taxes and which forms to use in reporting and paying the taxes.

Forms 11-C, 637, 720, 730, 6197, 6627.

Pub 513, Tax Information for Visitors to the United States — briefly reviews the general requirements of U.S. income tax rules for foreign visitors who may have to file a U.S. income tax return during their visit. Most visitors who come to the United States are not allowed to work in this country. Check with the Immigration and Naturalization Service before taking a job.

Forms 1040C, 1040-ES (NR), 1040NR, 2063.

Pub 514, Foreign Tax Credit for Individuals — explains the foreign tax credit that is allowed for income taxes paid to a foreign government on income taxed by both the United States and a foreign country.

Form 1116.

Pub 515, Withholding of Tax on Nonresident Aliens and Foreign Corporations — provides information for withholding agents who are

required to withhold and report tax on payments to nonresident aliens and foreign corporations. This publication includes information on required withholding upon the disposition of a U.S. real property interest by a foreign person. Also, it includes three tables listing U.S. tax treaties and some of the treaty provisions that provide for reduction of or exemption from withholding for certain types of income.

Forms 1001, 1042, 1042S, 1078, 4224, 8233, 8288, 8288-A, 8288-B, 8709, 8804, 8805, 8813, W-8 series.

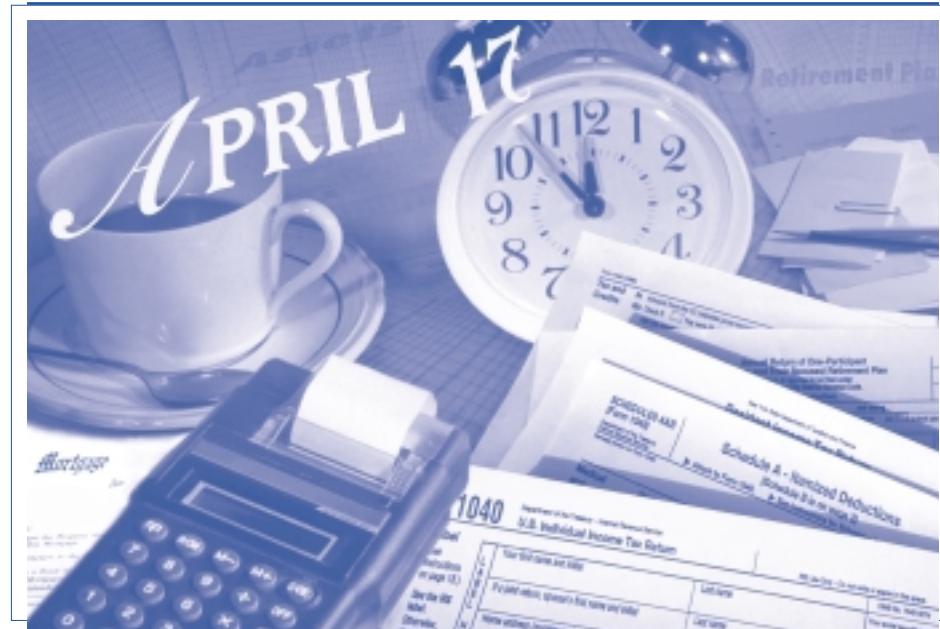
Pub 516, U.S. Government Civilian Employees Stationed Abroad

Pub 517, Social Security and Other Information for Members of the Clergy and Religious Workers — discusses social security and Medicare taxes and exemptions from them for ministers and religious workers. This publication also explains the income tax treatment of certain income and expense items of interest to the clergy.

Forms 1040 (Schedules C-EZ, SE), 2106EZ, 4029, 4361.

Pub 519, U.S. Tax Guide for Aliens — gives guidelines on how nonresident aliens determine their U.S. tax status and figure their U.S. income tax.

Forms 1040, 1040C, 1040NR, 1040NR-EZ, 2063.



Pub 520, Scholarships and Fellowships

— explains the tax rules that apply to U.S. citizens and resident aliens who study, teach, or conduct research in the United States or abroad under scholarship and fellowship grants.

Forms 1040, 1040A, 1040EZ.

Pub 521, Moving Expenses — explains whether certain expenses of moving are deductible. For example, if you changed job locations last year or started a new job, you may be able to deduct your moving expenses. You may also be able to deduct expenses of moving to the United States if you retire while living and working overseas or if you are a survivor or dependent of a person who died while living and working overseas.

Form 3903.

Pub 523, Selling Your Home — explains how to treat any gain or loss from selling your main home.

Form, 8828.

Pub 524, Credit for the Elderly or the Disabled — explains who qualifies for the credit and how to figure it.

Forms 1040 (Schedule R), 1040A (Schedule 3).

Pub 525, Taxable and Nontaxable Income

Pub 526, Charitable Contributions — describes organizations that are qualified to receive charitable contributions. It also describes contributions you can (and cannot) deduct and explains deduction limits.

Forms 1040 (Schedule A), 8283.

Pub 527, Residential Rental Property — explains rental income and expenses and how to report them on your return. This publication also defines other special rules that apply to rental activity.

Forms 1040 (Schedule E), 4562.

Pub 529, Miscellaneous Deductions — identifies expenses you may be able to take as miscellaneous deductions on Form 1040 (Schedule A), such as employee business expenses and expenses of producing income. This publication does not discuss other itemized deductions, such as the ones for

charitable contributions, moving expenses, interest, taxes, or medical and dental expenses.

Forms 1040 (Schedule A), 2106, 2106EZ.

Pub 530, Tax Information for First-Time Homeowners

Forms 1040 (Schedule A), 8396.

Pub 531, Reporting Tip Income — explains how tip income is taxed and the rules for keeping records and reporting tips to your employers. This publication focuses on employees of food and beverage establishments, but recordkeeping rules and other information may also apply to other workers who receive tips, such as hairdressers, cab drivers, and casino dealers. (See Publication 1244.)

Forms 4070, 4070A.

Pub 533, Self-Employment Tax — explains how people who work for themselves figure and pay self-employment tax on their earned income. Self-employment tax consists of social security and Medicare taxes.

Form 1040 (Schedule SE).

Pub 534, Depreciating Property Placed in Service Before 1987 — Form 4562.

Pub 535, Business Expenses — discusses in detail common business expenses and explains what is and is not deductible.

Pub 536, Net Operating Losses — discusses net operating losses (NOLs) for individuals, estates, and trusts. Such topics include: how to figure an NOL; when to use an NOL; how to claim an NOL deduction; and how to figure an NOL carry-over.

Form 1045.

Pub 537, Installment Sales — explains the tax treatment of installment sales. (Installment sales provide that part or all of the selling price be paid after the year of the sale.) If you finance the buyer's purchase of your property, instead of having the buyer get a loan or mortgage from a bank (or other lender), you probably have an installment sale.

Form 6252.

Pub 538, Accounting Periods and Methods — explains some of the rules for accounting periods and methods. This publication is not intended as a guide to general business and tax accounting rules.

Forms 1128, 3115.

Pub 541, Partnerships — Form 1065 (Schedules K, K-1).**Pub 542, Corporations** — Forms 1120, 1120-A.

Pub 544, Sales and Other Dispositions of Assets — explains how to figure gain and loss on various transactions, such as trading, selling, or exchanging an asset used in a trade or business. This publication defines capital and noncapital assets and the tax results of different types of gains and losses.

Forms 1040 (Schedule D), 4797, 8824.

Pub 547, Casualties, Disasters, and Thefts (Business and Non-Business) — helps you identify a deductible disaster, casualty, or theft loss. This publication also explains how to figure and prove your loss and how to treat the reimbursement you receive from insurance or other sources.

Form 4684.

Pub 550, Investment Income and Expenses — covers investment income such as interest and dividends, expenses related to investments, and sales and trades of investment property including capital gains and losses.

Forms 1040 (Schedules B, D), 1099-DIV, 1099-INT, 4952, 6781, 8815.

Pub 551, Basis of Assets — explains how to determine the basis of property, which is usually its cost.

Pub 552, Recordkeeping for Individuals — highlights and serves as a ready reference on general recordkeeping for individual income tax filing.

Pub 554, Older Americans' Tax Guide — provides helpful information on tax topics that may be of interest to older Americans. This guide also covers certain provisions that give special tax treatment to them.

*Call the IRS @
1-800-829-3676
for a free copy
of IRS publications*

Pub 555, Community Property — provides helpful information to married taxpayers who reside in a community property state — Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, or Wisconsin. If you and your spouse file separate tax returns, you should understand how community property laws affect the way you figure your income on your federal income tax return.

Pub 556, Examination of Returns, Appeal Rights, and Claims for Refund — Forms 1040X, 1120X.

Pub 557, Tax-Exempt Status for Your Organization — explains the rules and procedures that apply to organizations applying for exemption from federal income tax under section 501 of the Internal Revenue Code.

Forms 990, 990EZ, 990PF, 1023, 1024.

Pub 559, Survivors, Executors, and Administrators — provides helpful information for reporting and paying the proper federal income taxes if you are responsible for settling a decedent's estate. This publication answers many questions that a spouse or other survivor faces when a person dies.

Forms 1040, 1041.

Pub 560, Retirement Plans for Small Business (SEP, SIMPLE, and Keogh Plans) — provides guidance relevant to retirement plans available to small businesses (including the self-employed). It covers the simplified employee pensions (SEPs), Keogh (H.R. 10), and savings incentive match plan for employees (SIMPLE) retirement plans.

Pub 561, Determining the Value of Donated Property — defines fair market value and provides other guidance that may help you determine the value

of property you donated to a qualified organization.
Form 8283.

Pub 564, Mutual Fund Distributions — explains the tax treatment of distributions paid or allocated to an individual shareholder of a mutual fund, and explains how to figure gain or loss on the sale of mutual fund shares.

Forms 1040 (Schedules B, D), 1099-DIV.

Pub 570, Tax Guide for Individuals With Income From U.S. Possessions — provides tax guidance for individuals with income from American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands. This publication also gives information and addresses for filing U.S. possession tax returns, if required.

Forms 1040, 1040-SS, 4563, 5074, 8689.

Pub 571, Tax-Sheltered Annuity Programs for Employees of Public Schools and Certain Tax-Exempt Organizations — explains the rules that apply to tax-sheltered annuities offered by qualified employers to eligible employees. Rules discussed include the limit on elective deferrals, the exclusion allowance, and the limit on employer contributions that affect contributions to tax-sheltered annuities.

Form 5330.

Pub 575, Pension and Annuity Income — explains how to determine the tax treatment of distributions received from a qualified pension and annuity income. It also discusses the optional tax treatment you can choose to use for lump-sum distributions received from an employer's qualified plan (pension, from stock bonus, or profit-sharing plans). Additionally, this publication also covers rollovers and qualified retirement plans.

Forms 1040, 1040A, 1099-R, 4972.

Pub 583, Starting a Business and Keeping Records — provides basic federal tax information for people who are starting a business. It also provides information on keeping records and illustrates a recordkeeping system.

Pub 584, Casualty, Disaster, and Theft Loss Workbook (Personal-Use Property) — contains schedules for listing contents of your residence and for determining your losses on personal-use property.

Pub 584SP, Registro de Pérdidas Personales Causadas por Hechos Fortuitos (Imprevistos) o Robos — (Publication 584 in Spanish.)

Pub 587, Business Use of Your Home (Including Use by Day-Care Providers) — explains rules for claiming deductions for business use of your home and what expenses may be deducted.

Pub 590, Individual Retirement Arrangements (IRAs) (Including Roth IRAs and Education IRAs) — explains the tax rules that apply to IRAs and the penalties for not following them. Rules discussed include those affecting contributions, deductions, transfers (including rollovers) and withdrawals. This publication includes tax rules for traditional IRAs, Roth IRAs, SEPs, SIMPLEs, and Education IRAs.

Forms 1040, 1040A, 5329, 8606.

Pub 593, Tax Highlights for U.S. Citizens and Residents Going Abroad — provides a brief overview of various U.S. tax provisions that apply to U.S. citizens and resident aliens who live or work abroad and expect to receive income from foreign sources.

Pub 594, Understanding the Collection Process — defines your rights and duties as a taxpayer that owes federal taxes. This publication also explains how the IRS fulfills its legal obligation to collect these taxes.

Pub 594SP, Comprendiendo el Proceso de Cobro (Understanding the Collection Process) — (Publication 594 in Spanish.)

Pub 595, Tax Highlights for Commercial Fishermen — is primarily intended for sole proprietors who use Form 1040 (Schedules C or C-EZ) to report profit or loss from fishing. This publication does not cover corporations or partnerships in detail.

Forms 1040 (Schedules C, C-EZ), 1099-MISC.

Pub 596, Earned Income Credit — explains who may receive the credit, how to figure and claim the credit, and how to receive advance payments of the credit.

Forms 1040, 1040A, Schedule EIC, EIC Worksheets, W-5.

Pub 596SP, Crédito por Ingreso del Trabajo (Earned Income Credit) — (Publication 596 in Spanish.)

Pub 597, Information on the United States-Canada Income Tax Treaty — reproduces the text of the U.S.-Canada income tax treaty and defines its key provisions. This publication also explains certain tax problems that may be encountered by U.S. residents who temporarily work in Canada.

Pub 598, Tax on Unrelated Business Income of Exempt Organizations — explains the tax provisions, that apply to most tax-exempt organizations, and explains that the tax may apply if an organization regularly operates a trade or business that is not substantially related to its exempt purpose.

Form 990-T.

Pub 686, Certification for Reduced Tax Rates in Tax Treaty Countries — explains how U.S. citizens, residents, and domestic corporations may certify to a foreign country that they are entitled to tax treaty benefits.

Pub 721, Tax Guide to U.S. Civil Service Retirement Benefits — Forms 1040, 1040A.

Pub 850, English-Spanish Glossary of Words and Phrases Used in Publications Issued by the Internal Revenue Service

Pub 901, U.S. Tax Treaties — explains the reduced tax rates and exemptions from U.S. taxes provided under U.S. tax treaties with foreign countries. This publication provides helpful information for residents of those countries who receive income from U.S. sources. It may be useful to U.S. citizens and residents with income from abroad.

Forms 1040NR, 1040NR-EZ, 8833.

Pub 907, Tax Highlights for Persons with Disabilities — briefly explains tax laws that apply to persons with disabilities and directs readers to sources of detailed information, such as Pub 502, *Medical and Dental Expenses*; Pub 503, *Child and Dependent Care Expenses*; Pub 524, *Credit for the Elderly or the Disabled*; Pub 525, *Taxable and Nontaxable Income*; and Pub 915, *Social Security and Equivalent Railroad Retirement Benefits*. For information on the disabled access credit, see Pub 334, *Tax Guide for Small Business*. For business tax information on deducting costs of removing architectural or transportation barriers, see Pub 535, *Business Expenses*.

Pub 908, Bankruptcy Tax Guide — explains the federal tax obligations of persons filing bankruptcy petitions and bankruptcy estates.

Forms 982, 1040, 1041.

Pub 911, Direct Sellers — provides information on figuring income and deductible expenses for your direct-sales business. A direct seller is a person who sells consumer products to others on a person-to-person basis, such as door-to-door, at sales parties, or by appointment in someone's home.

Form 1040 (Schedules C, SE).

Pub 915, Social Security and Equivalent Railroad Retirement Benefits — explains taxability of social security and equivalent railroad retirement benefits.

Forms SSA-1042S and RRB-1042S, SSA-1099 and RRB-1099, Social Security Benefits Worksheets.

Pub 918, Drafts of Worksheets in IRS Publications — available on IRS Web site and IRS CD only.

Pub 919, Is My Withholding Correct for 2000? — discusses Form W-4 and offers guidance for getting the right amount of tax withheld from your pay. Form W-4.

Pub 925, Passive Activity and At-Risk Rules — Form 8582.

Pub 926, Household Employer's Tax Guide (For Wages Paid in 2000) — identifies "household employees." Included are tax rules you should know about when you employ a household worker such as a babysitter, maid, yard worker, or similar domestic worker. This publication explains what federal employment taxes to withhold and pay and what records to keep.

Forms 1040 (Schedule H), W-2, W-3, W-4, W-5.

Pub 929, Tax Rules for Children and Dependents — explains filing requirements and the standard deduction amount for dependents. This publication also explains when and how a child's parents may include their child's interest and dividend income on their return and when and how a child's interest, dividends, and other investment income are taxed at the parents' tax rate.

Forms 8615, 8814.

Pub 936, Home Mortgage Interest Deduction — Form 1040 (Schedule A).

Pub 938, Real Estate Mortgage Investment Conduits (REMICs) Reporting Information (and other Collateralized Debt Obligations [CDOs]) — contains directories of REMICs and CDOs to assist brokers and middlemen with their reporting requirements. Available on the IRS Web site.

Pub 939, General Rule for Pensions and Annuities — covers the method used to figure the tax-free part of pension and annuity payments from non-qualified plans, using life expectancy actuarial tables. The General Rule is used primarily for nonqualified plans, such as purchased commercial annuities, private annuities, and nonqualified employee plans.

Access the IRS
Home Page for IRS
publications @
www.irs.gov

Pub 946, How To Depreciate Property

— Form 4562

Pub 947, Practice Before the IRS and Power of Attorney — explains who can represent a taxpayer before the IRS and what forms are used to authorize a person to represent a taxpayer or to receive information from IRS regarding a taxpayer.

Forms 2848, 8821.

Pub 950, Introduction to Estate and Gift Taxes — provides general information on the federal gift and estate taxes. It explains when these taxes apply and how they can be eliminated or reduced by the unified credit.

Forms 706, 709.

Pub 954, Tax Incentives for Empowerment Zones and Other Distressed Communities

Pub 957, Reporting Back Pay and Special Wage Payments to the Social Security Administration

Pub 967, The IRS Will Figure Your Tax — explains the procedures for choosing to have the IRS figure the tax on Forms 1040, 1040A, and 1040EZ.

Pub 968, Tax Benefits for Adoption — explains the adoption tax credit and the exclusion from income on certain employer-provided amounts you pay to adopt a child.

Form 8839.

Pub 969, Medical Savings Accounts (MSA) — explains the pilot program for certain employees of small businesses and self-employed individuals. This publication also explains what a medical savings account is, who can have one, and how to report it on a tax return. This publication also explains Medicare plus choice MSAs.

Forms 8853, 1098-MSA, 1099-MSA.

Pub 970, Tax Benefits for Higher Education — Form 8863.

Pub 971, Innocent Spouse Relief, (And Separation of Liability and Equitable Relief) — explains who may qualify for relief and how to apply for relief.

Your children are a real credit to you. \$500 each



The Internal Revenue Service  Working to put service first

They're your pride and joy. And they can save you up to \$500 each, subtracted off your federal income tax. The Child Tax Credit is an important benefit of the Taxpayer Relief Act.

Who qualifies? Each dependent child, or descendant, stepchild or foster child under 17 as of 12/31/99. Must be a U.S. citizen or resident.

Credit is reduced when your modified Adjusted Gross Income exceeds certain limits. Special rules apply for three or more children.

For full details, see your 1999 tax booklet. Or check the IRS Web site: www.irs.gov

Pub 972, Child Tax Credit — provides the Child Tax Credit Worksheet for those who cannot use the worksheet in their Form 1040 or Form 1040A instructions.

Pub 1004, Identification Numbers Under ERISA

Pub 1045, Information for Tax Practitioners

Pub 1212, List of Original Issue Discount Instruments — helps brokers and other middlemen identify publicly offered original issue discount debt instruments so that they can file Forms 1099-OID or Forms 1099-INT as required. This publication also assists owners of publicly offered OID instruments to determine the OID to report on their income tax returns.

Pub 1244, Employee's Daily Record of Tips and Report to Employers — Forms 4070, 4070-A.

Pub 1542, Per Diem Rates

Pub 1544, Reporting Cash Payments of Over \$10,000 (Received in a Trade or Business) — explains when and how persons in a trade or business must file a Form 8300 when they receive cash payments of more than \$10,000 from one buyer. It also discusses the substantial penalties for not filing the form.

Form 8300.

Pub 1544SP, Informe de Pagos en Efectivo en Exceso de \$10,000 (Recibidos en una Ocupación o Negocio) — explains in Spanish when and how persons in a trade or business must file a Form 8300 or 8300SP when they receive cash payments of more than \$10,000 from one buyer. It also discusses the substantial penalties for not filing the form.

Pub 1546, The Problem Resolution Program of the Internal Revenue Service

Index of Topics and Related Publications

Look over the following index to find the topic you have questions about. The number listed after each topic is the related publication. Where more than one number is listed after a topic, bold type has been used to identify the publication that provides the most detailed information about that topic. Refer to previous section titled **Tax Publications** for a brief description of many of the publications listed below.

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You don't pay tax on a Roth IRA



This is the big attraction of a Roth IRA—you don't pay tax when you make a qualified withdrawal, not even on the earnings and gains that build up.

You must follow certain rules, such as holding the Roth IRA for at least 5 years and reaching the age of 59½.

What's more, you can convert many traditional IRA accounts to a Roth IRA. And you can contribute to a Roth IRA after the age of 70½.

You will need to meet the guidelines, and make careful comparisons to determine which choice is best for you.

Other IRA options also offer tax advantages. For example, you can withdraw up to \$10,000 from most IRA accounts without paying an early-withdrawal tax, if you use the funds to buy a first home or pay for higher education.

For all the facts on Roth and other IRA benefits, see your 1999 tax booklet. Or check the IRS Web site: www.irs.gov

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Videotapes and Brochures on Specific Tax Topics

The IRS produces a variety of audiovisual materials and printed information materials (brochures, notice stuffers, posters, flyers) to keep you "in the know" of the latest tax law changes, ongoing tax issues, and programs. Many of these materials are available in Spanish.

- Videotapes on selected topics are available year-round for loan (without charge) to interested groups or organizations. You can call your local IRS Public Affairs Officer/Communications Manager or Taxpayer Education Coordinator to find out if there is a video available on your specific tax topic of interest.
- Free printed materials are available year-round through the IRS. Educational facilities, libraries, and community service groups can use brochures, stuffers, flyers, and posters. If you have an interest in a specific topic, call your local IRS office to see what print materials are available on that topic. Many print materials can be downloaded from the IRS Web site and most print products can be ordered by calling the IRS at 1-800-829-3676.

1-800 Tax Assistance Telephone Number

If you cannot answer your tax question by reading the tax form instructions or our free tax publications, please call the IRS for assistance at 1-800-829-1040 beginning January 3, 2000, 24 hours a day, seven (7) days a week. To check on the status of your refund, call TeleTax at 1-800-829-4477.

Before You Call

IRS representatives care about the quality of service you get. We can better provide you with accurate and complete answers to your tax questions if you have 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 protect and maintain your individual account security, you may also be asked for your social security number (SSN), date of birth, or personal identification number (PIN) if you have one. You may also need to provide the amount of your refund, filing status shown on your tax return, 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.

NOTE: Toll-free Spanish Assistance Available — Beginning January 3, 2000, Spanish speaking assistance will be available by calling 1-800-829-1040.

Making the Call

Call 1-800-829-1040. If you are using a pulse or rotary dial phone, stay on the line and an IRS assistor will answer. If you are using a Touch-Tone telephone to dial the number, you can then press 1 to enter the IRS automated telephone system. Listen for and press the number for a specific topic of interest. Selecting the correct topic helps us serve you faster and more efficiently. The system allows you to order tax forms and publications; to find out the status of your refund or what you owe; to find out if we adjusted your account or received your payment; or to request a transcript of your account.

Before You Hang Up

If you do not fully understand the answer you receive, or you feel the IRS representative may not fully understand your question, the representative needs to know. The representative will be happy to take additional time to be sure he or she has answered your question fully.

By law, you are responsible for paying your fair 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.

The IRS uses different methods to evaluate the quality of this telephone service. To make sure that IRS representatives give accurate and courteous answers, a second IRS representative sometimes listens in. And some callers are asked to complete a short survey at the end of the call.



TTY/TDD Telephone Service

Toll-free telephone tax assistance is available for the deaf and hearing-impaired with access to teletypewriter/telecommunications device for the deaf (TTY/TDD) equipment. Call the IRS at 1-800-829-4059 for tax information assistance.

Note: This number is answered by TTY/TDD equipment only.

Braille Tax Materials

Braille tax materials are available for review at Regional Libraries for the Visually Impaired in conjunction with the National Library Service for the Blind and Physically Handicapped. Currently, these materials are limited to copies of Publication 17, *Your Federal Income Tax*; Publication 334, *Tax Guide for Small Business*; Forms 1040, 1040A, and 1040EZ, with related instructions; and the Tax Tables.

International Service

If you are a taxpayer who lives outside the United States, the IRS has a full-time permanent staff at 7 U.S. Embassies and Consulates. These offices have tax forms and publications, can help you with account problems, and answer your questions about notices and bills.

From January 1 through June 15 each year, taxpayer service representatives travel to many cities worldwide to assist taxpayers outside the U.S.

You may call your nearest U.S. Embassy, Consulate, or IRS office listed below to find out when and where assistance will be available. These IRS telephone numbers include the country or city codes required if you are outside the local dialing area.

Berlin, Germany	{49} (30) 8305-1140
London, England	{44} (207) 408-8077
Mexico City, Mexico	{52} (5) 209-9100 ext. 3557 or 3559
Paris, France	{33} (1) 4312-2555
Rome, Italy	{39} (06) 4674-2560
Singapore	{65} 476-9413
Tokyo, Japan	{81} (3) 3224-5466

Did You Know?

*Recorded tax information
is an IRS Touch-Tone service available
24 hours a day, 7 days a week?*

Taxpayers residing in Canada may call our Puerto Rico call-site for assistance:

- With tax questions of a technical nature or for a specific account-related issue, call (787) 759-5100.
- If you received an IRS notice about your account that asked you to call the IRS, dial (787) 759-6262.

Taxpayers residing overseas can write or fax technical and account questions to:

Internal Revenue Service
OP:IN:D:CS
950 L'Enfant Plaza South, SW
Washington, DC, 20024
Fax number: (202)874-5440

(Taxpayers residing overseas can also call the Puerto Rico call-site at (787) 759-5100.)

Federal tax forms with instructions, publications, and other tax materials can be obtained from the IRS Web site at www.irs.gov. You can also obtain IRS tax forms and some other tax information through the *IRS Tax Fax* system. From a fax machine, dial the following appropriate fax number and follow voice prompts to get materials faxed back to you 24 hours a day, 7 days a week. International fax numbers are:

San Juan	(787) 759-4524
Tokyo	[81] (3) 3224-5465

You can also use the Virginia, USA, fax number (703) 368-9694.

Explore IRS e-file

Join the 30 million Americans who file their tax returns electronically using an IRS e-file option. IRS e-file is the quickest and most accurate way to file your taxes. It offers a fast refund (twice as fast as filing on paper, even faster with direct deposit); a better likelihood for an error-free return (IRS e-file has less than 1% error rate); the opportunity to file your federal and state tax returns together; proof within 48 hours that your return has been accepted; privacy; and security. If you have a balance due, you may choose to file now and pay later (up until April 17, 2000) using a direct debit from your checking or savings account or using a credit card. To pay by credit card, call 888-2pay-tax (1-888-272-9829). Check out the IRS Web site at www.irs.gov for more information on electronic filing.

Here's how you can IRS e-file:

IRS e-file Through an Authorized Provider

(Look for an "Authorized IRS e-file Provider" sign)

Many tax professionals file returns electronically for their clients. You can prepare your return and have a professional transmit it electronically to the IRS; or you can have a professional prepare your return and transmit it for you electronically. Tax professionals may charge a fee to IRS e-file. Fees may vary depending on the professional and the specific services rendered.

Join the 30 million Americans who e-file



Thirty million Americans use IRS e-file. Get your federal tax refund in less than half the usual time. Or, if you owe tax, e-file early but wait until April 17th to pay. Visit our Web site: www.irs.gov



The Internal Revenue Service

Working to put service first

IRS e-file Using a Personal Computer

If you have a modem, a personal computer, and tax preparation software, you can e-file your tax return. Tax preparation software that offers the IRS e-file option is available at computer retailers and through various Web sites over the Internet. Access a list of participating software companies via the Internet at www.irs.gov, click on "Electronic Services," and then click on "On-Line Filing Companies." You can also find a list of IRS partners that provide free or low-cost IRS e-file options by clicking on "Electronic Services," and then on "IRS e-file Partners." By using your personal computer, IRS e-file is available 24 hours a day, 7 days a week.

IRS e-file Using a Touch-Tone Telephone

For millions of eligible taxpayers, TeleFile is the easiest way to file. TeleFile allows you to file your simple federal tax return using a Touch-Tone telephone. If you are eligible to use TeleFile, the IRS will automatically send you a TeleFile tax package through the mail. Just fill in the tax record in the booklet, pick up a telephone, and call the toll-free number listed in the tax package, any time — day or night. TeleFile is completely paperless — there are no forms to mail. It usually takes about 10 minutes and is absolutely free.

Parents!

If your children receive a TeleFile Tax Package in the mail, please encourage them to use TeleFile.

IRS e-file Through Employers and Financial Institutions

Some businesses offer e-filing services to their employees for free. Others offer it to their customers for a fee. See if your employer or financial institution offers IRS e-file to employees, members, or customers. If they don't, ask them to provide IRS e-file as a service this filing season.

IRS e-file at Authorized VITA and TCE Sites

Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) sites are open to assist individuals with low income, individuals with special needs, and the elderly. Both programs are free and can be found in community locations, such as libraries, colleges, universities, shopping malls, and retirement and senior centers. Ask for IRS e-file at these sites.

Business Tax Services and Information

The IRS has many publications containing information about the federal tax laws that apply to businesses. Publication 334, *Tax Guide for Small Business*, is a good place to start to learn more about sole proprietors and statutory employees. Publication 583, *Starting a Business and Keeping Records*, covers basic tax information for those who are starting a business. Look in section **Tax Publications** for other materials that can explain your business tax responsibilities. For electronic assistance, you may go to the *IRS Digital Daily* Web site at www.irs.gov and access "Electronic Services." Then look for "IRS e-file Options for Business."

IRS e-file Programs for Businesses

File Form 941 by Telephone

Employers nationwide have the opportunity to file Form 941, *Employer's Quarterly Federal Tax Return*, using a Touch-Tone telephone, toll-free telephone number, and simple instructions. Businesses that meet certain qualifications are invited to participate in the paperless, 941TeleFile program. Eligible filers will receive a special 941TeleFile Tax Record and instructions with their Form 941 tax package.

If you receive the purple tax package in the mail with your traditional Form 941 and meet the qualifications in the instructions, you can use 941TeleFile. It's easy and **Free**. File your 941 in three easy steps:

- complete the 941TeleFile Tax Record
- with a Touch-Tone telephone, call the toll-free TeleFile number provided in the 941TeleFile tax package
- keep the 941TeleFile Tax Record as part of your permanent business records.

The 941TeleFile system automatically calculates your tax liability and any overpayment or balance due during the call. It also gives you a confirmation number as proof of filing your return. The call only takes about 10 minutes. The system is available 24 hours a day, 7 days a week. And, there is nothing to mail to the IRS.

File Form 941 Using a Reporting Agent

The 941e-file program accepts and processes Forms 941, Employer's Quarterly Federal Tax Return in the Electronic Data Interchange (EDI) format. Returns are transmitted nationwide via dial-up phone lines and menu-driven software directly to the IRS where they are processed at the Tennessee Computing Center (TCC) or the Austin Service Center (AUSC). An electronic acknowledgment is returned within 48 hours of receipt of the return. 941e-file accepts both timely filed returns, and late filed returns for the current tax year as well as for one (1) preceding tax year.

Large payroll processing companies, bulk-filer reporting agents, and/or large businesses capable of developing their own software are ideally suited to participate in this 941e-file program. Small businesses or reporting agents may also participate by developing their own software or by

purchasing off-the-shelf software. With the appropriate software, almost any 941 filer can transmit his/her return.

To file using the IRS 941e-file program, an applicant should obtain a copy of Publication 1911, *Instructions for Preparing and Submitting Form 8655, Reporting Agent Authorization*, and Publication 3062, *Requirements of the Electronic Filing Program for Reporting of Form 941, Employer's Quarterly Federal Tax Return*. You can order these items free of charge through an IRS Area Distribution Center by calling the IRS at 1-800-829-3676. Additional information on how to participate in 941e-file can be obtained by contacting the IRS electronic filing TCC Help Desk on 901-546-2690, ext 7519 or the AUSC Help Desk on 512-460-4069.

File Form 941 Using a Personal Computer

Businesses that have a computer, modem, and off-the-shelf tax preparation software can transmit tax return information to a third party transmitter. The third party transmitter will batch, and then electronically forward, the return to the Austin Service Center. This program accepts and processes Form 941 in Electronic Data Interchange (EDI) format. The program also automatically conducts security checks, sends acknowledgments, and formats records to be processed by current IRS computer systems.

Business filers are responsible for obtaining a personal identification number (PIN) to be used as the electronic signature. You may request a PIN through a *Letter of Application*. The *Letter of Application* is included in the software and can be electronically transmitted to the Austin Service Center via the third party transmitter.

Payment options are available through the Federal Tax Deposit (FTD) coupon system or through the Electronic Federal Tax Payment System (EFTPS). For more information on the newer EFTPS system, see the EFTPS section below.

Electronic Federal Tax Payment System (EFTPS)

Several years ago, the U.S. Department of Treasury designed EFTPS to modernize 'making tax payments' — from a paper-based payment system to an electronic one. Today, 2.5M business taxpayers are enrolled in EFTPS. This tax payment system helps individuals and business owners save time and money in paying their federal business taxes

and in making their federal tax payments electronically — either by telephone, personal computer, or through the transfer of funds offered by their financial institution. All federal tax payments (including payroll taxes, corporate income taxes, partnership, and fiduciary taxes) can be made using EFTPS.

You will find that EFTPS is easy to use, convenient, accurate, fast, and economical.

- Individuals and business owners can use **EFTPS-Direct** to make their tax payments by telephone or personal computer, 24 hours a day, seven days a week. For your computer, free Windows-based software is available when you enroll in EFTPS and use EFTPS-Direct. Using EFTPS-Direct only takes a few minutes — no check writing; no trips to the bank; and no courier, checks, stamps, and envelope expenses. And as an added convenience, EFTPS-Direct lets taxpayers '**warehouse**' their tax payment instructions up to 30 days in advance of a tax due date to **automatically make their payments on the tax due date**.
- Financial institutions are integrating EFTPS into the many services they offer their clients. Under the client's direction, funds can be transferred from the client's account into Treasury's account on a specified date.
- Tax professionals have a number of options to make federal tax payments for their clients:
 - ✓ EFTPS Voice Response System — make multiple payments with a single telephone call
 - ✓ EFTPS PC Debit — use Windows-based software to send payments
 - ✓ EFTPS Batch — use Windows-based software to send batches of payments electronically
 - ✓ EFTPS Bulk — make frequent consolidated payments from an EDI-compatible system

To participate in EFTPS, you must first enroll. For an enrollment form and for

more information on EFTPS, call EFTPS Customer Service at 1-800-945-8400 or 1-800-555-4477. En Espanol communication, call 1-800-945-8600 or 1-800-244-4829. With access to teletypewriter/telecommunications device for the deaf (TTY/TDD) equipment only, call 1-800-945-8900 or 1-800-733-4829.

The IRS produces a number of print materials that can provide you with additional information on EFTPS. You can order these forms and publications free through the IRS Area Distribution Centers by calling 1-800-829-3676.

- Form 9779, *Business Enrollment Form and Instructions*
- Form 9783, *Individual Enrollment Form and Instructions*
- Publication 966, *The Easiest Way to Pay Your Federal Taxes*
- Publication 3110, *EFTPS Information Stuffer*
- Publication 3127, *EFTPS Fact Sheet*
- Publication 3425, *4 Easy Ways to Use EFTPS* — for tax professionals, accountants, and payroll companies

Some forms can be downloaded from the IRS Web site at www.irs.gov, and you can also get some forms via the IRS Tax Fax by dialing (703) 368-9694 from a fax machine and following the voice prompts to get tax forms faxed back to you.

Independent Contractor or Employee

For Federal tax purposes, this is an important distinction. Worker classification affects how you pay your Federal income tax, social security and Medicare taxes, and how you file your return. Classification affects your eligibility for employer and social security and Medicare benefits and your tax responsibilities.

A worker is either an **independent contractor** or an **employee**. The classification is determined by relevant facts that fall into three main categories: behavioral control; financial control; and relationship of the parties. In each case, it is very important to consider all the facts — no single fact provides the answer.

Publication 1779, Independent Contractor or Employee, has detailed information about these facts.

- An independent contractor will usually maintain an office and staff, advertise, and have a financial investment risk. Independent contractors will generally file a Schedule C and may be able to deduct certain expenses that an employee would not.
- Generally, an **employee** is controlled by an employer in ways that a true independent contractor is not. If the employer has the legal right to control the details of how the services are performed, the worker is generally an employee, not an independent contractor.

Those who should be classified as employees, but aren't, may lose out on social security and Medicare benefits, workers' compensation, unemployment benefits, and, in many cases, group insurance (including life and health), and retirement benefits.

If you are not sure whether you are an independent contractor or an employee, get Form SS-8, *Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax Withholding*.

Publication 1779, Independent Contractor or Employee, and *Publication 15-A, Employer's Supplemental Tax Guide*, provide additional information on independent contractor or employee status.

IRS publications and forms can be downloaded from the Internet at www.irs.gov. You can also order a free copy of IRS publications and forms when you call the IRS at 1-800-829-3676.

Publication 1518, Year 2000 Tax Calendar for Small Businesses

Business owners who are opening their doors for the first time or are hiring their first employees may benefit from this 12-month wall calendar.

Publication 1518 shows all the 2000 due dates for making payroll deposits, paying estimated taxes, and for filing business tax forms. It also includes general

information on basic business tax law, where to go for assistance, helpful bookkeeping and recordkeeping hints, and facts about IRS notices and penalties. Call the IRS at 1-800-829-3676 to order a free copy of this calendar.

Office of Public Liaison and Small Business Affairs

As a national public liaison for small businesses, this office maintains daily contact and exchanges business tax information with IRS external stakeholders — national organizations representing tax professionals, payroll processors, volunteers and social services, electronic commerce, state departments of revenue, small business organizations, and large corporate taxpayers. This office also works with the Small Business Administration and other government agencies to initiate and foster programs and actions to reduce small business burdens government-wide.

The Office of Public Liaison and Small Business Affairs provides 'one-stop' service for sharing 'small business' information. Some of these services include:

- working to establish partnering opportunities
- providing forums to discuss new ideas and feedback
- tracking issues and sharing information
- coordinating liaison meetings
- coordinating IRS participation at meetings and conferences

You can write to the IRS Office of Public Liaison and Small Business Affairs if you have **suggestions regarding tax laws, regulations, or policy.**

Internal Revenue Service
The Office of Public Liaison and
Small Business Affairs CL:PL
IR Room 7559
1111 Constitution Avenue NW
Washington, DC 20224
[*public_liaison@m1.irs.gov](mailto:public_liaison@m1.irs.gov)

This office **does not** handle small business owners' individual tax problems. If a problem has not been resolved after repeated attempts through normal IRS

channels, small business owners should contact their local IRS Taxpayer Advocate Service for assistance. See section in this booklet on Taxpayer Advocate Service (TAS) under **Taxpayer Assistance Programs** for more information.

The IRS produces a number of print and electronic information materials to help new businesses. The following IRS tax publications and small business CD-ROM can be ordered free through the IRS by calling 1-800-829-3676.

- Publication 334, *Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)*
- Publication 583, *Starting a Business and Keeping Records*
- Publication 1066, *Small Business Tax Workshop* (booklet), provides general information about different types of business organizations, record-keeping requirements, and business tax returns. This booklet is used as an education tool in small business workshops given by local IRS offices.
- Publication 1518, *Year 2000 Tax Calendar for Small Businesses*, notes the most common tax filing dates. A specific tax tip is highlighted each month, in the calendar, to help small businesses not only during the tax-filing season, but also throughout the year.
- Publication 1853, *Small Business Talk*, tells of the Office of Public Liaison and Small Business Affairs, and lists services and tax materials available to small businesses.
- Publication 3207, *Small Business Resource Guide 2000: What You Need to Know About Taxes and Other Topics* (CD-ROM). This CD-ROM includes tax information, provided by multiple government agencies, to help small business entrepreneurs meet regulatory requirements.

Many IRS information products are also available on the small business corner of the IRS Web site @ www.irs.gov/prod/bus_info/sm_bus/index.html.

SSA/IRS (Social Security Administration/Internal Revenue Service) Reporter (newsletter)

If you are an employer and have not been receiving a copy of the *SSA/IRS Reporter*, tell your local IRS Public Affairs Officer/Communications Manager.

The *SSA/IRS Reporter* is a quarterly newsletter that keeps you up-to-date on changes to taxes and employee wage obligations. This newsletter, produced jointly by the Social Security Administration and the IRS, is mailed to approximately seven million employers along with each quarterly Form 941, *Employer's Quarterly Federal Tax Return*, and instructions.

Small Business Tax Education Program (STEP)

Small business owners and other self-employed individuals can learn about business taxes through a unique partnership between the IRS and local organizations. Through workshops or in-depth tax courses, instructors provide training on starting a business, recordkeeping, preparing business tax returns, self-employment tax issues, and employment taxes.

Some courses are offered free as a community service. Courses given by an educational facility may include costs for materials and tuition. Other courses may have a nominal fee to offset administrative costs of sponsoring organizations.

Your Business Tax Kit (YBTK)

The YBTK, in booklet format, contains various IRS business tax forms and publications that may be used to prepare and file business tax returns. Besides forms and publications, the kit includes information on quick and easy access to IRS tax help. To order, call 1-800-829-3676 and ask for Publication 454, *Your Business Tax Kit*.

Taxpayer Assistance Programs

The IRS has programs that offer free assistance with tax return preparation and tax counseling using volunteers trained by the IRS. Call the IRS office in your area and ask for the Taxpayer Education Coordinator or the Public Affairs Officer/Communications Manager for more information on these programs. They can provide you with times and locations of services and information on becoming a volunteer.

Volunteer Income Tax Assistance (VITA)

The VITA program offers free tax help to people who cannot afford paid professional assistance. Volunteers, trained by the IRS, help prepare basic tax returns for taxpayers with special needs — including people with disabilities, those with a low to fixed income, non-English speaking people, and the elderly. VITA sites are generally located at community and neighborhood centers, libraries, schools, shopping malls, and other convenient locations. A number of locations also offer free electronic filing.

Volunteers (college students; law students; members of professional business and accounting organizations; and members of retirement, religious, military, and community groups) may take part in various VITA program activities:

- directly preparing returns
- teaching taxpayers to prepare their own returns
- managing a VITA site
- arranging publicity

The IRS provides VITA training materials and instructors. Training is conducted at times and locations convenient to volunteers and instructors. Generally, these sessions are offered in December through January each year.

For more information about the VITA program, becoming a VITA volunteer, and to find the location of the VITA site in your area, call your local IRS office and ask to speak to the Taxpayer Education Coordinator, or call IRS tax assistance at 1-800-829-1040.

Tax Counseling for the Elderly (TCE)

The TCE program provides free tax help to people age 60 and older. Volunteers who provide tax counseling are often retired individuals associated with non-profit organizations that receive grants from the IRS. Grant funds are used to reimburse volunteers for out-of-pocket expenses. Some of the expenses may include transportation, meals, and other expenses incurred in training or in providing tax counseling assistance in any of the locations where the elderly are located (retirement homes, neighborhood sites, or private houses of the homebound).

Call your local IRS office for more information on this program and to find locations of TCE assistance in your area.

As part of the IRS-sponsored **Tax Counseling for the Elderly** program, the American Association of Retired Persons (AARP) Foundation offers an AARP Tax-Aide counseling program at more than 10,000 sites nationwide during the filing season. Trained with IRS materials and certified by an IRS examination, AARP Tax-Aide volunteer counselors can help with most tax circumstances faced by low and moderate-income taxpayers age 60 and older. Younger taxpayers are helped as counselor-time permits.

To find an AARP Tax-Aide volunteer site in your community call 1-888-AARPNOW, or from a computer access the Internet site locator at www.aarp.org/taxaide/home.html

Bank, Post Office, and Library (BPOL) Program

Even though free filing materials (forms and instructions) are placed in participating banks, post offices, and libraries nationwide, patrons may still need assistance to get the proper tax publications, forms, and instruction booklets to file their tax return. The IRS may be able to provide volunteers to assist taxpayers at BPOL outlets in your community during the filing season.

You can call your local IRS office and ask to speak to the Taxpayer Education Coordinator to request a volunteer for your community BPOL outlet, and to find out how to become a BPOL volunteer. You can also call the IRS at 1-800-829-1040 for volunteer information.

Student Tax Clinic Program (STCP)

The STCP is designed to provide free tax counseling to taxpayers who would not normally obtain counsel in audit, appeals, and tax court cases. Law and graduate accounting students staff the STCP. These students must receive special permission from the IRS National Headquarters Director of Practice to represent taxpayers before the IRS during examination and appeals proceedings.

Low-Income Taxpayer Clinics (LITC) Grant Program

The IRS LITC grant program, authorized under the IRS Restructuring and Reform Act of 1998, gives grants to organizations that:

- provide legal assistance to low-income taxpayers in controversy with the IRS

- inform individuals (whose second language is English) of their tax rights and responsibilities

The grants **are not available to individuals**. However, through this grant program, the IRS awards qualifying **organizations** grants of up to \$100,000 per year to develop, expand, and continue low-income taxpayer clinics. The clinics are administered and sponsored by accredited law, business, and accounting schools where students represent taxpayers in tax controversies before the IRS or before the courts. In addition, the clinics may be administered and sponsored by non-profit organizations that meet program requirements.

To learn more about the **Low-Income Taxpayer Clinics Grant Program**, call your local IRS office and ask to speak to the Taxpayer Education Coordinator. You can also call the IRS at 1-800-829-3676 and order a free copy of Publication 3319, *LITC Grant Application Package and Guidelines*. Each year, Publication 3319 is revised to provide the *current year application deadline date*. This product is available on the IRS Web site.

Taxpayer Advocate Service

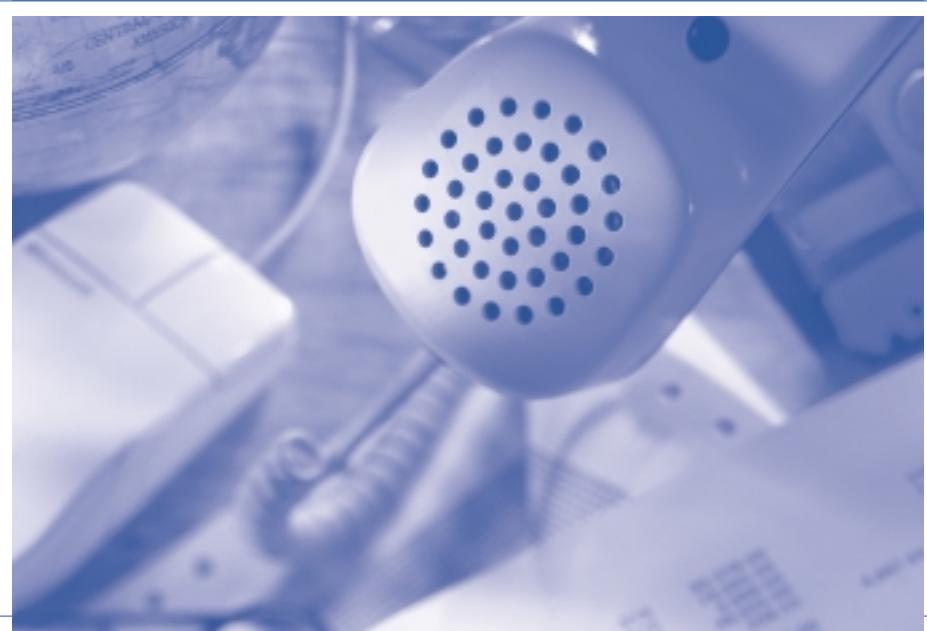
If you have an ongoing tax issue with the IRS, that has not been resolved through normal channels, you may contact the Taxpayer Advocate Service (formerly the Problem Resolution Program) for assistance. The Taxpayer Advocate Service has the ability to cut through red tape and can often help with delayed refunds, unanswered inquiries, and incorrect billing notices. Generally, the Taxpayer Advocate can help if, as a result of the administration of the tax laws, you:

- are suffering, or are about to suffer, a significant hardship
- are facing an immediate threat of adverse action (penalties, interest, liens)
- will incur significant costs (including fees for professional representation)
- will suffer irreparable injury or long-term adverse impact
- have experienced a delay of more than 30 days to resolve an issue
- have not received a response or resolution through normal channels by the date promised

Hardship situations and other issues that are referred to the Taxpayer Advocate are reviewed on the individual merits of each case. It is important to remember, that the Taxpayer Advocate is not a substitute for established IRS procedures or the formal appeals process. The Taxpayer Advocate cannot reverse legal or technical tax determinations.

To reach a Taxpayer Advocate, call 1-877-777-4778. You can also call the IRS at 1-800-829-1040 and ask for Taxpayer Advocate assistance. Deaf and hearing-impaired, with access to teletype-writer/telecommunication device for the deaf (TTY/TDD) equipment, may call the IRS at 1-800-829-4059.

For more information about Taxpayer Advocate Service and for a list of Taxpayer Advocate telephone numbers and addresses, listen to TeleTax topic #104 (See **Table of Contents** in this booklet for TeleTax page number), or call the IRS at 1-800-829-3676 for a copy of Publication 1546, *The Taxpayer Advocate Service of the Internal Revenue Service*. You may also download this publication from the IRS Web site at www.irs.gov



Taxpayer Education Programs

The IRS has year-round education programs designed to help you understand the tax laws and IRS procedures. Volunteers trained by the IRS are an important part of these programs. For times and locations of the available services in your community, or to become a volunteer, call the IRS office in your area and ask for the Taxpayer Education Coordinator or the Public Affairs Officer/Communications Manager.

Community Outreach Tax Education

Through this program, IRS staff or trained volunteers will speak to groups of people (retirees, farmers, small business owners, and employees) with common tax concerns. This program offers two kinds of assistance.

- line-by-line self-help income tax return preparation
- tax seminars on various tax topics

Outreach sessions may be co-sponsored by community organizations and other government agencies.

Understanding Taxes Program for Students

Understanding Taxes consists of four separate tax education courses designed to teach students about their federal tax rights and responsibilities and the economics and history on

which our tax system is based.

- The eighth grade program, *Taxes in U.S. History*, details the roles that taxes have played in our nation's history. It is designed for U.S. history classes. Students learn how tax policies of the past have contributed to tax policies in effect today. Teachers can integrate the program into standard curricula.
- The high school program, *Understanding Taxes*, explains how to prepare and file a simple tax return and teaches about the history, politics, and economics of our tax system. The variety of topics covered in their modular format allows the course to be used in a number of different classes, such as history, economics, consumer education, social studies, government, civics, and business education.

■ **TAX Interactive (TAXi)** is an online learning lab designed for high school student and teacher use. Visit TAX Interactive on the IRS Web site at www.irs.gov/taxi for an educational and entertaining way to learn about tax rights and responsibilities.

■ The post-secondary program, *Taxes and You*, is designed to assist adult learners in becoming responsible participants in the tax system. Students will learn how taxes affect people and the economy and how to interpret and prepare tax forms. By learning how to pay only what is owed, managing personal finances will become a lot easier.

Practitioner Education

Through this program, training is provided to people who prepare tax returns and counsel taxpayers for a fee. Classes are held in every state in cooperation with the state bureau of revenue, colleges, universities, and professional accounting groups. Tax professional institutes alert participants of the tax law changes and work with participants to improve the quality of return preparation to reduce errors.



Important Tax Subjects You Should Know About

The IRS has many programs and processes that can reduce anxieties of taxes. A description of some of the more popular ones follows. In most cases, the description lists free IRS publications for additional information.

Amending a Return

If you find that you made a mistake on your tax return, you can correct it by filing a Form 1040X, *Amended U.S. Individual Income Tax Return*. Generally, you must file this form within three years from the date you filed your original return or within two years from the date you paid your tax, whichever is later. File Form 1040X with the Internal Revenue Service Center for your area. (Your state tax liability may be affected by a change made on your federal income tax return. For more information on this, contact your state tax authority.)

Adoption Taxpayer Identification Number (ATIN)

If you are in the process of adopting a child and are able to claim the child as your dependent or are able to claim the child care credit, you may need an ATIN for your adoptive child. The Internal Revenue Service can issue an ATIN as a temporary taxpayer identification number for children who are being adopted. Parents will use the ATIN to identify the child on their Federal Income Tax Return while final adoption is pending. See FORM W-7A, *Application for Taxpayer Identification Number for Pending U.S. Adoptions*, in this section.

Collection Process

When the IRS sends you a notice of tax due, do not ignore it — pay the amount owed, or contact your local IRS office by telephone or through written correspondence about the notice. If you believe a bill from the IRS is incorrect, you will need to provide information showing why you think the bill is wrong. If the IRS agrees with you, then your account will be corrected.

However, if the bill is correct, interest and penalties will be charged on the amount owed until the full amount due

is paid.

If you are not able to pay the taxes you owe in full, IRS staff will work with you to find the best way to meet your tax obligations. This may include an installment agreement or acceptance of an offer to settle the account. If taxes, interest, and penalties are not paid in full, a Federal tax lien may also be filed. Under certain conditions, the IRS may enforce collection and seize personal assets, including income and other property. The collection process can be stopped at any stage if the amount owed is paid in full.

More information about your rights and the collection process are found in Publication 1, *Your Rights as a Taxpayer*, and Publication 594, *What You Should Know About the IRS Collection Process*. Both publications are available in Spanish.

Copies Of Prior Year Returns

There are occasions when you may need a copy of your prior year(s) Federal Tax Forms 1040, 1040A, and 1040EZ, a transcript of return, or account information.

A *transcript of return* contains information from the original return. It does not contain information regarding amended returns or subsequent payments. If amended returns or subsequent payment summary is needed, account information can be secured.

Examples of when you may need a copy of a return or a transcript of return include applying for a home mortgage loan or financial aid for education. While there is a fee for requesting a photocopy of a return, transcripts are free of charge. Make sure a transcript is acceptable by the company or establishment needing your income information.

- You can get a *copy* of a prior year(s) tax return by completing Form 4506, *Request for Copy or Transcript of Tax Form*, and mailing

it to the IRS address for your area. See "Where to File" Your Taxes for Tax Year 1999 on last page. There is a fee of \$23 for each return requested. Please allow up to 60 days to receive your copy.

- For a *transcript* that reflects most items from your return, send a completed Form 4506 to the IRS address where the return was filed. There is no charge at this time. You should receive the transcript within 7 - 10 workdays from the IRS office's receipt of your request.
- For tax *account information*, you can visit an IRS office or call the IRS toll-free number listed in your telephone directory. This list of basic tax data, like marital status, type of return filed, adjusted gross income, and taxable income, is available free of charge. Do not use Form 4506 to request this information. Please allow 15 days for delivery.

To obtain Form 4506, download from the IRS Web site, use IRS Tax Fax system (See IRS Tax Fax under Tax Information Available Electronically), or order by calling the IRS at 1-800-829-3676.

Credits

The tax laws include a number of credits you may be entitled to take. The following are several of the more popular credits available.

- adoption credit
- child and dependent care credit
- child tax credit
- earned income tax credit
- education credits: Hope, lifetime learning
- foreign tax credit
- mortgage interest

Turn to the **Index of Topics and Related Publications** section and look under "Credits" for a list of the credits and the related publications for details.

Disaster/Casualty Losses

When property is damaged or lost in a hurricane, earthquake, fire, flood, or similar event that is sudden, unexpected, or unusual, it is called a casualty. Your unreimbursed loss from a casualty may be deductible on your tax return for the year the casualty occurred. If the loss happened in an area the President designated as a disaster area, you may not have to wait until the end of the year to file a tax return and claim a loss. You may be able to file an amended return for last year right now and get a refund of taxes you have already paid. If you were located in a Presidentialially-declared disaster area, there will be no

interest on taxes due for the length of any extension granted for filing your tax return. For details, get Publication 547, *Casualties, Disasters, and Thefts (Business and Nonbusiness)*. You can also download a copy of Publication 1600, *Disaster Losses — Help From the IRS*, from the IRS Web site.

Estimated Tax

If you are self-employed or have other income not subject to income tax withholding, you may have to make estimated tax payments. For details on who must pay estimated taxes and how and when to make payments, get Publication 505, *Tax Withholding and Estimated Tax*.

Examination of Returns

If your return is selected for examination, you may be asked to show records such as canceled checks, receipts, or other supporting documents to verify entries on your return. You can appeal if you disagree with the examination results. Your appeal rights will be explained to you.

You may act on your own behalf or have an attorney, a certified public accountant, or an individual (enrolled to practice before the IRS) represent or accompany you. The Student Tax Clinic Program is available in some areas to help people during examination and appeal proceedings. Call your local IRS office and ask the Taxpayer Education Coordinator or the Public Affairs Officer/Communications Manager about this program.

For more information on the examination of returns, get Publication 556, *Examination of Returns, Appeal Rights, and Claims for Refund*, and Publication 1, *Your Rights as a Taxpayer*. Also see Publication 947, *Practice Before the IRS and Power of Attorney*. Publication 1 is available in Spanish.

Form W-4, Employee's Withholding Allowance Certificate

Each time you start working for an employer, you should complete a Form W-4. The information you provide will help your employer know how much federal tax to withhold from your wages. If your tax situation changes, complete a new Form W-4 so that the correct amount of tax will be withheld. For more information on tax withholding, get Publication 919, *Is My Withholding Correct for 2000?*

How do you qualify for the Earned Income Tax Credit?



If you work hard but don't earn a high income, EITC can mean you'll pay less tax, no tax or even get a refund.

You may be eligible if you have two qualifying children and earnings under \$30,580 in 1999. Or one qualifying child and earnings under \$26,928. Or no child and earnings under \$10,200.

To get all the facts, call
1-800-829-3676 for IRS
Pub. 596, *Earned Income Credit*.
IRS Web site: www.irs.gov

The Internal Revenue Service  *Working to put service first*

Form W-5, Earned Income Credit Advance Payment Certificate

In 2000, you may be able to file a Form W-5 with your employer for the Advance EITC if:

- 1) you expect you will be eligible for the Earned Income Tax Credit (EITC), and
- 2) if you will have a qualifying child on your 2000 Federal Tax Return.

Filing for the Advance EITC will allow you to receive partial payment of the EITC during the year rather than only when you file your tax return. The amount of the Advance EITC payments you receive will be shown on your Form W-2, *Wage and Tax Statement*. For more information, get Publication 596, *Earned Income Credit*. This publication is available in Spanish.

Form W-7, Application for IRS Individual Taxpayer Identification Number

If you are required to have an identifying number for federal tax purposes, but cannot obtain a social security number (SSN), the IRS will issue an individual taxpayer identification number (ITIN). The IRS will issue this number for a nonresident or resident alien who **does not have and is not eligible** to get an SSN issued by the Social Security Administration (SSA). To apply for an ITIN, file Form W-7 with the IRS.

NOTE: 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.

Form W-7A, Application for Taxpayer Identification Number for Pending U.S. Adoptions

If you have a child placed in your home for legal adoption, the adoption is not yet final, and you cannot obtain an SSN for that child, you must get an adoption taxpayer identification number (ATIN) if you want to claim various tax benefits (but not the earned income tax credit). When the adoption is final, you should no longer use the ATIN. Instead, you must obtain a social security number issued by the Social Security Administration and use it.

Late (Overdue) Returns

Sometimes people do not file their tax return(s) because of personal problems, no money to pay, lost records, or confusion over complex tax rules.

If you have not filed your federal income tax return for a year or more and should have filed, IRS staff will work with you to help you get back on track. Copies of missing documents like Form W-2, *Wage and Tax Statement*, can often be retrieved. If you owe taxes, the IRS will explain your payment options. And if you have a refund coming, they will explain the time limit on getting it.

Call your local IRS office or call toll-free 1-800-829-1040 for assistance. Remember, interest and penalties are adding up if you owe taxes, and time is running out if you are due a refund.

Social Security Number (SSN)

Your SSN is not posted anywhere in your tax package. So...make sure you write your SSN on your Form 1040, 1040A, or 1040EZ and on each supporting schedule or form that you include with your return when you file it. List the complete and correct SSN issued by the Social Security Administration (SSA) for yourself, spouse, and each dependent on your tax return.

Name Change

If your name has changed for some reason, like marriage or divorce, notify the Social Security Administration (SSA) immediately.

If the name and social security number you show on your tax return does not match the one SSA has on record, there can be a processing delay, which could hold up your refund.

Dependent's SSN

If you claim an exemption for a dependent, you are required to show his or her social security number on your tax return.

If you do not list a complete and correct social security number issued by the SSA, the IRS may disallow the exemption for that dependent.

To get a social security number, contact the nearest Social Security Administration office to get Form SS-5, *Application for a Social Security Card*.

If you are not eligible to obtain a social security number from the SSA, use an IRS individual taxpayer identification number (ITIN) instead of a social security number. To get an ITIN, contact the IRS to get Form W-7, *Application for IRS Individual Taxpayer Identification Number*.

Tips When Filing Your Return

Gathering forms, receipts, and other paperwork to file your taxes is only half the battle. Once you've completed your forms, it is equally important to double-check your figures, information, and packaging procedures (as applicable to your filing method).

Make certain that you include your social security number (SSN) on each page of your return and supporting schedules and forms when you file your return. (If you use your tax package, remember your SSN is not pre-printed on the address label or the forms.) Always review your filing entries for misprinted or overlooked data. And with a paper return, also review your forms for miscalculations. Any mistake can cause processing delays that may hold up your refund. When mailing a paper return, make sure you have enough postage and your complete return address on the IRS envelope to avoid mailing delays. If you owe taxes, remember any delay could cause you notices, penalties, and interest charges.

The tips below can serve as your checklist to prevent filing mistakes.

Important Parts of Your Return

■ Enter Social Security Number(S)?

Make sure your social security number *is on your return and all supporting schedules and forms*.

■ Check Age/Blindness Box?

If you are age 65 or older or blind, or your spouse is age 65 or older or blind, make sure you notate the appropriate box(es) on Form 1040 or Form 1040A.

■ Claim Child Tax Credit?

If you have income below a certain level, and a child under age 17, you may be able to claim this credit. Read about this credit in your Forms 1040 or 1040A Instructions.

■ Claim Earned Income Credit; Figure Correctly?

This tax credit can help some people who work and have income below a certain level. For more information on whether you qualify and how to figure the credit, get Publication 596, *Earned Income Credit*, or Publication 596SP, *Cédito por Ingreso del Trabajo*.

■ Enter Federal Income Tax Withheld, not Social Security Tax, on the Return? Form W-2, *Wage and Tax Statement*,

shows both the federal income tax and FICA (social

security tax) withheld. Remember to use the amount for federal income tax withheld on your return to calculate your total income tax payments.

■ Enter Correct Standard Deduction Amount?

If you do not itemize deductions, use the correct standard deduction chart to find the right amount.

■ Check Refund or Balance Due Amount?

On paper return, check your addition and subtraction. If your total payments are more than your total tax, you are due a refund. A balance due is figured when your taxes due are more than the amount you have already paid. If you make a payment by check, you should make the check out to the *United States Treasury*.

■ Take Correct Tax from Tax Table?

When using the tax table, first you have to take the amount shown on the taxable income line of your Form 1040, 1040A, or 1040EZ and find the line in the tax table showing that amount. Next, find the column for your marital status (married filing joint, single, etc.) and read down the column. The amount shown where the income line and filing status column meet is your tax.

Important Double-Checks on Your Paper Return Before Mailing

- **Attach Copy B of all Forms W-2.**
- **Attach all required forms and related schedules. Write your SSN (and spouse's if filing joint) on your return form and supporting schedules and forms.**
- **Place preprinted address label on your return and make any necessary changes on it.**
- **Sign and date your return (both husband and wife must sign a joint return).**

- If you owe tax, **include** your check or money order **payable to United States Treasury**. Write your **social security number**, daytime **telephone number**, **tax form number**, and **tax year** on your check or money order.
- **Make a copy** of the return for your records.

Important Mailing Procedures

- **Use preprinted envelope** that came in the tax package to mail your return. If you do not have one, address an envelope to the Internal Revenue Service Center for your state.
- **Write your complete return address** on the envelope.
- **Attach the correct postage.**

'Where to File' Your Taxes for Tax Year 1999

This filing season (for Tax Year 1999) most 1040 tax packages will contain an envelope with two labels. The two labels will enable the IRS to more efficiently sort the refund returns from the remittance returns.

These labels will contain the address of the IRS Service Center and separate zip+4 zip codes and PostNet barcodes. One of the labels will be used by taxpayers filing for a refund, or the other label will be used by taxpayers filing a balance due return and remittance.

In addition, the 'Where to File' instructions will have the same service center addresses with the same two zip codes. This will allow the taxpayers or practitioners to place a handwritten address on their tax return envelope and the U.S. Postal Service will imprint the proper PostNet barcode on the face of the envelope. Barcodes will permit the tax returns to be sorted.

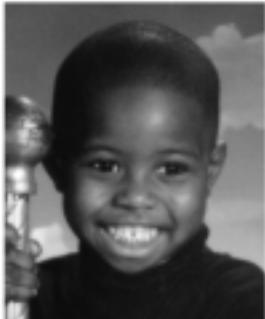
If You Are Requesting a Refund, use the IRS Service Center mailing address below for your area:	
Internal Revenue Service Atlanta GA 39901-0102	Internal Revenue Service Fresno CA 93888-0102
Internal Revenue Service Andover MA 05501-0102	Internal Revenue Service Kansas City MO 64999-0102
Internal Revenue Service Austin TX 73301-0102	Internal Revenue Service Memphis TN 37501-0102
Internal Revenue Service Holtsville NY 00501-0102	Internal Revenue Service Ogden UT 84201-0102
Internal Revenue Service Cincinnati OH 45999-0102	Internal Revenue Service Philadelphia PA 19255-0102

If You ARE NOT Requesting a REFUND, use the IRS Service Center mailing address below for your area:	
Internal Revenue Service Atlanta GA 39901-0002	Internal Revenue Service Fresno CA 93888-0002
Internal Revenue Service Andover MA 05501-0002	Internal Revenue Service Kansas City MO 64999-0002
Internal Revenue Service Austin TX 73301-0002	Internal Revenue Service Memphis TN 37501-0002
Internal Revenue Service Holtsville NY 00501-0002	Internal Revenue Service Ogden UT 84201-0002
Internal Revenue Service Cincinnati OH 45999-0002	Internal Revenue Service Philadelphia PA 19255-0002

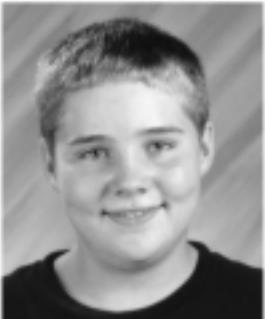
Picture Them Home



Rachael Mellon
Date Missing: 01/31/98
Last seen at residence in Bolingbrook, IL



D'nean Sims
Date Missing: 12/11/1994
Last seen at Mall in Livonia, MI



Ricky Thomas
Date Missing: 11/08/1997
Last seen in Bristol, IN



Loukethyoth Phiangdee
Date Missing: 02/06/1996
Last seen near residence in Raymond, WA

ONE IN SIX MISSING CHILDREN IS

recovered when someone just like you takes the time to look at their **picture**, spots **them**, and notifies the authorities to get them **home**. The Internal Revenue Service (IRS) has joined the National Center for Missing and Exploited Children in their search for America's missing children, and we need your help.

As a proud sponsor of the **Picture Them Home** campaign, the IRS now features images and information about missing children in many IRS tax publications. Join us by taking the time to look at pictures of missing children. And please, maintain high quality photos of your own children for use in case of emergency.



1-800-THE-LOST

www.missingkids.com

Zachary Ramsey
Date Missing: 2/6/96
Last seen leaving for school



Rosa Camacho
Date Missing: 10/24/97
Last seen leaving store in Hartford, CT



Leigh Ouchi
Date Missing: 8/27/92
Last seen at home. Foul play is suspected



Crystal Marler
Date Missing: 10/6/96
Last seen in Whitley, KY

