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Internal Revenue Service

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The IRS Will Figure Your Tax

For use in preparing

2001 Returns



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Introduction

You can have the IRS figure your tax on Form 1040EZ, Form 1040A, or Form 1040 if you file your return by April 15, 2002.

If you paid too much, you will receive a refund. If you did not pay enough, you will receive a bill for the balance. To avoid interest or the penalty for late payment, you must pay the bill within 30 days of the date of the bill or by the due date for your return, whichever is later.

The IRS will also figure the credit for the elderly or the disabled and the earned income credit.

The IRS cannot figure your tax if any of the following apply.

- 1) You want your refund to be directly deposited in your account.
- 2) You want any part of your refund applied to your 2002 estimated tax.
- 3) Any of your income for the year was from **other than** wages, salaries, tips, interest, dividends, taxable social security benefits, unemployment compensation, IRA distributions, pensions, and annuities.
- 4) Your taxable income is \$100,000 or more.
- 5) You itemize deductions.
- 6) You file any of the following forms.
 - a) **Form 2555**, *Foreign Earned Income*.
 - b) **Form 2555-EZ**, *Foreign Earned Income Exclusion*.
 - c) **Form 4137**, *Social Security and Medicare Tax on Unreported Tip Income*.
 - d) **Form 4970**, *Tax on Accumulation Distribution of Trusts*.
 - e) **Form 4972**, *Tax on Lump-Sum Distributions*.
 - f) **Form 6198**, *At-Risk Limitations*.
 - g) **Form 6251**, *Alternative Minimum Tax—Individuals*.
 - h) **Form 8606**, *Nondeductible IRAs and Coverdell ESAs*.
 - i) **Form 8615**, *Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,500*.
 - j) **Form 8814**, *Parents' Election To Report Child's Interest and Dividends*.
 - k) **Form 8839**, *Qualified Adoption Expenses*.
 - l) **Form 8853**, *Archer MSAs and Long-Term Care Insurance Contracts*.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions.

You can e-mail us while visiting our web site at www.irs.gov.

You can write to us at the following address:

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Technical Publications Branch
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1111 Constitution Ave. NW
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We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

Form 1040EZ

To have the IRS figure your tax, follow these steps if you are filing Form 1040EZ.

1. Place your peel-off label on your return. If you do not have a label, print (do not type) your name and address in the spaces provided.

2. Enter your social security number in the spaces provided. If you are married, enter the social security numbers of both spouses.

3. Read lines 1 through 9 and complete the lines that apply to you. Do not complete lines 10 through 13. If you are filing a joint return, use the space under the "Note" to the left of line 6 to separately show your taxable income and your spouse's taxable income.

Payments. Enter any federal income tax withheld on line 8. Federal income tax withheld is shown in box 2 of Form W-2.

Earned income credit (EIC). If you can take the EIC, IRS can figure it for you. Print "EIC" in the space to the right of the words "See page 15" on line 9a. Enter the amount and type of any nontaxable earned income in the boxes on line 9b.

4. Sign and date your return (both spouses must sign a joint return) and enter your occupation(s). Attach a copy of each of your Forms W-2 to your return. Mail the return to the Internal Revenue Service Center for the area where you live. A list of Service Center addresses is shown in your tax forms package.

Form 1040A

If you are filing Form 1040A and you want the IRS to figure your tax, follow these steps.

1. Place your peel-off label on your return. If you do not have a label, print or type your name and address in the spaces provided.
2. Enter your social security number in the spaces provided. If you are married, enter the social security numbers of both spouses even if you file separately.
3. Read lines 1 through 25 and complete the lines that apply to you. If you are filing a joint return, use the space to the left of line 25 to separately show your and your spouse's taxable income. The IRS will complete line 26.
4. Read lines 27 through 31, 35, and 37 through 40 and complete the lines that apply to you. But do not complete lines 28 and 39a if you want the IRS to figure the credits on those lines. Also, enter any write-in information that applies to you in the space to the left of line 41. Do not complete lines 33, 34, 36, and 41 through 46.

Payments. Enter any federal income tax withheld that is shown in box 2 of Form W-2, or the appropriate box of Form 1099, on line 37. Enter any estimated tax payments you made on line 38.

Credits. The IRS will also figure the credit for the elderly or the disabled and the earned income credit.

- **Credit for the elderly or the disabled.** If you can take this credit, the IRS will figure it for you. Attach Schedule 3, *Credit for the Elderly or the Disabled for Form 1040A Filers*, to your return and print "CFE" in the space to the left of line 28 (Form 1040A). Check the appropriate box in Part I of Schedule 3 for your filing status and age. Complete Part II and lines 11 and 13 of Part III if they apply.
- **Earned income credit.** If you can take this credit, the IRS will figure it for you. Print "EIC" directly to the right of line 39a. Enter the amount and type of any nontaxable earned income on line 39b. If you have a qualifying child, you must fill in Schedule EIC, *Earned Income Credit*, and attach it to your return. If you do not provide the child's social security number on line 2 of Schedule EIC, the credit will be reduced or disallowed unless the child was born and died in 2001.

5. Fill in and attach any schedules and forms asked for on the lines you completed.

6. Attach a copy of each of your Forms W-2 to your return. Also attach any Form 1099-R you received that has withholding tax in box 4.

7. Sign and date your return and enter your occupation(s). If you are filing a joint return, both you and your spouse must sign it. Enter your daytime phone number in the space provided in the signature area. This may help speed the processing of your return if we have a question that can be answered over the phone. If you are filing a joint return, you may enter either your or your spouse's daytime phone number.

Mail the return to the Internal Revenue Service Center for the area where you live. A list of Service Center addresses is shown in your tax forms package.

Form 1040

To have IRS figure your tax, follow these steps if you are filing Form 1040.

1. Place your peel-off label on your return. If you do not have a label, print or type your name and address in the spaces provided.

2. Enter your social security number in the spaces provided. If you are married, enter the social security numbers of you and your spouse even if you file separately.

3. Read lines 1 through 39 and complete the lines that apply to you. If you are filing a joint return, use the space under the words *Adjusted Gross Income* on the front of your return to separately show your taxable income and your spouse's taxable income. The IRS will complete line 40.

4. Read lines 41 through 65 and complete the lines that apply to you, but do not fill in the *Total* lines. Also, do not complete lines 52 and 66 through 71. Do not complete lines 45 and 61a if you want the IRS to figure the credits on those lines.

Payments. Enter any federal income tax withheld that is shown in box 2 of Form W-2, or the appropriate box of Form 1099, on line 59. Enter any estimated tax payments you made on line 60.

Credits. The IRS will also figure the credit for the elderly or the disabled and the earned income credit.

- **Credit for the elderly or the disabled.** If you can take this credit, the IRS will figure it for you. Attach Schedule R, *Credit for the Elderly or the Disabled*, to your return and print "CFE" on the dotted line next to line 45 of Form 1040. Check the appropri-

ate box in Part I of Schedule R for your filing status and age. Complete Part II and lines 11 and 13 of Part III if they apply.

- **Earned income credit.** If you can take this credit, the IRS will figure it for you. Print "EIC" directly to the right of line 61a. Enter the amount and type of any nontaxable earned income on line 61b. If you have a qualifying child, you must fill in Schedule EIC and attach it to your return. If you do not provide the child's social security number on line 2 of Schedule EIC, the credit will be reduced or disallowed unless the child was born and died in 2001.

5. Fill in and attach any schedules or forms asked for on the lines you completed.

6. Attach a copy of each of your Forms W-2 to your return. Also attach any Form 1099-R you received that has withholding tax in box 4.

7. Sign and date your return and enter your occupation(s). If you are filing a joint return, both you and your spouse must sign it. Enter your daytime phone number in the space provided in the signature area. This may help speed the processing of your return if we have a question that can be answered over the phone. If you are filing a joint return, you may enter either your or your spouse's daytime phone number.

8. Mail your return to the Internal Revenue Service Center for the area where you live. A list of Service Center addresses is shown in your tax forms package.