

INSTRUCTIONS FOR FORM 1040A

FOR EMPLOYEES WHO EARNED LESS THAN \$10,000

Card Form 1040A offers an easy way for employees receiving less than \$10,000 total income to file their 1965 U.S. income tax returns.

To use CARD Form 1040A follow these simple steps

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| <p>A Read instructions below. See "Who May Use Form 1040A." If ineligible, use Form 1040.</p> <p>B Fill out the copy on page 4. If you need help, phone any Internal Revenue Service office or come in for assistance.</p> | <p>C Transfer answers from the copy to the card. Keep the copy for your records.</p> <p>D Sign the card and mail it together with your Wage and Tax Statements (Forms W-2, Copy B) to your District Director of Internal Revenue.</p> |
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If your name, address, and social security number are already printed and punched on the card form, please use this card as it will permit high-speed machine handling. Correct the preprinted information, if necessary.

WHO MUST FILE A TAX RETURN.—Every citizen or resident of the United States under 65 who had \$600 or more income; if 65 or over, \$1,200 or more.

WHO MAY USE FORM 1040A.—If your income was less than \$10,000 and consisted entirely of wages subject to withholding tax and not more than \$200 total of dividends, interest, and other wages, you may use the card form. A husband and wife may file a joint return if their combined incomes do not exceed these limits.

WHO MAY NOT USE FORM 1040A.—File Form 1040 instead of Form 1040A if—

- (1) you had income from sources other than or in amounts larger than those stated above,
- (2) either husband or wife itemizes deductions,
- (3) you claim the tax status of head of household or surviving husband or wife,
- (4) you claim the retirement income credit,
- (5) you claim an exclusion for "Sick Pay" paid directly to you by your employer and this amount is included in the total wages shown on your Form W-2,
- (6) you claim deductions for travel, transportation, moving, or "outside salesman" expense (however, see "Reimbursed Expenses," page 3 of instructions),
- (7) you claim credit for payments on estimated tax or an overpayment from 1964, or
- (8) you are a nonresident alien (file Form 1040B, Form 1040NB, or Form 1040NB-a).

MEMBERS OF ARMED FORCES.—A member of the Armed Forces should give his name, social security number, permanent home address and serial number.

An enlisted man may exclude all service compensation for each month in which he served in a combat zone and each month for which he was hospitalized as a result of such service. For this purpose service

for any part of a month is considered a full month. A commissioned officer may exclude up to \$200 a month of such compensation. Forms W-2 issued for 1965 by the Armed Forces early in 1965 will, in most cases, include combat pay. Forms W-2 issued after that time should not include these payments. If there is any doubt as to whether the amount shown on your Form W-2 includes the nontaxable amount, contact the pay office which issued the form. If you are reporting less income on page 1, item 5, Form 1040A, than is shown on your Form W-2, attach a statement to your return showing how the exclusion was figured.

WHEN AND WHERE TO FILE.—Please file as early as possible with the District Director of Internal Revenue for your district on or after January 1, 1966, but not later than April 15, 1966.

WHERE TO GET FORMS.—If you need a Form 1040, you can get one from any Internal Revenue office, and from most banks and some post offices. Your employer will furnish a Form W-2.

HOW TO PAY.—Checks or money orders should be made payable to "Internal Revenue Service." You need not pay a balance of tax due of less than \$1, and an overpayment of less than \$1 will be refunded only upon separate application to your District Director.

SIGNATURE.—Your return is not valid unless you sign it. Both husband and wife must sign a joint return.

COMPUTATION OF TAX ON FORM 1040A:

- (1) **If your income was less than \$5,000.**—You may figure your tax from the appropriate tax table on page 5, 6, or 7, or you may have the Internal Revenue Service do it for you. If you are married and filing a separate return and you choose to have the Internal Revenue Service figure your tax, it will be figured using the 10 percent standard deduction and never the minimum standard deduction.

- (2) **If your income is \$5,000 or more but less than \$10,000.**—You must use the standard deduction—either the 10 percent standard deduction or the minimum standard deduction, whichever is greater, and compute your own tax. See Tax Computation Schedule on page 4.

The use of the tax table or the standard deduction eliminates the need to list contributions, interest, taxes, losses, medical expenses, child care expenses, and certain miscellaneous deductions. The **standard deduction** is 10% of item 7, page 1, Form 1040A, but not less than the minimum standard deduction which is an amount equal to \$200 (\$100 if married and filing a separate return) plus \$100 for each exemption claimed in item 15 on the back of your return. Example: Husband and wife filing joint return claiming 4 dependent children. Minimum standard deduction is \$800 (\$200 plus \$100 for each of 6 exemptions). The deduction is limited to \$1,000 (\$500 for each return if married and filing separate returns). If your standard deduction is less than your itemized deductions, it will be to your advantage to use Form 1040 and itemize your deductions. The tax tables are designed to allow for the standard deduction.

If separate returns are filed by married individuals, and if either the husband or wife elects the 10 percent standard deduction or one of them chooses to have the Internal Revenue Service figure the tax, the other must use the 10 percent standard deduction. To use the minimum standard deduction both must use it and both must compute their tax.

INSTRUCTIONS FOR PREPARING FRONT OF FORM 1040A

① ② ③ If you are married and are filing a joint return as husband and wife, be sure to enter the first names and middle initials of yourself and your wife. For example: John F. and Mary L. Doe. Enter both your social security number and your wife's social security number whether filing jointly or separately.

⑤ Enter the total wages from all your 1965 Forms W-2. If an amount appears on Form W-2 in the box captioned "Other compensation paid in 1965" add this amount to the amount shown in the box captioned "Wages paid subject to withholding in 1965" and enter the total on page 1, item 5. Also include in this item wages for which you did not receive a Form W-2. If you lose a Form W-2, ask your employer for a new one. If you cannot furnish a Form W-2, attach an explanation.

TWO OR MORE EMPLOYERS.—If a total of more than \$174 of social security (F. I. C. A.) tax was withheld from the wages of either you or your wife because one or both of you worked for more than one employer, you may claim the excess over \$174 as a credit against your income tax.

a. Add up the social security (F. I. C. A.) tax withheld by all your employers from your wages in 1965.

MARRIED COUPLE:

MARITAL STATUS.—If married at the end of 1965, you are considered married for the entire year. If divorced or legally separated on or before the end of 1965, you are considered single for the entire year. If your wife or husband died during the year, you are considered married for the year, and may file a joint return.

(1) **How to prepare a joint return.**—To assure any benefits of the split income provisions, a husband and wife must file a joint return. If a joint return is filed, you must include the income of both; however, a joint return may be filed even though one had no income. If your income was under \$5,000 and you choose to have the Internal Revenue Service figure your tax, it will be computed on the combined income or on the separate incomes, whichever results in the smaller tax or larger refund. If you figure your own tax, be sure to make both computations and enter the smaller tax or larger refund on your return. A joint return may not be filed if either husband or wife was a nonresident alien at any time during the taxable year.

(2) **How to prepare a separate return.**—In a separate return each must report his or her separate income and fill in a separate form.

DO YOU OWE A TAX BALANCE?—Under the pay-as-you-go system, your withholding tax and your final income tax should come out about even. This benefits both you and your Government. If you owe a balance on your 1965 return, you should consider changing your Withholding Exemption Certificate (Form W-4).

If joint return, separate computations must be made for you and your wife.

b. Subtract \$174.

c. Include the balance in the amount shown in item 9.

⑥ **INTEREST AND DIVIDENDS.**—Enter your taxable income from interest and dividends. Read the following instructions before completing this item—

a. **INTEREST.**—Include all interest actually received or credited to your account by a bank, savings and loan association, etc.

b. **DIVIDENDS.**—Include all dividends received except the first \$100 received from domestic corporations. So-called dividends received from mutual savings banks or savings (building) and loan associations on deposits or withdrawable accounts are treated as interest, not dividends. If a joint return is filed and both husband and wife had dividend income, each is entitled at most to a \$100 exclusion and one may not use any portion of the \$100 exclusion not used by the other. For example, if the husband had \$180 in dividends, and the wife had \$20, only \$120 may be excluded.

⑦ ⑧ ⑨ ⑩ ⑪ COMPUTATION OF TAX

a. If your income was less than \$5,000.—You may figure your own tax from the appropriate Tax Table in these instructions, or you may have the Internal Revenue Service do it for you. If you figure your own tax, complete items 8, 9, and 10 or 11. If you have the Service figure your tax, you will be sent a bill for the balance due or a check for the refund.

b. If your income was \$5,000 or more but less than \$10,000.—You must compute your own tax and use the standard deduction. (If your itemized deductions are in excess of your standard deduction, it will be to your

advantage to use Form 1040.) See page 4 for tax computation schedule. Keep it for your records.

PURCHASE OF U.S. SAVINGS BONDS.—If you are entitled to a refund, you may apply it to the purchase of Series E United States Savings Bonds. If you check the first box under item 11, you will be issued as many bonds as your refund will buy, providing it does not leave a balance of less than \$1 to be paid by check. For example, if your refund is \$40 you will receive a \$50 face value bond and a check for \$2.50. Bonds will be issued in the name used in filing your return. If you file a joint return the bonds will be issued only to husband and wife as co-owners.

INSTRUCTIONS FOR PREPARING BACK OF FORM 1040A

⑬ Fill in this item to receive credit for your and your wife's exemptions. A taxpayer cannot claim his wife (husband) as an exemption if the wife (husband) filed a separate return for any purpose (for example, to obtain a refund of income tax withheld). Age and blindness are determined as of December 31, 1965.

⑭ Enter in item 13 the first names and the total number of your dependent children who lived with you during 1965.

List other dependents in item 14.

Each dependent must meet all of the following tests:

a. Received more than one-half of his or her support from you (or from wife or husband if a joint return is filed). Support includes all amounts used for the dependent's support whether contributed by the dependent or by others and whether such amounts are taxable or nontaxable income such as social security, gifts, savings, etc.

b. Received less than \$600 income. (This test does not apply to your children or stepchildren who were under 19 or who were full-time students for 5 calendar months of the year; however, you must have provided over one-half of the child's support.)

c. Did not file a joint return with her husband (or his wife).

d. Was either a citizen or resident of the United States or a resident of Canada, Mexico, the Republic of Panama, or the Canal Zone. (An alien child legally adopted by and living with a United States citizen abroad also qualifies as a citizen of the United States for this purpose.)

e. EITHER (1) for the entire year 1965 had your home as his principal place of abode and was a member of your household; OR (2) was related to you (or to husband or wife if a joint return is filed) in one of the following ways:

Child*	Mother-in-law
Stepchild	Father-in-law
Mother	Brother-in-law
Father	Sister-in-law
Grandparent	Son-in-law
Brother	Daughter-in-law
Sister	The following if related by blood:
Grandchild	Uncle
Stepbrother	Aunt
Stepsister	Nephew
Stepmother	Niece
Stepfather	

*Includes a child who is a member of your household if placed with you by an authorized placement agency for legal adoption.

BIRTH OR DEATH OF DEPENDENT.—You can claim a full \$600 exemption for a dependent who was born or died during the year if the tests for claiming an exemption for such dependent are met for the part of the year during which he was alive.

REIMBURSED EXPENSES.—If you account to your employer for business expenses when you travel on business, and he pays for them (either by advances or reimbursements or by allowing you to use a charge account), or he gives you a flat allowance for subsistence and mileage of not more than \$25 per day and 15 cents per mile, and your expenses equal your reimbursement, or your expenses exceed the reimbursement and you do not wish to claim a deduction, you may file Form 1040A without showing these amounts by simply checking the box on the back of Form 1040A above the signature. However, if your employer's payments are more than your expenses or you wish to claim a deduction for expenses, you may not use Form 1040A, you must use Form 1040.

Form 1040A U.S. Individual Income Tax Return (Less than \$10,000 total income)

1965

1 Name (If a joint return of husband and wife, use first names and middle initials of both)
2 Your social security number (Husband's if joint return)
3 Wife's number, if joint return
4. Check one:
a. Single;
b. Married filing joint return (even if only one had income);
c. Married filing separately - If your husband or wife is also filing a return give his or her first name and social security number.

5 Enter total wages, salaries, tips, etc. Enclose Forms W-2, Copy B. If not shown on enclosed Forms W-2 attach explanation.
6 Interest and dividends
7 Total income (add items 5 and 6)
8 Tax from Tax Table or tax computation schedule
9 Total Federal income tax withheld (from Forms W-2)
10 If item 8 is larger than item 9, enter balance due
11 If item 9 is larger than item 8, enter refund
Apply refund to: U.S. Savings Bonds, & excess refunded; or Refund only.

U.S. TREASURY DEPARTMENT • INTERNAL REVENUE SERVICE (OVER) LIST YOUR EXEMPTIONS AND SIGN ON OTHER SIDE.

12 EXEMPTIONS FOR YOURSELF—AND WIFE (only if all her income is included in this return, or she had no income)
Check boxes which apply: Yourself, Wife, Regular, 65 or over, Blind. Enter number of exemptions checked.

13 First names of your dependent children who lived with you. Enter number.

14 DEPENDENTS OTHER THAN THOSE CLAIMED IN ITEM 13. Table with columns: (a) NAME, (b) Relationship, (c) Months lived in your home, (d) Did dependent have income of \$600 or more?, (e) Amount YOU furnished for dependent's support, (f) Amount furnished by OTHERS.

15. TOTAL EXEMPTIONS FROM ITEMS 12, 13, AND 14 ABOVE.
Your present employer, City and State where employed, Wife's present employer, City and State where employed.

If you had an expense allowance or charged expenses to your employer, see instructions for "Reimbursed Expenses" and check here if appropriate.
Sign here: Under penalties of perjury, I declare that to the best of my knowledge and belief this is a true, correct, and complete return.
If joint return, BOTH HUSBAND AND WIFE MUST SIGN even if only one had income. Date

TAX COMPUTATION SCHEDULE (Use only if total income, item 7 of Form 1040A, is \$5,000 or more)

- 1. Enter total income from item 7 of Form 1040A.
2. Enter the standard deduction which is explained on page 2 of the instructions (married person filing a separate return cannot claim more than \$500).
3. Subtract line 2 from line 1.
4. Multiply \$600 by total number of exemptions claimed in item 15 of Form 1040A.
5. Subtract line 4 from line 3.
6. Tax on amount on line 5. Use appropriate tax rate schedule below. Enter here and in item 8 of Form 1040A (Do not attach this schedule to Form 1040A).

If you are a single taxpayer or a married taxpayer filing a separate return, use this tax rate schedule

Table with columns: Over, But not over, Enter on line 6: 14% of the amount on line 5, \$70, plus 15% of excess over \$500, \$145, plus 16% of excess over \$1,000, etc.

If you are married taxpayers filing a joint return, use this tax rate schedule

Table with columns: Over, But not over, Enter on line 6: 14% of the amount on line 5, \$140, plus 15% of excess over \$1,000, \$290, plus 16% of excess over \$2,000, etc.

TAX TABLE B—FOR MARRIED PERSONS FILING JOINT RETURNS

To find your tax read down income columns until you find the line covering the total income shown as item 7. Then read across to the appropriate column headed by the number corresponding to the number of exemptions claimed on item 15. Enter tax in item 8.

If your total income is—		And the number of exemptions is—		If your total income is—		And the number of exemptions is—				
At least	But less than	2	3	At least	But less than	2	3	4	5	6
			If 4 or more there is no tax							If 7 or more there is no tax
Your tax is—		Your tax is—								
\$0	\$1, 600	\$0	\$0	\$2, 800	\$2, 825	\$172	\$72	\$0	\$0	\$0
1, 600	1, 625	2	0	2, 825	2, 850	176	75	0	0	0
1, 625	1, 650	5	0	2, 850	2, 875	179	79	0	0	0
1, 650	1, 675	9	0	2, 875	2, 900	183	82	0	0	0
1, 675	1, 700	12	0	2, 900	2, 925	187	86	0	0	0
1, 700	1, 725	16	0	2, 925	2, 950	191	89	0	0	0
1, 725	1, 750	19	0	2, 950	2, 975	194	93	0	0	0
1, 750	1, 775	23	0	2, 975	3, 000	198	96	0	0	0
1, 775	1, 800	26	0	3, 000	3, 050	204	102	4	0	0
1, 800	1, 825	30	0	3, 050	3, 100	211	109	11	0	0
1, 825	1, 850	33	0	3, 100	3, 150	219	116	18	0	0
1, 850	1, 875	37	0	3, 150	3, 200	226	123	25	0	0
1, 875	1, 900	40	0	3, 200	3, 250	234	130	32	0	0
1, 900	1, 925	44	0	3, 250	3, 300	241	137	39	0	0
1, 925	1, 950	47	0	3, 300	3, 350	249	144	46	0	0
1, 950	1, 975	51	0	3, 350	3, 400	256	151	53	0	0
1, 975	2, 000	54	0	3, 400	3, 450	264	159	60	0	0
2, 000	2, 025	58	0	3, 450	3, 500	271	166	67	0	0
2, 025	2, 050	61	0	3, 500	3, 550	279	174	74	0	0
2, 050	2, 075	65	0	3, 550	3, 600	286	181	81	0	0
2, 075	2, 100	68	0	3, 600	3, 650	294	189	88	0	0
2, 100	2, 125	72	0	3, 650	3, 700	302	196	95	0	0
2, 125	2, 150	75	0	3, 700	3, 750	310	204	102	4	0
2, 150	2, 175	79	0	3, 750	3, 800	318	211	109	11	0
2, 175	2, 200	82	0	3, 800	3, 850	326	219	116	18	0
2, 200	2, 225	86	0	3, 850	3, 900	334	226	123	25	0
2, 225	2, 250	89	0	3, 900	3, 950	342	234	130	32	0
2, 250	2, 275	93	0	3, 950	4, 000	350	241	137	39	0
2, 275	2, 300	96	0	4, 000	4, 050	358	249	144	46	0
2, 300	2, 325	100	2	4, 050	4, 100	365	256	151	53	0
2, 325	2, 350	103	5	4, 100	4, 150	372	264	159	60	0
2, 350	2, 375	107	9	4, 150	4, 200	379	271	166	67	0
2, 375	2, 400	110	12	4, 200	4, 250	386	279	174	74	0
2, 400	2, 425	114	16	4, 250	4, 300	394	286	181	81	0
2, 425	2, 450	117	19	4, 300	4, 350	401	294	189	88	0
2, 450	2, 475	121	23	4, 350	4, 400	408	302	196	95	0
2, 475	2, 500	124	26	4, 400	4, 450	415	310	204	102	4
2, 500	2, 525	128	30	4, 450	4, 500	422	318	211	109	11
2, 525	2, 550	131	33	4, 500	4, 550	430	326	219	116	18
2, 550	2, 575	135	37	4, 550	4, 600	437	334	226	123	25
2, 575	2, 600	138	40	4, 600	4, 650	444	342	234	130	32
2, 600	2, 625	142	44	4, 650	4, 700	451	350	241	137	39
2, 625	2, 650	146	47	4, 700	4, 750	459	358	249	144	46
2, 650	2, 675	149	51	4, 750	4, 800	467	366	256	151	53
2, 675	2, 700	153	54	4, 800	4, 850	474	374	264	159	60
2, 700	2, 725	157	58	4, 850	4, 900	482	382	271	166	67
2, 725	2, 750	161	61	4, 900	4, 950	490	390	279	174	74
2, 750	2, 775	164	65	4, 950	5, 000	497	398	286	181	81
2, 775	2, 800	168	68							

