

## Instructions for Form

# 1993 1040A



## and Schedules 1, 2, and EIC

### **Can you take the earned income credit for 1993?**

If you earned less than \$23,050 and a child lived with you, you may be able to take this credit. See page 63.

### **Do you know you may be able to get the earned income credit with your pay?**

If you qualify for the earned income credit in 1994, you may be able to have part of it added to your take-home pay. See page 6.

### **Would you like to get your refund within 3 weeks or even faster?**

If you would, have your return filed electronically. See **Fast filing** on page 3.

**Note:** *This booklet does not contain any tax forms.*

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Department of the Treasury  
Internal Revenue Service

## **What's inside?**

**Answers to frequently asked questions (page 5)**

**Avoid common mistakes (page 74)**

**Commissioner's note (page 3)**

**What's new for 1993 (page 6)**

- The Presidential Election Campaign Fund check-off has increased to \$3. See page 16.

**How to make a gift to reduce the public debt (page 6)**

**Free tax help (page 6)**

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A note from the  
Commissioner

Dear Taxpayer:

Thank you for making this nation's tax system the most effective system of voluntary compliance in the world. The key to maintaining that system is ensuring that you are treated fairly and equitably, that your privacy is protected, and that our tax system is as simple and understandable as possible.

Our challenge is to consistently deliver services to meet your needs while fairly administering the tax laws. To do that, we are modernizing our technology, while making sure that taxpayer security and privacy will be fully protected. We are also offering alternative ways of filing taxes, such as electronic filing. We have increased information and education efforts to help improve compliance, but we are also using traditional compliance efforts—examination, collection and criminal enforcement—so that each person pays what he or she properly owes to support the vital functions of our government.

As Commissioner of Internal Revenue, I am personally committed to working toward developing a simple and more easily administrable tax system. We will treat you fairly, courteously, and efficiently, and we will do all we can to bring those who do not pay their fair share into full compliance with the tax laws of our nation.



Margaret Milner Richardson



**Fast filing**

Last year, over 12.3 million people filed their tax returns electronically by computer. Electronic filing is a fast and accurate way to file your return with the IRS. If you are expecting a refund, it will be issued within 3 weeks from the time the IRS accepts your return. If you have your refund directly deposited into your savings or checking account, you could receive your money even faster. Even if you are not expecting a refund, electronic filing is still a fast and accurate way to file your return.

Electronic filing is available whether you prepare your own return or use a preparer. In addition to many tax preparers, other firms are approved by the IRS to offer electronic filing services. An approved transmitter must sign your **Form 8453**, U.S. Individual Income Tax Declaration for Electronic Filing. For more details on electronic filing, call Tele-Tax (see page 48) and listen to topic 252.

Another way to file your return with the IRS is to file an "answer sheet" return. This return, called Form 1040PC, can be created only by using a personal computer. It is shorter than the regular tax return and can be processed faster and more accurately. A paid tax preparer may give you Form 1040PC to sign and file instead of the tax return you are used to seeing. If you prepare your own return on a computer, you can produce Form 1040PC using one of the many tax preparation software programs sold in computer stores. The form is not available from the IRS. For more details, call Tele-Tax (see page 48) and listen to topic 251.

What should I know about the Privacy Act and Paperwork Reduction Act Notice?

The law says that when we ask you for information we must tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive the information and whether your response is voluntary, needed for a benefit, or mandatory under the law.

This notice applies to all papers you file with us, including this tax return. It also applies to any questions we need to ask you so we can complete, correct, or process your return; figure your tax; and collect the tax, interest, or penalties. Internal Revenue Code sections 6001, 6011, and 6012(a) say that you must file a return or statement with us for any tax for which you are liable. Your response is mandatory under these sections. Code section 6109 says that you must show your social security number on what you file, so we know who you are and can process your return and other papers. You must fill in all parts of the tax form that apply to you. However, you do not have to check the boxes for the Presidential Election Campaign Fund.

We may give the information to the Department of Justice and to other Federal agencies, as provided by law. We may also give it to cities, states, the District of Columbia, U.S. commonwealths or possessions, and certain foreign governments to carry out their tax laws.

If you do not file a return, do not give the information asked for, or give false information, you may be charged penalties and you may be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on your tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

**The time it takes to prepare your return.** We try to create forms and instructions that are accurate and can be easily understood. Often this is difficult to do because some of the tax laws enacted by Congress are very complex. For some people with income mostly from wages, filling in the forms is easy. For others who have businesses, pensions, stocks, rental income, or other investments, it is more difficult. The time needed to complete and file the following forms will vary depending on individual circumstances. The estimated average times are:

	Form 1040A	Sch. 1 (1040A)	Sch. 2 (1040A)	Sch. 3 (1040A)	Sch. EIC (1040A)
<b>Recordkeeping</b> . . . . .	1 hr., 3 min.	20 min.	33 min.	13 min.	39 min.
<b>Learning about the law or the form</b> . . . . .	2 hr., 8 min.	4 min.	12 min.	14 min.	16 min.
<b>Preparing the form</b> . . . . .	2 hr., 44 min.	10 min.	41 min.	28 min.	33 min.
<b>Copying, assembling, and sending the form to the IRS</b> . . . . .	35 min.	20 min.	28 min.	35 min.	47 min.

The estimated average time for people with IRA distributions, pension income, social security benefits, etc., is: **Recordkeeping**, 2 hr., 17 min.; **Learning about the law or the form**, 2 hr., 20 min.; **Preparing the form**, 3 hr., 13 min.; **Copying, assembling, and sending the form to the IRS**, 35 min.

**We welcome comments on forms.** If you have comments concerning the accuracy of these time estimates or suggestions for making these forms more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Attention: Reports Clearance Officer, T:FP, Washington, DC 20224; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0085), Washington, DC 20503. **DO NOT** send your return to either of these offices. Instead, see **Where do I file?** on page 73.

**What are my rights as a taxpayer?**

You have the right to be treated fairly, professionally, promptly, and courteously by Internal Revenue Service employees. Our goal at the IRS is to protect your rights so that you will have the highest confidence in the integrity, efficiency, and fairness of our tax system. To ensure that you always receive such treatment, you should know about the many rights you have at each step of the tax process. For details, get Pub. 1 by calling 1-800-TAX-FORM (1-800-829-3676) or use the order blank on page 45.

**Answers to frequently asked questions**

**How long will it take to get my refund?** About 4 to 8 weeks after you mail your return. If you file electronically, it should take about 3 weeks. The earlier you file, the faster you'll get your refund. To check on the status of your refund, call Tele-Tax. See page 48 for the number.

**Can I get the earned income credit?** If you earned less than \$23,050 and a child lived with you, you may be able to take the credit. But other rules apply. For details, see page 63.

**Although we supported our unmarried, 19-year-old daughter, she spent most of 1993 away from home at school. Can we claim her as a dependent?** Yes. The time your child spends at school or on vacation counts as time lived with you.

**I'm single, live alone, and have no dependents. Can I file as head of household?** No. To use this filing status, you must have paid over half the cost of keeping up a home for a child or other qualifying person.

**How can I get forms and publications?** Call 1-800-TAX-FORM (1-800-829-3676) during the times shown on page 44; or visit your local IRS office, participating library, bank, or post office; or use the order blank on page 45.

**I asked my employer several times for my W-2 form, but I still don't have it. What should I do?** If you don't get it by February 15, call the toll-free number listed on page 47 for your area. We will ask you for certain information. For details, see page 24.

**I received an IRS notice. I've contacted the IRS at least three times about it, but the problem still hasn't been fixed. What can I do?** Call your local IRS office and ask for Problem Resolution assistance. The number is listed in your phone book.

**Can I take an IRA deduction for the amount I contributed to a 401(k) plan in 1993?** No. A 401(k) plan is not an IRA. The amount you contributed is not included in box 1 of your W-2 form so you don't pay tax on it this year.

**In addition to my regular job, I had a part-time business fixing cars. Do I have to report the money I made in 1993 fixing cars?** Yes. This is self-employment income. You cannot file Form 1040A. Instead, you must file Form 1040 and Schedule C or C-EZ. You may also have to file Schedule SE to pay self-employment tax.

**I started receiving monthly payments from my pension plan in 1993. Are these taxable?** Yes. But if you paid part of the cost of your pension, only part of the amount you received is taxable. To figure the taxable part, see the instructions for lines 11a and 11b on page 26.

**What is "itemizing?" How can I tell if it will help me?** You itemize deductions by filing Schedule A with Form 1040. On Schedule A, you list amounts you paid during the year for certain items such as medical and dental care, state and local income taxes, real estate taxes, home mortgage interest, and gifts to charity. If your itemized deductions are more than your standard deduction, your Federal income tax will be less if you itemize.

## Section 1—Before you fill in Form 1040A

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### Earned income credit

**Earned income credit for 1993.** If you earned less than \$23,050 and a child lived with you, you may be able to take this credit for 1993. To find out if you can, see page 63.

**Earned income credit with your pay.** If you qualify for the earned income credit in 1994, you may be able to get up to \$102 a month with your paycheck instead of waiting until you file your 1994 return. For details, call Tele-Tax (see page 48) and listen to topic 604 or get **Form W-5** from your employer.

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### What's new for 1993?

**Presidential Election Campaign Fund.** You may choose to have \$3 of your tax go to this fund.

**Increased standard deduction and deduction for exemptions.** See lines 19 and 21 of Form 1040A.

**Tax law changes.** For more information about tax law changes for 1993, get Pub. 553.

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### How do I make a gift to reduce the public debt?

If you wish to do so, enclose a separate check with your income tax return. Make it payable to "Bureau of the Public Debt." If you file Form 1040 for 1994 and itemize your deductions, you may be able to deduct this gift.

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### What free tax help is available?

**Tax forms and publications.** You can answer most of your tax questions by reading the tax form instructions or one of our many free tax publications. See page 44.

**Recorded tax information by telephone.** Our Tele-Tax service has recorded tax information covering many topics. See page 48 for the number to call.

**Refund information.** Tele-Tax can tell you the status of your refund. For details, see page 48.

**Telephone help.** IRS representatives are available to help you with your tax questions. If, after reading the tax form instructions and publications, you are not sure how to fill in your return, or have a question about a notice you received from us, please call us. Use the number for your area on page 47.

**Send the IRS written questions.** You may send your written tax questions to your IRS District Director. You should get an answer in about 30 days. If you don't have the address, you can get it by calling the number for your area on page 47.

**Walk-in help.** Assistors are available in most IRS offices throughout the country to help you prepare your return. An assistor will explain or "walk through" a Form 1040EZ, Form 1040A, or Form 1040 and Schedules A and B with you and a number of other taxpayers in a group setting. To find the location of the IRS office nearest you, look in the phone book under "United States Government, Internal Revenue Service."

**Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE).** These programs help older, disabled, low-income, and non-English-speaking people fill in their returns. For details, call the toll-free number for your area on page 47. If you received a Federal income tax package in the mail, take it with you when you go for help.

**Videotaped instructions** for completing your return are available in English and Spanish at many libraries.

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**Large-print forms and instructions.** Pub. 1615 has large-print copies of the 1993 Form 1040A, Schedules 1, 3, and EIC, and their instructions. You can use the large-print copies of the form and schedules as worksheets to figure your tax. You can order Pub. 1615 by calling the IRS toll free at 1-800-TAX-FORM (1-800-829-3676) or you can use the order blank on page 45.

**Telephone help for people with impaired hearing** is available. See page 47 for the number to call. **Braille materials** are available at regional libraries that have special services for people with disabilities.

**Unresolved tax problems.** The **Problem Resolution Program** is for people who have been unable to resolve their problems with the IRS. If you have a tax problem you cannot clear up through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem Resolution assistance. People with impaired hearing who have access to TDD equipment may call 1-800-829-4059 to ask for help from Problem Resolution. This office cannot change the tax law or technical decisions. But it can help you clear up problems that resulted from previous contacts. For more details, call Tele-Tax (see page 48) and listen to topic 104 or get Pub. 1546.

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**Free Social Security Personal Earnings and Benefit Estimate Statement**

You can get a statement of your social security earnings and estimated future benefits by completing Form SSA-7004-SM and returning it to the Social Security Administration (SSA). To get this form, call the SSA toll free at 1-800-772-1213. You can also get the form at any SSA office.

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**Do both the name and social security number on your tax forms agree with your social security card?**

If not, your refund may be delayed or you may not receive credit for your social security earnings.

If your Form W-2, Form 1099, or other tax document shows an incorrect social security number or name, notify your employer or the form-issuing agent as soon as possible to make sure your earnings are credited to your social security record. If the name or number on your social security card is incorrect, call the Social Security Administration toll free at 1-800-772-1213.

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**What if a taxpayer died?**

If a taxpayer died before filing a return for 1993, the taxpayer's spouse or personal representative may have to file and sign a return for that taxpayer. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased taxpayer's property. If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund. The person who files the return should write "DECEASED," the deceased taxpayer's name, and the date of death across the top of the return. **If your spouse died in 1993** and you did not remarry in 1993, or if your spouse died in 1994 before filing a return for 1993, you can file a joint return. A joint return should show your spouse's 1993 income before death and your income for all of 1993. Write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign. The taxpayer's spouse or personal representative should promptly notify all payers of income to the deceased taxpayer, including financial institutions, of his or her death. This will ensure the proper reporting of income earned by the taxpayer's estate or heirs.

**Claiming a refund for a deceased taxpayer.** If you are a surviving spouse filing a joint return with the deceased, file only the tax return to claim the refund. If you are a court-appointed representative, file the return and attach a copy of the certificate that shows your appointment. All other filers requesting the deceased taxpayer's refund must file the return and attach Form 1310.

For more details, call Tele-Tax (see page 48) and listen to topic 356 or get Pub. 559.

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What are the filing dates, penalties, and extensions?

**When is my tax return due?** Your tax return must be postmarked by **April 15, 1994**.

**What if I need more time to file?** If you need more time to complete your return, file Form 4868 with the IRS by April 15, 1994. This form will get you an automatic 4-month extension. If you later find that you still need more time, Form 2688 may get you an additional extension. However, even if you get an extension, the tax you owe is still due April 15, 1994. If you make a payment with Form 4868 or Form 2688, see the instructions for line 28d on page 41.

**What if I file or pay late?** If you file or pay late, the IRS can charge you interest and penalties on the amount you owe.

If you file late, the penalty is usually 5% of the amount due for each month or part of a month your return is late, unless you have a reasonable explanation. If you do, attach it to your return. The penalty cannot usually be more than 25% of the tax due. We will charge you interest on the penalty from the due date of the return (including extensions). If your return is more than 60 days late, the minimum penalty will be \$100 or the amount of any tax you owe, whichever is smaller. If you pay your taxes late, the penalty is usually  $\frac{1}{2}$  of 1% of the unpaid amount for each month or part of a month the tax is not paid. The penalty cannot be more than 25% of the unpaid amount. It applies to any unpaid tax on the return. It also applies to any additional tax shown on a bill not paid within 10 days of the date of the bill.

**Are there other penalties?** Yes. Other penalties can be imposed for negligence, substantial understatement of tax, and fraud. We will charge you interest on these penalties from the due date of the return (including extensions). Criminal penalties may be imposed for willful failure to file, tax evasion, or making a false statement. Get Pub. 17 for details.

In addition to any other penalties, the law imposes a penalty of \$500 for filing a frivolous return. A frivolous return is one that does not contain information needed to figure the correct tax or shows a substantially incorrect tax, because you take a frivolous position or desire to delay or interfere with the tax laws. This includes altering or striking out the preprinted language above the space where you sign.

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Operation Desert Storm

If you were a participant in Operation Desert Storm, the deadline for taking care of tax matters such as filing returns, making contributions to an IRA, or paying taxes may be extended. For details, get Pub. 945.

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Can I use substitute tax forms?

Yes, but only if they meet the requirements in Pub. 1167. You can get Pub. 1167 by writing to the Distribution Center for your state. See page 46 for the address.

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How do I get copies of my tax returns?

If you need a copy of your tax return, use Form 4506. If you have questions about your account, call or write your local IRS office. If you want a printed copy of your account, it will be mailed to you free of charge.

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## Section 2—Filing requirements

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Do I have to file?

These rules apply to all U.S. citizens and resident aliens. They also apply to **nonresident aliens** and **dual-status aliens** who were married to U.S. citizens or residents at the end of 1993 and who have elected to be treated as resident aliens. Other nonresident aliens and dual-status aliens have different filing requirements. They may have to file Form 1040NR. Specific rules apply to

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determine if you are a resident or nonresident alien. Get Pub. 519 for details, including the rules for students and scholars.

Use **Chart A** below to see if you must file a return. But you must use **Chart B** on page 10 if your parent (or someone else) can claim you as a dependent on his or her return. Also, see **Chart C** on page 11 for other situations when you must file.

Even if you do not have to file a return, you should file one to get a refund of any Federal income tax withheld. You should also file to get a refund of the earned income credit if you can take the credit.

**Exception for children under age 14.** If your child is required to file a return and **all four** of the following apply, you may elect to report your child's income on your return. But you must use Form 1040 and Form 8814 to do so. If you make this election, your child does not have to file a return.

1. Your child was under age 14 on January 1, 1994.
2. Your child had income only from interest and dividends (including Alaska Permanent Fund dividends).
3. Your child's gross income was less than \$5,000.
4. Your child had no Federal income tax withheld from his or her income (backup withholding) and did not make estimated tax payments for 1993.

If you and the child's other parent are not filing a joint return, special rules apply. See Form 8814 for details.

### Chart A—For most people

To use this chart, first find your marital status at the end of 1993. Then, read across to find your filing status and age at the end of 1993. You must file a return if your **gross income** was at least the amount shown in the last column. **Gross income** means all income you received in the form of money, goods, property, and services that is not exempt from tax, including any gain on the sale of your home (even if you may exclude or postpone part or all of the gain).

Marital status	Filing status	Age*	Gross income
Single (including divorced and legally separated)	Single	under 65	\$6,050
		65 or older	\$6,950
	Head of household	under 65	\$7,800
		65 or older	\$8,700
Married with a child and living apart from your spouse during the last 6 months of 1993	Head of household (see page 17)	under 65	\$7,800
		65 or older	\$8,700
Married and living with your spouse at end of 1993 (or on the date your spouse died)	Married, joint return	under 65 (both spouses)	\$10,900
		65 or older (one spouse)	\$11,600
		65 or older (both spouses)	\$12,300
	Married, separate return	any age	\$2,350
Married but not living with spouse at end of 1993 (or on the date your spouse died)	Married, joint or separate return	any age	\$2,350
Widowed before 1993 and not remarried in 1993	Single	under 65	\$6,050
		65 or older	\$6,950
	Head of household	under 65	\$7,800
		65 or older	\$8,700
	Qualifying widow(er) with dependent child (see page 18)	under 65	\$8,550
		65 or older	\$9,250

\* If you turned 65 on January 1, 1994, you are considered to be age 65 at the end of 1993.

Do I have to file?  
(continued)

## Chart B—For children and other dependents

(See the instructions for line 6c that begin on page 19 to find out if someone can claim you as a dependent.)

If your parent (or someone else) can claim you as a dependent on his or her return and **any** of the four conditions below apply to you, you must file a return.

In this chart, **unearned income** includes taxable interest and dividends. **Earned income** includes wages, tips, and taxable scholarship and fellowship grants.

**Caution:** *If your gross income was \$2,350 or more, you usually cannot be claimed as a dependent unless you were under 19 **or** under 24 and a student. For details, see **Test 4—Income** on page 20.*

1. **Single dependents under 65.** You must file a return if—

Your unearned income was:	AND	The total of that income plus your earned income was:
\$1 or more		more than \$600
\$0		more than \$3,700

2. **Single dependents 65 or older or blind.** You must file a return if—

- Your earned income was more than \$4,600 (\$5,500 if 65 or older **and** blind), or
- Your unearned income was more than \$1,500 (\$2,400 if 65 or older **and** blind), or
- Your gross income was more than the total of your earned income (up to \$3,700) or \$600, whichever is larger, plus \$900 (\$1,800 if 65 or older **and** blind).

3. **Married dependents under 65.** You must file a return if—

- Your earned income was more than \$3,100, or
- You had any unearned income and your gross income was more than \$600, or
- Your gross income was at least \$5 and your spouse files a separate return on Form 1040 and itemizes deductions.

4. **Married dependents 65 or older or blind.** You must file a return if—

- Your earned income was more than \$3,800 (\$4,500 if 65 or older **and** blind), or
- Your unearned income was more than \$1,300 (\$2,000 if 65 or older **and** blind), or
- Your gross income was more than the total of your earned income (up to \$3,100) or \$600, whichever is larger, plus \$700 (\$1,400 if 65 or older **and** blind), or
- Your gross income was at least \$5 and your spouse files a separate return on Form 1040 and itemizes deductions.

## Chart C—Other situations when you must file

You must also file a return if you received any advance earned income credit (EIC) payments from your employer. These payments should be shown in box 9 of your W-2 form.

You must file a return using Form 1040 if **any** of the following apply for 1993:

- You owe any special taxes, such as social security and Medicare tax on tips you did not report to your employer, or
- You owe uncollected social security and Medicare or RRTA tax on tips you reported to your employer, or
- You owe uncollected social security and Medicare or RRTA tax on your group-term life insurance, or
- You had net earnings from self-employment of at least \$400, or
- You earned wages of \$108.28 or more from a church or a qualified church-controlled organization that is exempt from employer social security and Medicare taxes, or
- You owe tax on a qualified retirement plan, including an individual retirement arrangement (IRA). But if you are filing a return only because you owe this tax, you can file Form 5329 by itself.

**Would it help me to itemize deductions on Form 1040?**

You may be able to reduce your tax by itemizing deductions on Schedule A (Form 1040). Itemized deductions include amounts you paid for state and local income taxes, real estate taxes, mortgage interest, and medical expenses. You may also include gifts to charity. You would usually benefit by itemizing if—

Your filing status is:	and	Your itemized deductions are more than:
<b>Single</b>		
• Under 65		• \$3,700
• 65 or older <b>or</b> blind		• \$4,600
• 65 or older <b>and</b> blind		• \$5,500
<b>Married filing joint</b>		
• Under 65 (both spouses)		• \$6,200
• 65 or older <b>or</b> blind (one spouse)		• \$6,900
• 65 or older <b>or</b> blind (both spouses)		• \$7,600
• 65 or older <b>and</b> blind (one spouse)		• \$7,600
• 65 or older <b>or</b> blind (one spouse) and 65 or older <b>and</b> blind (other spouse)		• \$8,300
• 65 or older <b>and</b> blind (both spouses)		• \$9,000
<b>Married filing separate *</b>		
• Your spouse itemizes deductions		• \$0
• Under 65		• \$3,100
• 65 or older <b>or</b> blind		• \$3,800
• 65 or older <b>and</b> blind		• \$4,500
<b>Head of household</b>		
• Under 65		• \$5,450
• 65 or older <b>or</b> blind		• \$6,350
• 65 or older <b>and</b> blind		• \$7,250
<b>Qualifying widow(er) with dependent child</b>		
• Under 65		• \$6,200
• 65 or older <b>or</b> blind		• \$6,900
• 65 or older <b>and</b> blind		• \$7,600

\* If you can take an exemption for your spouse, see **Standard deduction chart for people age 65 or older or blind** on page 37 for the amount that applies to you.

But if someone can claim you as a dependent, it would benefit you to itemize deductions if they total more than your standard deduction figured on the **Standard deduction worksheet for dependents** on page 37.

**Which form should I use?**

There are three tax returns for individuals: Form 1040EZ, Form 1040A, and Form 1040. You may use Form 1040 if you want to, but you will probably save time if you are able to use Form 1040EZ or Form 1040A instead. But some people must use

	Filing status	Number of dependents	Taxable income	Only income from
<b>Form 1040EZ</b>	<ul style="list-style-type: none"> <li>● Single *</li> <li>● Married filing joint *</li> </ul> <p>* must be under age 65 on 1/1/94 and not blind at the end of 1993</p>	No dependents	Only taxable income (line 6) of less than \$50,000	<ul style="list-style-type: none"> <li>● Wages, salaries, tips</li> <li>● Taxable scholarship and fellowship grants</li> <li>● Interest of \$400 or less</li> </ul>
<b>Form 1040A</b>	<ul style="list-style-type: none"> <li>● Single</li> <li>● Married filing joint</li> <li>● Married filing separate</li> <li>● Head of household</li> <li>● Qualifying widow(er) with dependent child</li> </ul>	All dependents that you are entitled to claim	Only taxable income (line 22) of less than \$50,000	<ul style="list-style-type: none"> <li>● Wages, salaries, tips</li> <li>● Taxable scholarship and fellowship grants</li> <li>● Interest</li> <li>● Dividends</li> <li>● Pensions, annuities, and IRAs</li> <li>● Unemployment compensation</li> <li>● Taxable social security and railroad retirement benefits</li> </ul>
<b>Form 1040</b>	<ul style="list-style-type: none"> <li>● Single</li> <li>● Married filing joint</li> <li>● Married filing separate</li> <li>● Head of household</li> <li>● Qualifying widow(er) with dependent child</li> </ul>	All dependents that you are entitled to claim	Any amount of taxable income (line 37)	<ul style="list-style-type: none"> <li>● Wages, salaries, tips</li> <li>● Taxable scholarship and fellowship grants</li> <li>● Interest</li> <li>● Dividends</li> <li>● Taxable social security and railroad retirement benefits</li> <li>● Unemployment compensation</li> <li>● Self-employment</li> <li>● Rents and royalties</li> <li>● Pensions, annuities, and IRAs</li> <li>● Taxable state and local income tax refunds</li> <li>● Capital gains</li> <li>● Gain from the sale of your home</li> <li>● Alimony received</li> <li>● All other sources</li> </ul>

**When must I use Form 1040?**

You **must** use Form 1040 if:

1. You received **any** of the following types of income:
  - Self-employment income.
  - Certain tips you did not report to your employer. See **Tip income** on page 24.
  - Capital gain distributions or nontaxable distributions.
  - Alaska Permanent Fund dividends.
  - Income received as a partner in a partnership, shareholder in an S corporation, or a beneficiary of an estate or trust.
2. You received or paid interest on securities transferred between interest payment dates.

Form 1040, as explained below. The chart on these pages will help you decide which form to use.

**Caution:** *If you were a nonresident alien at any time in 1993, you may have to file Form 1040NR. Get Pub. 519 for details, including the rules for students and scholars.*

Adjustments to income	Itemized deductions	Other taxes	Tax credits
No adjustments to income	No itemized deductions	No other taxes	No tax credits
Only the deduction for certain contributions to an IRA (including nondeductible contributions to an IRA)	No itemized deductions	Only: <ul style="list-style-type: none"> <li>• Advance earned income credit (EIC) payments</li> <li>• Alternative minimum tax (see page 39)</li> </ul>	Only: <ul style="list-style-type: none"> <li>• Earned income credit (Schedule EIC)</li> <li>• Credit for child and dependent care expenses (Schedule 2)</li> <li>• Credit for the elderly or the disabled (Schedule 3)</li> </ul>
<p>All adjustments to income:</p> <ul style="list-style-type: none"> <li>• Alimony paid</li> <li>• Penalty for early withdrawal of savings</li> <li>• Deduction for certain contributions to an IRA or Keogh plan (including nondeductible contributions to an IRA)</li> <li>• Deduction for self-employed health insurance</li> <li>• Deduction for one-half of self-employment tax</li> <li>• Deduction for clean-fuel vehicles</li> <li>• All other adjustments</li> </ul>	<p>All itemized deductions (use Schedule A):</p> <ul style="list-style-type: none"> <li>• State and local income taxes</li> <li>• Real estate taxes</li> <li>• Home mortgage interest paid</li> <li>• Gifts to charity</li> <li>• Medical and dental expenses</li> <li>• Casualty and theft losses</li> <li>• Moving expenses</li> <li>• Miscellaneous deductions</li> </ul>	<p>All other taxes:</p> <ul style="list-style-type: none"> <li>• Advance earned income credit (EIC) payments</li> <li>• Self-employment tax</li> <li>• Tax on qualified retirement plans (including IRAs)</li> <li>• Alternative minimum tax</li> <li>• Social security and Medicare tax on tips not reported to your employer</li> <li>• Uncollected social security and Medicare tax on tips shown on your Form W-2</li> <li>• Uncollected social security and Medicare tax on your group-term life insurance</li> <li>• All other income taxes</li> </ul>	<p>All tax credits:</p> <ul style="list-style-type: none"> <li>• Earned income credit</li> <li>• Credit for child and dependent care expenses</li> <li>• Credit for the elderly or the disabled</li> <li>• General business credit</li> <li>• Foreign tax credit</li> <li>• Credit for prior year minimum tax</li> <li>• Qualified electric vehicle credit</li> <li>• Credit for Federal tax paid on fuels</li> <li>• Mortgage interest credit</li> <li>• All other credits</li> </ul>

**When must I use Form 1040?**  
(continued)

- You can exclude **either** of the following types of income:
  - Foreign earned income you received as a U.S. citizen or resident alien.
  - Certain income received from sources in a U.S. possession if you were a bona fide resident of American Samoa for all of 1993.
- You had a financial account in a foreign country, such as a bank account or securities account. **Exception.** If the combined value of the accounts was \$10,000 or less during all of 1993 or if the accounts were with a U.S. military banking facility operated by a U.S. financial institution, you may file Form 1040A.
- You are reporting original issue discount (OID) in an amount more or less than the amount shown on Form 1099-OID.

**Where to report certain items from 1993 Forms W-2, 1098, and 1099**

Report any "Federal income tax withheld" from these forms on Form 1040A, line 28a

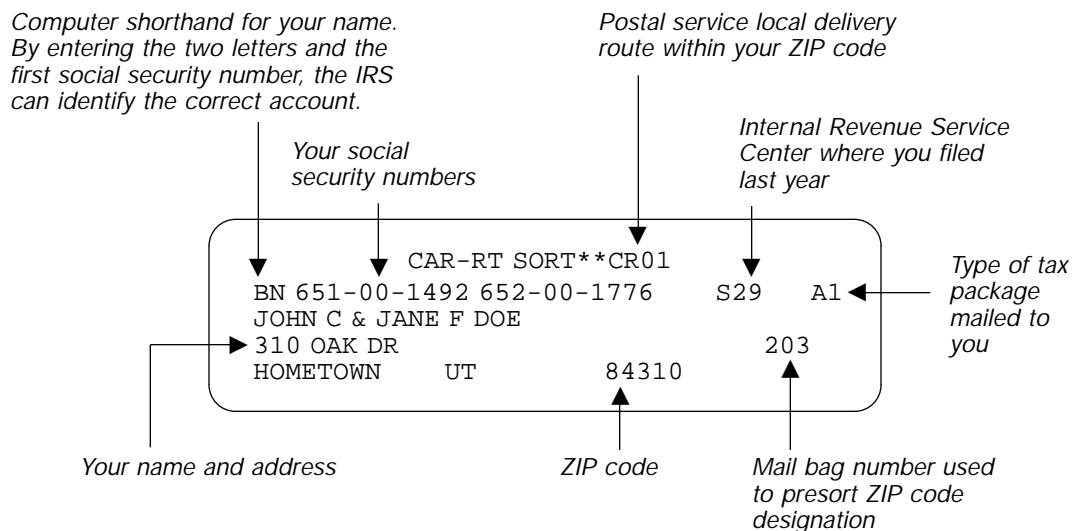
Form	Item and box in which it should appear	Where to report on Form 1040A
W-2	Wages, salaries, tips, etc. (box 1) Allocated tips (box 8) Advance EIC payments (box 9) Dependent care benefits (box 10)	Line 7 See <b>Tip income</b> on page 24 Line 26 Schedule 2, line 11
W-2G	Gambling winnings (box 1)	Must file Form 1040
1098	Mortgage interest (box 1) Points (box 2) Refund of overpaid interest (box 3)	Must file Form 1040 to deduct See the instructions on Form 1098
1099-A	Acquisition or abandonment of secured property	See Pub. 544
1099-B	Stocks, bonds, etc. (box 2) Bartering (box 3)	Must file Form 1040
1099-DIV	Ordinary dividends (box 1b) Capital gain distributions (box 1c) Nontaxable distributions (box 1d) Investment expenses (box 1e) Foreign tax paid (box 3)	Line 9 Must file Form 1040 Line 9 Must file Form 1040
1099-G	Unemployment compensation (box 1)  State/local income tax refund (box 2) Discharge of indebtedness (box 5)	Line 12. But if you repaid any unemployment compensation in 1993, see the instructions for line 12 on page 30 See the instructions on page 23 Must file Form 1040 if taxable (see the instructions on Form 1099-G)
1099-INT	Interest income (box 1) Interest on U.S. savings bonds and Treasury obligations (box 3) Early withdrawal penalty (box 2) Foreign tax paid (box 5)	Line 8a See the instructions for line 8a on page 25 Must file Form 1040
1099-MISC	Miscellaneous income	Must file Form 1040
1099-OID	Original issue discount (box 1) Other periodic interest (box 2) Early withdrawal penalty (box 3)	See the instructions for line 8a on page 25 See the instructions on Form 1099-OID Must file Form 1040
1099-PATR	Patronage dividends and other distributions from a cooperative (boxes 1, 2, 3, and 5)	Must file Form 1040 if taxable (see the instructions on Form 1099-PATR)
1099-R	Distributions from IRAs Distributions from pensions, annuities, etc. Capital gain (box 3)	See the instructions for lines 10a and 10b on page 26 See the instructions for lines 11a and 11b on page 26 See the instructions on Form 1099-R
1099-S	Gross proceeds from real estate transactions (box 2) Buyer's part of real estate tax (box 5)	Must file Form 1040

## Section 3—Line instructions for Form 1040A

### Name, address, and social security number

**Why use the label?** The mailing label on the front of the instruction booklet is designed to speed processing at Internal Revenue Service Centers and prevent common errors that delay refund checks. But don't attach it until you have finished your return. Cross out any errors and print the correct information. Add any missing items, such as your apartment number. Besides your name, address, and social security number, the label contains various code numbers and letters. The diagram below explains what these numbers and letters mean.

### Your mailing label—what does it mean?



**Address change.** If the address on your mailing label is not your current address, cross out your old address and print your new address. If you move after you file your 1993 return, see page 73.

**Name change.** If you changed your name because of marriage, divorce, etc., be sure to report this to your local Social Security Administration office before you file your return. This prevents delays in processing your return and issuing refunds. It also safeguards your future social security benefits. If you received a mailing label, cross out your former name and print your new name.

**If you did not receive a label,** print or type the information in the spaces provided. But if you are married filing a separate return, do not enter your husband's or wife's name here. Instead, show his or her name on line 3.

**Social security number (SSN).** Enter your SSN in the area marked "Your social security number." If you are married, enter your husband's or wife's SSN in the area marked "Spouse's social security number." If you don't have a number, get Form SS-5 from your local Social Security Administration (SSA) office or call the SSA toll free at 1-800-772-1213. Fill it in and return it to the SSA office. If you do not have an SSN by the time your return is due, enter "applied for" in the space for the number.

**Nonresident alien spouse.** If your spouse is a nonresident alien and you file a joint return, your spouse must get a social security number (SSN). But if your spouse cannot get an SSN because he or she had no income from U.S. sources, enter "NRA" in the space for your spouse's SSN. If you file a separate return and your spouse has no social security number and no income, enter "NRA" in the space for your spouse's number.

Name, address,  
and social  
security number  
(continued)

**P.O. box.** If your post office does not deliver mail to your home and you have a P.O. box, show your box number instead of your home address.

**Foreign address.** If your address is outside of the United States or its possessions or territories, enter the information on the line for "City, town or post office, state, and ZIP code" in the following order: city, province or state, postal code, and the name of the country. Do not abbreviate the country name.

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Presidential  
Election  
Campaign Fund

Congress set up this fund to help pay for Presidential election campaign costs. The fund reduces candidates' dependence on large contributions from individuals and groups and places candidates on an equal financial footing in the general election. If you want \$3 of your tax to go to this fund, check the "Yes" box. If you are filing a joint return, your spouse may also have \$3 go to the fund. If you check "Yes," your tax or refund will not change.

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Check the box  
for your filing  
status—  
Lines 1-5

Check **only** the filing status that applies to you. In general, your filing status depends on whether you are considered single or married. The filing statuses are listed below. The ones that will usually give you the lowest tax are listed last.

- Married filing a separate return
- Single
- Head of household
- Married filing a joint return or qualifying widow(er) with dependent child

If more than one filing status applies to you, choose the one that will give you the lowest tax.

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**Line 1 Single.** You may check the box on line 1 if **any** of the following was true on December 31, 1993:

- You were never married, or
- You were legally separated, according to your state law, under a decree of divorce or of separate maintenance, or
- You were widowed before January 1, 1993, and did not remarry in 1993.

If you had a child living with you, you may be able to take the earned income credit on line 28c. See page 63 to find out if you can take the credit.

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**Line 2 Married filing joint return.** You may check the box on line 2 if **any** of the following is true:

- You were married as of December 31, 1993, even if you did not live with your spouse at the end of 1993, or
- Your spouse died in 1993 and you did not remarry in 1993, or
- Your spouse died in 1994 before filing a 1993 return.

A husband and wife may file a joint return even if only one had income or if they did not live together all year. However, both persons must sign the return and both are responsible. This means that if one spouse does not pay the tax due, the other may have to. If you file a joint return for 1993, you may not, after the due date for filing that return, amend that return to file as married filing a separate return.

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**Nonresident aliens and dual-status aliens.** You may be able to file a joint return. Get Pub. 519 for details.

**Line 3 Married filing separate return.** If you file a separate return, you will generally pay more tax than if you file a joint return. Also, if you file a separate return, **all** of the following apply.

- You cannot take the standard deduction if your spouse itemizes deductions on Schedule A of Form 1040.
- You cannot take the credit for child and dependent care expenses in most cases.
- You cannot take the earned income credit.
- You cannot take the credit for the elderly or the disabled unless you lived apart from your spouse for all of 1993.
- You may have to include in income up to one-half of any social security or equivalent railroad retirement benefits you received in 1993.
- You cannot exclude the interest from series EE U.S. savings bonds issued after 1989, even if you paid higher education expenses in 1993.
- Generally, you report only your own income, exemptions, deductions, and credits. Different rules apply to people in community property states. See page 23.

But you may be able to file as head of household if you had a child living with you and you lived apart from your spouse during the last 6 months of 1993. See **Married persons who live apart** on page 18.

**Line 4 Head of household.** This filing status is for **unmarried** individuals who provide a home for certain other persons. (Some **married persons who live apart** may also qualify. See page 18.) You may check the box on line 4 **only if** you were unmarried or legally separated as of December 31, 1993. But **either 1 or 2** below must apply to you.

1. You paid over half the cost of keeping up a home that was the main home for all of 1993 of your **parent** whom you can claim as a dependent. Your parent did not have to live with you in your home; or
2. You paid over half the cost of keeping up a home in which you lived and in which one of the following also lived for more than half of the year (if half or less, see the **Exception** on page 18).
  - Your **unmarried** child, adopted child, grandchild, great-grandchild, etc., or stepchild. This child does not have to be your dependent. But in this case, enter the child's name in the space provided on line 4.
  - Your **married** child, adopted child, grandchild, great-grandchild, etc., or stepchild. This child must be your dependent. But if your married child's other parent claims him or her as a dependent under the rules for **Children of divorced or separated parents** on page 21, this child does not have to be your dependent. Enter the child's name on line 4.
  - Your **foster** child, who must be your dependent.
  - Any other relative you can claim as a dependent. For the definition of a relative, see **Test 1** on page 19. But for this purpose, the **Exception** at the end of that test doesn't apply.

(continued)

**Note:** You **cannot** file as head of household if your child, parent, or relative described on page 17 is your dependent under the rules on page 21 for **Person supported by two or more taxpayers**.

**Married persons who live apart.** Even if you were not divorced or legally separated in 1993, you may be able to file as head of household. You may check the box on line 4 if **all five** of the following apply.

1. You **must** have lived apart from your spouse for the **last 6 months** of 1993.
2. You file a separate return from your spouse.
3. You paid over half the cost of keeping up your home for 1993.
4. Your home was the main home of your child, adopted child, stepchild, or foster child for more than half of 1993 (if half or less, see the **Exception** below).
5. You claim this child as your dependent or the child's other parent claims him or her under the rules for **Children of divorced or separated parents** on page 21. If this child is not your dependent, be sure to enter the child's name on line 4.

**Note:** If all five of the above apply, you may also be able to take the credit for child and dependent care expenses and the earned income credit. You can take the standard deduction even if your spouse itemizes deductions. For more details, see the instructions for these topics.

**Keeping up a home.** To find out what is included in the cost of keeping up a home, get Pub. 501.

If you used payments you received under the **Aid to Families With Dependent Children (AFDC)** program or **other public assistance** programs to pay part of the cost of keeping up your home, you **cannot** count them as money you paid. But you must include them in the total cost of keeping up your home to figure if you paid over half of the cost.

**Dependent.** To find out if someone is your dependent, see the instructions for line 6c.

**Exception.** You can count temporary absences such as for school, vacation, or medical care as time lived in the home.

If the person for whom you kept up a home was born or died in 1993, you may still file as head of household as long as the home was that person's main home for the part of the year he or she was alive.

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**Line 5 Qualifying widow(er) with dependent child.** You may check the box on line 5 and use joint return tax rates for 1993 if **all five** of the following apply.

1. Your spouse died in 1991 or 1992 and you did not remarry in 1993.
  2. You have a child, adopted child, stepchild, or foster child whom you claim as a dependent.
  3. This child lived in your home for all of 1993 (temporary absences such as for vacation or school count as time lived in the home).
  4. You paid over half the cost of keeping up your home for this child.
  5. You could have filed a joint return with your spouse the year he or she died, even if you didn't actually do so.
-

**Do not** claim an exemption for your spouse.

If your spouse died in 1993, you may not file as qualifying widow(er) with dependent child. Instead, see the instructions for line 2.

If you cannot file as qualifying widow(er) with dependent child, read the instructions for line 4 to see if you can file as head of household. You must file as single if you cannot file as qualifying widow(er) with dependent child, married filing joint return, or head of household.

Figure your  
exemptions—  
Lines 6a–6e

For each exemption you can take, you can deduct \$2,350 on line 21.

**Line 6a** Check the box on line 6a **unless** your parent (or someone else) can claim you as a dependent on his or her tax return. For example, if your parents (or someone else) could claim you as a dependent on their return but they chose not to claim you, **do not** check the box on line 6a.

**Line 6b** If you file a joint return and your spouse cannot be claimed as a dependent on another person's return, check the box on line 6b. If you file a separate return, you can take an exemption for your spouse only if your spouse is not filing a return, had no income, and cannot be claimed as a dependent on another person's return. If you were divorced or legally separated at the end of 1993, you cannot take an exemption for your former spouse. If, at the end of 1993, your divorce was not final (an interlocutory decree), you are considered married for the whole year.

**Death of your spouse.** If your spouse died in 1993 and you did not remarry by the end of 1993, check the box on line 6b if you could have taken an exemption for your spouse on the date of death. For other filing instructions, see **What if a taxpayer died?** on page 7.

**Nonresident alien spouse.** If your filing status is married filing separately, you can take an exemption for your nonresident alien spouse only if your spouse had no income from U.S. sources and is not the dependent of another person. If you can take an exemption for your spouse, check the box on line 6b and enter "NRA" to the right of the word "Spouse."

**Line 6c Dependents.** You can take an exemption for each of your dependents who was alive during some part of 1993. This includes a baby **born** in 1993 or a person who **died** in 1993. For more details, get Pub. 501. Any person who meets **all five** of the following tests qualifies as your dependent.

**Test 1—Relationship**

The person must be your relative. But see **Exception** at the end of **Test 1**. The following are considered your relatives:

- Your child, stepchild, adopted child; a child who lived in your home as a family member if placed with you by an authorized placement agency for legal adoption; or a foster child (any child who lived in your home as a family member for the whole year).
- Your grandchild, great-grandchild, etc.
- Your son-in-law, daughter-in-law.
- Your parent, stepparent, parent-in-law.
- Your grandparent, great-grandparent, etc.

(continued)

- Your brother, sister, half brother, half sister, stepbrother, stepsister, brother-in-law, sister-in-law.
- If related by blood, your aunt, uncle, nephew, niece.

Any relationships established by marriage are not treated as ended by divorce or death.

**Exception.** A person who lived in your home as a family member for the entire year can also be considered a dependent. But the relationship must not violate local law.

### **Test 2—Married person**

If the person is married and files a joint return, you cannot take an exemption for the person. However, if the person and the person's spouse file a joint return only to get a refund of all tax withheld, you may be able to claim him or her if the other four tests are met. See Pub. 501 for details.

### **Test 3—Citizen or resident**

The person must be **one** of the following:

- A U.S. citizen or resident alien, or
- A resident of Canada or Mexico, or
- Your adopted child who is not a U.S. citizen, but who lived with you all year in a foreign country.

### **Test 4—Income**

Generally, the person's gross income must be less than \$2,350. Gross income does not include nontaxable income, such as welfare benefits or nontaxable social security benefits. Income earned by a permanently and totally disabled person for services performed at a sheltered workshop school is generally not included for purposes of the income test. See Pub. 501 for details.

**Exception for your child.** Your child can have gross income of \$2,350 or more if:

1. Your child was **under age 19** at the end of 1993, **or**
2. Your child was **under age 24** at the end of 1993 **and** was a **student**.

Your child was a **student** if he or she—

- Was enrolled as a full-time student at a school during any 5 months of 1993, or
- Took a full-time, on-farm training course during any 5 months of 1993. The course had to be given by a school or a state, county, or local government agency.

A **school** includes technical, trade, and mechanical schools. It does not include on-the-job training courses or correspondence schools.

### **Test 5—Support**

The general rule is that you had to provide over half the person's total support in 1993. If you file a joint return, support can come from either spouse. If you remarried, the support provided by your new spouse is treated as support coming from you. For exceptions to the support test, see **Children of divorced or**

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**separated parents and Person supported by two or more taxpayers** on this page.

Support includes food, a place to live, clothing, medical and dental care, and education. It also includes items such as a car and furniture, but only if they are for the person's own use or benefit. In figuring total support:

- Use the actual cost of these items. But you should figure the cost of a place to live at its fair rental value.
- Include money the person used for his or her own support, even if this money was not taxable. Examples are gifts, savings, social security and welfare benefits, and other public assistance payments. This support is treated as **not** coming from you.

Support **does not** include items such as income tax, social security and Medicare tax, life insurance premiums, scholarship grants, or funeral expenses.

If you care for a foster child, see Pub. 501 for special rules that apply.

**Children of divorced or separated parents.** Special rules apply to determine if the support test is met for children of divorced or separated parents. The rules also apply to children of parents who lived apart from each other during the last 6 months of the year, even if they do not have a separation agreement. For these rules, a **custodial parent** is the parent who had custody of the child for most of the year. A **noncustodial parent** is the parent who had custody for the shorter period or who did not have custody at all. See Pub. 501 for the definition of custody.

The general rule is that the custodial parent is treated as having provided over half of the child's total support if both parents together paid over half of the child's support. This means that the custodial parent can claim the child as a dependent if the other dependency tests are also met.

But if you are the noncustodial parent, you are treated as having provided over half of the child's support and can claim the child as a dependent if both parents together paid over half of the child's support, the other dependency tests are met, and **either** 1 or 2 below applies:

1. The custodial parent agrees not to claim the child's exemption for 1993 by signing Form 8332 or a similar statement. But you (as the noncustodial parent) **must** attach this signed Form 8332 or similar statement to your return. Instead of attaching Form 8332, you can attach a copy of certain pages of your divorce decree or separation agreement if it went into effect after 1984 (see **Children who didn't live with you due to divorce or separation** on page 22), or
2. Your divorce decree or written separation agreement went into effect before 1985 and it states that you (the noncustodial parent) can claim the child as a dependent. But you must have given at least \$600 for the child's support in 1993. Also, you must check the pre-1985 agreement box on line 6d. This rule does not apply if your decree or agreement was changed after 1984 to say that you cannot claim the child as your dependent.

**Person supported by two or more taxpayers.** Even if you did not pay over half of another person's support, you might still be able to claim him or her as a dependent if **all five** of the following apply.

1. You and one or more other eligible person(s) together paid over half of another person's support.
  2. You paid over 10% of that person's support.
-

3. No one alone paid over half of that person's support.
4. Tests 1 through 4 on pages 19 and 20 are met.
5. Each eligible person who paid over 10% of support completes Form 2120, and you attach these forms to your return. The form states that only you will claim the person as a dependent for 1993.

An **eligible person** is someone who could have claimed another person as a dependent except that he or she did not pay over half of that person's support.

After figuring out who you can claim as a dependent, fill in the columns on line 6c. If you have more than seven dependents, attach a statement to your return. Give the same information as in columns (1) through (5) for each dependent.

**Column (1).** Enter the name of each dependent.

**Column (2).** If your dependent was under age 1 on December 31, 1993, put a checkmark in column (2).

**Column (3).** Any dependent age 1 or older must have a social security number. You must enter that number in column (3). If you do not enter it or if the number is wrong, you may have to pay a \$50 penalty. If your dependent does not have a number, he or she should apply for one by filing Form SS-5 with your local Social Security Administration (SSA) office. It usually takes about 2 weeks to get a number. If your dependent won't have a number when you are ready to file your return, ask the SSA to give you a receipt. When you file your return, enter "applied for" in column (3). If the SSA gave you a receipt, attach a copy of it to your return. If your dependent lives in Canada or Mexico, see Pub. 501 for details on how to get a social security number.

**Column (4).** Enter your dependent's relationship to you. For example, if the dependent is your child, enter "son" or "daughter."

**Column (5).** Enter the number of months your dependent lived with you in 1993. Do not enter more than 12. Count temporary absences, such as school or vacation, as time lived in your home. If your dependent was born or died in 1993, enter "12" in this column. If your dependent lived in Canada or Mexico during 1993, don't enter a number. Instead, enter "CN" or "MX," whichever applies.

**Children who didn't live with you due to divorce or separation.** If you are claiming a child who didn't live with you under the rules for **Children of divorced or separated parents** on page 21, enter the total number of such children on the line to the right of line 6c labeled "No. of your children on 6c who: didn't live with you due to divorce or separation." If you put a number on this line, you **must** do one of the following **each** year you claim the child as a dependent.

- Check the box on line 6d if your divorce decree or written separation agreement went into effect before 1985 and it states that you can claim the child as your dependent.
  - Attach Form 8332 or similar statement to your return. If your divorce decree or separation agreement went into effect after 1984 and it unconditionally states that you can claim the child as your dependent, you may attach a copy of the following pages from the decree or agreement instead of Form 8332:
    1. Cover page (enter the other parent's social security number on this page), and
    2. The page that unconditionally states you can claim the child as your dependent, and
-

3. Signature page showing the date of the agreement.

**Note:** You must attach the required information even if you filed it in an earlier year.

**Other dependent children.** Enter the total number of children who did not live with you for reasons other than divorce or separation on the line labeled "Dependents on 6c not entered above." Include dependent children who lived in Canada or Mexico during 1993.

Figure your total  
income—  
Lines 7-14

### Rounding off to whole dollars

You may find it easier to do your return if you round off cents to the nearest whole dollar. You can drop amounts that are less than 50 cents. For example, \$129.39 becomes \$129. Increase amounts that are 50 cents or more to the next whole dollar. For example, \$235.50 becomes \$236. If you do round off, do so for all amounts. But if you have to add two or more amounts to figure the amount to enter on a line, include cents when adding and only round off the total.

**Example.** You received two W-2 forms, one showing wages of \$5,009.55 and one showing wages of \$8,760.73. On Form 1040A, line 7, you would enter \$13,770 (\$5,009.55 + \$8,760.73 = \$13,770.28).

### Refunds of state or local income taxes

If you received a refund, credit, or offset of state or local income taxes in 1993, the state or other taxing authority may send you a Form 1099-G. This form will show the amount of this refund, credit, or offset. You **do not** have to include this amount in your income for 1993 if, in the year the tax was paid to the state or other taxing authority, you filed:

- Form 1040EZ, or
- Form 1040A, or
- Form 1040 and you **did not itemize** deductions on Schedule A (Form 1040).

If the amount shown on Form 1099-G was for a tax you deducted as an itemized deduction on Form 1040, you may have to report part or all of the amount shown on Form 1099-G as income on Form 1040 for 1993. Call Tele-Tax (see page 48) and listen to topic 405 or get Pub. 525 for details.

### Special rules for people in community property states

Married couples living in community property states must follow state law to determine what is community income and what is separate income. Community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin.

Pub. 555 explains the rules for couples living in community property states. In general, the special rules for reporting only your own income apply if **(1)** you and your spouse lived apart all year, **(2)** you do not file a joint return, and **(3)** none of the community income you earned was transferred to your spouse.

**Line 7** Show the total of your income from wages, salaries, and tips. This should be shown in box 1 of your W-2 form from your employer. For a joint return, be sure to include your spouse's income on line 7.

Also, include on line 7 disability pensions if you have not reached the minimum retirement age set by your employer. Disability pensions received after you reach your employer's minimum retirement age and other pensions shown on

Form 1099-R (other than payments from an IRA) are reported on lines 11a and 11b of Form 1040A. Payments from an IRA are reported on lines 10a and 10b.

**If you don't have a W-2 form** by January 31, 1994, ask your employer for one. If you don't get it by February 15, call the toll-free telephone number for your area listed on page 47. You will be asked for your employer's name, address, telephone number, and, if known, identification number. You will also be asked for your address, social security number, daytime telephone number, dates of employment, and your best estimate of your total wages and Federal income tax withheld. Even if you don't get a W-2 form from your employer, you must still report your earnings. If you lose your W-2 form or it is incorrect, ask your employer for a new one.

**Tip income.** Be sure to report all tip income you actually received, even if it is not included in box 1 of your W-2 form(s). But you must use Form 1040 and Form 4137 instead of Form 1040A if (1) you received tips of \$20 or more in any month and did not report the full amount to your employer OR (2) your W-2 form(s) shows **allocated tips** that you **must** report as income. You must report as income the amount of allocated tips shown on your W-2 form(s) unless you can prove a smaller amount with adequate records. Allocated tips should be shown in box 8 of your W-2 form(s). They are not included in box 1 of your W-2 form(s). Form 4137 is used to figure the social security and Medicare tax on unreported tips. If you reported the full amount to your employer but the social security and Medicare tax was not withheld, you are still required to pay the taxes. For more details on tips, get Pub. 531.

**Employer-provided vehicle.** If you used an employer-provided vehicle for both personal and business purposes and 100% of the annual lease value of the vehicle was included in the wages box (box 1) of your W-2 form, you may be able to deduct the business use of the vehicle. But you must use Form 1040 and Form 2106 to do so. The total annual lease value of the vehicle should be shown in either box 12 or 14 of your W-2 form or on a separate statement. For more details, get Pub. 917.

**Excess salary deferrals.** If you chose to have your employer contribute part of your pay to certain retirement plans (such as a 401(k) plan or the Federal Thrift Savings Plan) instead of having it paid to you, the "Deferred compensation" box in box 15 of your W-2 form should be checked. The amount deferred should be shown in box 13. The total amount that may be deferred for 1993 under all plans is generally limited to \$8,994 for each person. But a different limit may apply if amounts were deferred under a tax-sheltered annuity plan or an eligible plan of a state or local government or tax-exempt organization. Get Pub. 575 for details. If the total amount deferred exceeds these limits, you must use Form 1040.

**Scholarship and fellowship grants.** If you received a scholarship or fellowship that was granted **after** August 16, 1986, part or all of it may be taxable even if you didn't receive a W-2 form. If you were a degree candidate, the amounts you used for expenses other than tuition and course-related expenses are taxable. For example, amounts used for room, board, and travel are taxable. If you were not a degree candidate, the full amount of the scholarship or fellowship is taxable. Add the taxable amount not reported on a W-2 form to any other amounts on line 7. Then, write "SCH" and the taxable amount not reported on a W-2 form in the space to the left of line 7.

**Dependent care benefits (DCB).** If you received benefits for 1993 under your employer's dependent care plan, you may be able to exclude part or all of them from your income. But you must use Schedule 2 to do so. The benefits should be shown in box 10 of your W-2 form(s). First, go to Schedule 2 and fill in Parts I and III. Include any taxable benefits from line 20 of that schedule on Form 1040A, line 7. In the space to the left of line 7, write "DCB."

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**Caution:** *If you have a child who was born in 1993 and you earned less than \$23,050, you may be able to take the extra credit for a child born in 1993 on **Schedule EIC**. But you **cannot** take the extra credit **and** the exclusion of dependent care benefits for the same child. To see which would benefit you more, read **A change to note** on page 59.*

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**Line 8a Taxable interest.** Report all of your taxable interest income on line 8a even if it is \$400 or less. If the total is over \$400 or any of the other conditions listed at the beginning of the Schedule 1 instructions (see page 56) apply to you, first fill in Schedule 1, Part I.

Each payer should send you a Form 1099-INT or Form 1099-OID showing interest you must report. A copy of the form is also sent to the IRS. Even if you did not receive a Form 1099-INT or Form 1099-OID, you must report all taxable interest.

If you received a 1993 Form 1099-INT for U.S. savings bond interest that includes amounts you reported before 1993, get Pub. 550.

Include taxable interest from seller-financed mortgages, banks, savings and loan associations, money market certificates, credit unions, savings bonds, etc. Also, include any interest you received or that was credited to your account so you could withdraw it, even if it wasn't entered in your passbook. Interest credited in 1993 on deposits that you could not withdraw because of the bankruptcy or insolvency of the financial institution may not have to be included in your 1993 income. For details, see Pub. 550.

But you must use Form 1040 if **any** of the following apply:

- You are reporting original issue discount (OID) in an amount more or less than the amount shown on Form 1099-OID, or
- You received or paid accrued interest on securities transferred between interest payment dates, or
- You acquired taxable bonds after 1987 and are electing to reduce the interest income on the bonds by any amortizable bond premium.

Be sure each payer of interest income has your correct social security number. Otherwise, the payer may withhold 31% of the interest income (backup withholding). You may also be subject to penalties.

For more information, call Tele-Tax (see page 48) and listen to topic 403 or see Pub. 550.

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**Line 8b Tax-exempt interest.** If you received any tax-exempt interest, such as from municipal bonds, report it on line 8b. Include any exempt-interest dividends from a mutual fund. **Do not** report interest earned on your IRA on line 8b.

You should not have received a Form 1099-INT for tax-exempt interest. But if you did, fill in Schedule 1 and see the instructions on page 57.

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**Line 9 Dividends.** Report your total dividends on line 9 even if they total \$400 or less. If the total is over \$400 or you received dividends as a nominee (that is, in your name but the dividends actually belong to someone else), first fill in Schedule 1, Part II (see page 57).

Dividends are distributions of money, stock, or other property that corporations pay to stockholders. Each payer should send you a Form 1099-DIV. A copy of the

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form is also sent to the IRS. Even if you did not receive a Form 1099-DIV, you must report all taxable dividends.

But you must use Form 1040 if you had capital gain or nontaxable distributions.

Be sure each payer of dividends has your correct social security number. Otherwise, the payer may withhold 31% of the dividend income (backup withholding). You may also be subject to penalties.

For more information, get Pub. 550.

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**Lines 10a and 10b IRA distributions.** Use lines 10a and 10b to report payments (distributions) you received from your individual retirement arrangement (IRA). These include regular distributions, early distributions, rollovers, and any other money or property you received from your IRA account or annuity. You should receive a Form 1099-R showing the amount of your distribution. Attach Form 1099-R to Form 1040A if any Federal income tax was withheld from your distribution.

But you must use Form 1040 if you owe an additional tax on an early distribution from your IRA. For details, get Pub. 590. If the total amount of the early distribution was rolled over, you do not owe this tax.

If you made any nondeductible contributions to your IRA for 1993 or an earlier year or you rolled your IRA distribution over into another IRA, see below. **Do not** use line 10a or 10b to report a rollover from a qualified employer's plan to an IRA. Instead, see the instructions for lines 11a and 11b.

If your IRA distribution is fully taxable, enter it on line 10b; **do not** make an entry on line 10a. If only part is taxable, enter the total distribution on line 10a and the taxable part on line 10b.

**Nondeductible contributions.** If you made nondeductible contributions for any year, part of your IRA distribution may be nontaxable. Get Form 8606 to figure the taxable part of your IRA distribution. If you made any nondeductible contributions for 1993, you may need to make a special computation. See Pub. 590 for details. Enter the total distribution on line 10a and the taxable part on line 10b.

**Rollovers.** A rollover is a tax-free transfer of cash or other assets from one retirement program to another. Use lines 10a and 10b to report a rollover from one IRA to another IRA. Enter the total distribution on line 10a. If the total on line 10a was rolled over, enter zero on line 10b. If the total was not rolled over, enter the part not rolled over on line 10b. But if you ever made nondeductible contributions to any of your IRAs, use Form 8606 to figure the taxable part to enter on line 10b. For more details, see Pub. 590.

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**Lines 11a and 11b Pensions and annuities.** Use lines 11a and 11b to report pension and annuity payments you received, including disability pensions received after you reach the minimum retirement age set by your employer. Disability pensions received before you reach your employer's minimum retirement age are reported on line 7. Also, use lines 11a and 11b to report payments (distributions) from profit-sharing plans, retirement plans, and employee-savings plans. See page 28 for information on rollovers and lump-sum distributions. You should receive a Form 1099-R showing the amount of your pension or annuity. Attach Form 1099-R to Form 1040A if any Federal income tax was withheld from your pension or annuity.

**Do not** use lines 11a and 11b to report any social security or railroad retirement benefits shown on Forms SSA-1099 and RRB-1099. Instead, see the instructions for lines 13a and 13b.

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**Caution:** *Certain transactions, such as loans against your interest in a qualified plan, may be treated as taxable distributions and may also be subject to additional taxes. For details, get Pub. 575. If you owe an additional tax, you must use Form 1040.*

**Fully taxable pensions and annuities.** If your pension or annuity is fully taxable, enter it on line 11b; **do not** make an entry on line 11a. Your pension or annuity payments are fully taxable if **either** of the following applies:

- You did not contribute to the cost of your pension or annuity, or
- You used the 3-Year Rule and you got your entire cost back tax free before 1993.

Fully taxable pensions and annuities also include military retirement pay shown on Form 1099-R. For information on military disability pensions, get Pub. 525. If you received a Form RRB-1099-R, get Pub. 575 to see how to report your benefits.

**Partially taxable pensions and annuities.** If your pension or annuity is partially taxable and your Form 1099-R does not show the taxable part, you must use the General Rule to figure the taxable part. The General Rule is explained in Pub. 939. But if your annuity starting date (defined below) was **after** July 1, 1986, you may be able to use the Simplified General Rule explained below to figure the taxable part of your pension or annuity.

If you choose to, you may submit a ruling request to the IRS before the due date of your return (including extensions) and the IRS will figure the taxable part for you for a \$50 fee. For details on how to do this, see Pub. 939.

If your Form 1099-R shows a taxable amount, you may report that amount on line 11b. But you may use the General Rule or, if you qualify, the Simplified General Rule to see if you can report a lower taxable amount.

Once you have figured the taxable part of your pension or annuity, enter that amount on line 11b and the total amount on line 11a.

**Annuity starting date.** Your annuity starting date is the later of:

1. The first day of the first period for which you received a payment from the plan, or
2. The date on which the plan's obligations became fixed.

**Simplified General Rule.** Using this method will usually result in at least as much of the pension or annuity being tax free each year as under the General Rule or as figured by the IRS. You qualify to use this simpler method if **all four** of the following apply.

1. Your annuity starting date was **after** July 1, 1986.
2. The pension or annuity payments are for (a) your life or (b) your life and that of your beneficiary.
3. The pension or annuity payments are from a qualified employee plan, a qualified employee annuity, or a tax-sheltered annuity.
4. At the time the pension or annuity payments began, either you were under age 75 or, if you were 75 or older, the number of years of guaranteed payments was fewer than 5.

If you qualify, use the worksheet on page 29 to figure the taxable part of your pension or annuity. But if you received U.S. Civil Service retirement benefits

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and you chose the lump-sum credit option, use the worksheet in Pub. 721 instead of the one on page 29. If you are a beneficiary entitled to a death benefit exclusion (see below), add the exclusion to the amount you enter on line 2 of the worksheet even if you received a Form 1099-R showing a taxable amount. The payer of the annuity cannot add the death benefit exclusion to your cost when figuring the taxable amount. Attach a signed statement to your return stating that you are entitled to a death benefit exclusion. For more details on the Simplified General Rule, see Pub. 575 or Pub. 721.

**Age at annuity starting date.** If you are the retiree, use your age on the annuity starting date. If you are the survivor of a retiree, use the retiree's age on his or her annuity starting date. If you are the beneficiary of an employee who died, see Pub. 575. If there is more than one beneficiary, see Pub. 575 or Pub. 721 to figure each beneficiary's taxable amount.

**Changing methods.** If your annuity starting date was **after** July 1, 1986, you may be able to change from the General Rule to the Simplified General Rule (or the other way around). For details, see Pub. 575 or Pub. 721.

**Death benefit exclusion.** If you are the beneficiary of a deceased employee or deceased former employee, amounts paid to you by, or on behalf of, an employer because of the death of the employee may qualify for a death benefit exclusion of up to \$5,000. If you are entitled to this exclusion, add it to the cost of the pension or annuity. Special rules apply if you are the survivor under a joint and survivor's annuity. For details, see Pub. 575.

**Rollovers.** A rollover is a tax-free transfer of cash or other assets from one retirement program to another. Use lines 11a and 11b to report a rollover, including a direct rollover, from one qualified employer's plan to another or to an IRA.

Enter on line 11a the total distribution including any Federal tax withheld. This amount should be shown in box 1 of Form 1099-R. If the total on line 11a (minus any contributions that were taxable to you when made) was rolled over, either directly or within 60 days of receiving the distribution, enter zero on line 11b. Otherwise, subtract the amount that was rolled over and any contributions that were taxable to you when made from the total on line 11a. Enter the result on line 11b. Special rules apply to partial rollovers of property. For more details on rollovers, including distributions under qualified domestic relations orders, see Pub. 575.

**Lump-sum distributions.** If you received a lump-sum distribution from a profit-sharing or retirement plan, your Form 1099-R should have the "Total distribution" box in box 2b checked. Enter the total distribution on line 11a and the taxable part on line 11b.

You may pay less tax on the distribution if you were born before 1936, you meet certain other conditions, and you choose to use Form 4972 to figure the tax on any part of the distribution. You may also be able to use Form 4972 if you are the beneficiary of a deceased employee who was born before 1936 and was age 50 or older on the date of death. But you must use Form 1040 to do so. For details, get Form 4972.

You must also use Form 1040 if you owe an additional tax on an early distribution from a qualified retirement plan. See Pub. 575 for details. If the total amount of the early distribution was rolled over, you do not owe this tax.

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Simplified  
General Rule  
worksheetSimplified General Rule worksheet—Lines 11a and 11b  
(keep for your records)

1.	Enter the total pension or annuity payments received this year. Also, enter this amount on Form 1040A, line 11a.	1.	<input type="text"/>
2.	Enter your cost in the plan at the annuity starting date plus any death benefit exclusion.	2.	<input type="text"/>
3.	Age at annuity starting date (see instructions on page 28):	Enter:	
	55 and under . . . . .	300	
	56-60 . . . . .	260	
	61-65 . . . . .	240	
	66-70 . . . . .	170	
	71 and older . . . . .	120	3. <input type="text"/>
4.	Divide line 2 by the number on line 3.	4.	<input type="text"/>
5.	Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was <b>before</b> 1987, also enter this amount on line 8; skip lines 6 and 7. Otherwise, go to line 6.	5.	<input type="text"/>
6.	Enter the amount, if any, recovered tax free in years after 1986.	6.	<input type="text"/>
7.	Subtract line 6 from line 2.	7.	<input type="text"/>
8.	Enter the <b>smaller</b> of line 5 or line 7.	8.	<input type="text"/>
9.	<b>Taxable amount.</b> Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040A, line 11b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R.	9.	<input type="text"/>

**Note:** *If you had more than one partially taxable pension or annuity, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040A, line 11b. Enter the total pension or annuity payments received in 1993 on Form 1040A, line 11a.*

**Line 12 Unemployment compensation.** Enter on line 12 the unemployment compensation (insurance) you received. By January 31, 1994, you should receive a Form 1099-G showing the total amount paid to you during 1993. This amount should be shown in box 1.

If you received an overpayment of unemployment compensation in 1993 and you repaid any of it in 1993, subtract the amount you repaid from the total amount you received. Enter the result on line 12. Write "Repaid" and the amount you repaid in the space to the left of line 12. If you repaid unemployment compensation in 1993 that you included in gross income in an earlier year, you can deduct the amount repaid. But you must use Form 1040 to do so. Get Pub. 525 for details.

Do not include on line 12 any supplemental unemployment benefits you received from a company-financed supplemental unemployment benefit fund. Instead, report these benefits as wages on line 7. If you pay back these supplemental unemployment benefits in a later year because you receive payments under the Trade Act of 1974, you can deduct the repayment. But you must use Form 1040 to do so. For more details, see Pub. 525.

**Caution:** *If you expect to receive unemployment compensation in 1994, which may cause you to owe tax when you file your return next year, you may need to make estimated tax payments during 1994. See **Income tax withholding and estimated tax payments for 1994** on page 74.*

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**Lines 13a and 13b Social security benefits.** Social security and equivalent railroad retirement benefits you received may be taxable in some instances. Social security benefits include any monthly benefit under title II of the Social Security Act or the part of a tier 1 railroad retirement benefit treated as a social security benefit. Social security benefits do not include any Supplemental Security Income (SSI) payments.

By January 31, 1994, you should receive a Form SSA-1099 showing in box 3 the total social security benefits paid to you in 1993. Box 4 will show the amount of any benefits you repaid in 1993. If you received railroad retirement benefits treated as social security, you should receive a Form RRB-1099. For more details, get Pub. 915.

**Caution:** *Do not use lines 13a and 13b to report any railroad retirement benefits shown on Form RRB-1099-R. Instead, see the instructions for lines 11a and 11b.*

To find out if any of your benefits are taxable, first complete Form 1040A, lines 7 through 12, and 15c if they apply to you. Then, use the worksheet on page 31. However, **do not** use the worksheet on page 31 if any of the following apply to you:

- You made IRA contributions for 1993 and you were covered by a retirement plan at work. Instead, use the worksheets in Pub. 590 to see if any of your social security benefits are taxable and to figure your IRA deduction.
  - You file Form 8815. Instead, use the worksheet in Pub. 915.
  - You repaid any benefits in 1993 and your total repayments (box 4) were more than your total benefits for 1993 (box 3). **None** of your benefits are taxable for 1993. In addition, you may be able to take an itemized deduction for part of the excess repayments if they were for benefits you included in gross income in an earlier year. But you must use Form 1040 to do so. See Pub. 915.
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Social security  
benefits worksheet

## Social security benefits worksheet—Lines 13a and 13b (keep for your records)

*If you are married filing separately and you **lived apart** from your spouse for all of 1993, enter "D" in the space to the left of line 13a.*

1. Enter the amount from box 5 of all your Forms SSA-1099 and Forms RRB-1099. 1.

**Note:** *If line 1 is zero or less, stop here; none of your social security benefits are taxable. Otherwise, go to line 2.*

2. Divide line 1 above by 2. 2.

3. Add the amounts on Form 1040A, lines 7, 8a, 9, 10b, 11b, and 12. Do not include here any amounts from box 5 of Forms SSA-1099 or RRB-1099. 3.

4. Enter the amount, if any, from Form 1040A, line 8b. 4.

5. Add lines 2, 3, and 4. 5.

6. Enter the amount, if any, from Form 1040A, line 15c. 6.

7. Subtract line 6 from line 5. 7.

8. Enter on line 8 the amount shown below for your filing status.
- Single, Head of household, or Qualifying widow(er) with dependent child, enter \$25,000
  - Married filing jointly, enter \$32,000
  - Married filing separately, enter -0- (\$25,000 if you **lived apart** from your spouse for all of 1993)
8.

9. Subtract line 8 from line 7. If zero or less, enter -0-. 9.

- If line 9 is zero, stop here. None of your social security benefits are taxable. Do not enter any amount on line 13a or 13b. But if you are married filing separately and you **lived apart** from your spouse for all of 1993, enter -0- on line 13b. Be sure you entered "D" to the left of line 13a.
- If line 9 is more than zero, go to line 10.

10. Divide line 9 above by 2. 10.

11. **Taxable social security benefits.** First, enter on Form 1040A, line 13a, the amount from line 1 above. Then, enter the **smaller** of line 2 or line 10 here and on Form 1040A, line 13b. 11.

**Note:** *If part of your benefits are taxable for 1993 and they include benefits paid in 1993 that were for a prior year, you may be able to reduce the taxable amount shown on the worksheet. Get Pub. 915 for details.*

1994 social  
security benefits

If your 1994 income, including one-half of your social security benefits, is over \$34,000 if single (over \$44,000 if married filing jointly), more of your benefits may be taxable. For some people, up to 85 percent of their benefits will be taxable in 1994. For details, including rules for married persons filing separately, get Pub. 553.

Figure your  
adjusted  
gross  
income—  
Lines 15a–16

Lines 15a  
and 15b

**IRA deduction.** If you made contributions to an Individual Retirement Arrangement (IRA) for 1993, you may be able to take an IRA deduction. Read the instructions below and on page 33 to see if you can take this deduction and, if you can, which worksheet to use to figure it. Enter your IRA deduction on line 15a. If you file a joint return, enter your spouse's deduction on line 15b. You should receive a statement by May 31, 1994, that shows all contributions to your IRA for 1993.

But you **must** use Form 1040 if you owe tax on any excess contributions made to an IRA, or any excess accumulations in an IRA. For details, get Pub. 590.

**Caution:** You **may not** deduct contributions to a 401(k) plan or the Federal Thrift Savings Plan. These amounts are not included as income in box 1 of your W-2 form.

**Were you covered by an employer retirement plan?** If you were covered by a plan at work, your IRA deduction may be reduced or eliminated. But you can still make contributions to an IRA even if you can't deduct them. In any case, the income earned on your contributions is not taxed until it is paid to you. The "Pension plan" box in box 15 of your W-2 form should be checked if you were covered by a plan (such as a 401(k) plan). This box should be checked even if you were not vested in the plan.

If you were covered by a plan and you file Form 8815, get Pub. 590 to figure the amount, if any, of your IRA deduction.

**Special rule for married individuals who file separate returns.** If you were not covered by a plan but your spouse was, **you** are considered covered by a plan unless you **lived apart** from your spouse for all of 1993. See the chart below to find out if you can take the deduction and, if you can, which worksheet to use.

**Not covered by a retirement plan.** If you (and your spouse if filing a joint return) were not covered by a plan at work, use **worksheet 1** on page 34 to figure your deduction.

**Covered by a retirement plan.** If you (or your spouse if filing a joint return) were covered by a plan at work, see the chart below. It will tell you if you can take the deduction and, if you can, which worksheet to use.

### Chart for people covered by a retirement plan\*

If you (or your spouse if filing a joint return) were covered by a retirement plan and—

Your filing status is:	And Form 1040A, line 14, is:	You can take:
Single, Head of household, or Married filing separately and <b>lived apart</b> from your spouse for all of 1993	\$25,000 or less	Full IRA deduction (use <b>worksheet 1</b> on page 34)
	Over \$25,000 but less than \$35,000	Partial IRA deduction (use <b>worksheet 2</b> on pages 34–35)
	\$35,000 or more	No IRA deduction (but see <b>Nondeductible contributions</b> on page 33)
Married filing jointly or Qualifying widow(er) with dependent child	\$40,000 or less	Full IRA deduction (use <b>worksheet 1</b> on page 34)
	Over \$40,000 but less than \$50,000	Partial IRA deduction (use <b>worksheet 2</b> on pages 34–35)
	\$50,000 or more	No IRA deduction (but see <b>Nondeductible contributions</b> on page 33)
Married filing separately and lived with your spouse at any time during 1993	Over -0- but less than \$10,000	Partial IRA deduction (use <b>worksheet 2</b> on pages 34–35)
	\$10,000 or more	No IRA deduction (but see <b>Nondeductible contributions</b> on page 33)

\* If married filing separately and you were not covered by a plan but your spouse was, **you** are considered covered by a plan unless you **lived apart** from your spouse for all of 1993.



**Nondeductible contributions.** You can make nondeductible contributions to your IRA. You can do this even if you are allowed to deduct part or all of your contributions. Your nondeductible contribution is the difference between the total allowable contributions to your IRA and the amount you deduct.

**Example.** Your filing status is single and you paid \$2,000 into your IRA. You were covered by a retirement plan at work and the amount on Form 1040A, line 14, is over \$35,000 (all wages). You can't deduct the \$2,000. But you can treat it as a nondeductible contribution.

Use Form 8606 to report all contributions you treat as nondeductible. If you don't, you may have to pay a \$50 penalty. Also, use Form 8606 to figure the basis (nontaxable part) of your IRA. If you and your spouse each make nondeductible contributions, each of you must complete a separate Form 8606.

**Read the following list before you fill in your IRA worksheet.**

- If you were age 70½ or older at the end of 1993, you cannot deduct any contributions made to your IRA for 1993 or treat them as nondeductible contributions.
  - If you made contributions to your IRA in 1993 that you deducted for 1992, **do not** include them in the worksheet.
  - If you received a distribution from a nonqualified deferred compensation plan, see Pub. 590 to figure your IRA deduction. The distribution should be shown in box 11 of your W-2 form.
  - Your IRA deduction can't be more than the total of your wages, salaries, and tips.
  - If the total of your IRA deduction on Form 1040A plus any nondeductible contribution on your Form 8606 is less than your total IRA contributions for 1993, see Pub. 590 for special rules.
  - You must file a joint return to deduct contributions to your nonworking spouse's IRA. A **nonworking spouse** is one who had no wages or other earned income in 1993, or a working spouse who chooses to be treated as having no earned income for figuring the deduction.
  - Do not include rollover contributions in figuring your deduction. See the instructions for lines 10a and 10b on page 26 for more details on rollover contributions.
  - Do not include trustee's fees that were billed separately and paid by you for your IRA. You may be able to deduct those fees as an itemized deduction. But you must use Form 1040 to do so.
  - If married filing a joint return and both spouses worked and had IRAs, figure each spouse's deduction separately using columns (a) and (b) of the worksheet.
-

IRA worksheet 1

IRA worksheet 1—Lines 15a and 15b (keep for your records)

	(a) Your IRA	(b) Your working spouse's IRA
1. Enter IRA contributions you made, or will make by April 15, 1994, for 1993. But <b>do not</b> enter more than \$2,000 in either column.	1. <input type="text"/>	<input type="text"/>
2. Enter wages, salaries, and tips for each person from Form 1040A, line 7.	2. <input type="text"/>	<input type="text"/>
3. Enter the <b>smaller</b> of line 1 or line 2. Enter on Form 1040A, line 15a, the amount from line 3, column (a). Enter on Form 1040A, line 15b, the amount, if any, from line 3, column (b). If filing a joint return and contributions were made to your nonworking spouse's IRA, go to line 4.	3. <input type="text"/>	<input type="text"/>

**Nonworking spouse's IRA**

4. Enter the <b>smaller</b> of line 2, column (a), or \$2,250.	4. <input type="text"/>
5. Enter the amount from line 3, column (a).	5. <input type="text"/>
6. Subtract line 5 from line 4.	6. <input type="text"/>
7. Enter IRA contributions made, or that will be made by April 15, 1994, for 1993 for your nonworking spouse. But <b>do not</b> enter more than \$2,000.	7. <input type="text"/>
8. Enter the <b>smaller</b> of line 6 or line 7. Also, enter this amount on Form 1040A, line 15b.	8. <input type="text"/>

IRA worksheet 2

IRA worksheet 2—Lines 15a and 15b (keep for your records)

1. If your filing status is:	<table style="border: none;"> <tr> <td style="font-size: 3em; vertical-align: middle;">{</td> <td>Single or Head of household, enter \$35,000</td> </tr> <tr> <td></td> <td>Married filing jointly or Qualifying widow(er), enter \$50,000</td> </tr> <tr> <td></td> <td>Married filing separately, enter \$10,000*</td> </tr> </table>	{	Single or Head of household, enter \$35,000		Married filing jointly or Qualifying widow(er), enter \$50,000		Married filing separately, enter \$10,000*	1. <input type="text"/>
{	Single or Head of household, enter \$35,000							
	Married filing jointly or Qualifying widow(er), enter \$50,000							
	Married filing separately, enter \$10,000*							
2. Enter the amount from Form 1040A, line 14. If this amount is equal to or more than the amount on line 1, none of your IRA contributions are deductible. Stop here. If you want to make a nondeductible IRA contribution, see Form 8606.		2. <input type="text"/>						
3. Subtract line 2 from line 1. <b>If the result is \$10,000 or more, stop here and use worksheet 1.</b>		3. <input type="text"/>						
4. Multiply line 3 above by 20% (.20). If the result is not a multiple of \$10, round it up to the next multiple of \$10 (for example, round \$490.30 to \$500). If the result is \$200 or more, enter the result. But if it is less than \$200, enter \$200. Go to line 5 on page 35.		4. <input type="text"/>						

\* Enter \$10,000 only if you lived with your spouse at any time in 1993. If you **lived apart** from your spouse for all of 1993, enter \$35,000.

**IRA worksheet 2**  
 (continued)

		(a) Your IRA	(b) Your working spouse's IRA
<b>Deductible IRA contributions</b>			
5. Enter wages, salaries, and tips for each person from Form 1040A, line 7.	5.	<input type="text"/>	<input type="text"/>
6. Enter IRA contributions you made, or will make by April 15, 1994, for 1993. But <b>do not</b> enter more than \$2,000 in either column.	6.	<input type="text"/>	<input type="text"/>
7. Enter the <b>smallest</b> of line 4, 5, or 6. This is the most you can deduct. Enter on Form 1040A, line 15a, the amount from line 7, column (a). Enter on Form 1040A, line 15b, the amount, if any, from line 7, column (b). If line 6 is more than line 7, go to line 8.	7.	<input type="text"/>	<input type="text"/>
<b>Nondeductible IRA contributions</b>			
8. Subtract line 7 from line 5 or line 6, whichever is <b>smaller</b> . Enter on line 1 of your Form 8606 the amount from line 8 you choose to make nondeductible.	8.	<input type="text"/>	<input type="text"/>
<b>If filing a joint return and contributions were made to your nonworking spouse's IRA, go to line 9.</b>			
<b>Deductible IRA contributions for nonworking spouse</b>			
9. Enter the <b>smaller</b> of line 5, column (a), or \$2,250.	9.	<input type="text"/>	
10. Add the amount on line 7, column (a), to the part of line 8, column (a), that you choose to make nondeductible.	10.	<input type="text"/>	
11. Subtract line 10 from line 9. If the result is zero or less, stop here. You cannot make deductible or nondeductible IRA contributions for your nonworking spouse.	11.	<input type="text"/>	
12. Enter the <b>smallest</b> of (a) IRA contributions made, or that will be made by April 15, 1994, for 1993 that are for your nonworking spouse; (b) \$2,000; or (c) the amount on line 11.	12.		<input type="text"/>
13. Multiply line 3 above by 22.5% (.225). If the result is not a multiple of \$10, round it up to the next multiple of \$10. If the result is \$200 or more, enter the result. But if it is less than \$200, enter \$200.	13.	<input type="text"/>	
14. Enter the amount from line 7, column (a).	14.	<input type="text"/>	
15. Subtract line 14 from line 13.	15.	<input type="text"/>	
16. Enter the <b>smaller</b> of line 12 or line 15.	16.	<input type="text"/>	
17. Enter the <b>smallest</b> of line 4, 5, or 16. This is the most you can deduct. Enter this amount on Form 1040A, line 15b. If line 12 is more than line 17, go to line 18.	17.		<input type="text"/>
<b>Nondeductible IRA contributions for nonworking spouse</b>			
18. Subtract line 17 from line 12. Enter on line 1 of your spouse's Form 8606 the amount from line 18 that you choose to make nondeductible.	18.		<input type="text"/>

Figure your standard deduction, exemption amount, and taxable income—  
Lines 17–22

**Line 18a** If you were age 65 or older or blind, check the appropriate boxes on line 18a. If you were married and checked the box on line 6b on page 1 of Form 1040A and your spouse was age 65 or older or blind, also check the appropriate boxes on line 18a. Then, add the number of boxes checked on line 18a. Enter the total in the box provided on line 18a. You need to know this total to use the **Standard deduction chart for people age 65 or older or blind** on page 37.

**Age.** If you were age 65 or older on January 1, 1994, check the “65 or older” box on your 1993 return.

**Blindness.** If you were completely blind as of December 31, 1993, attach a statement to your return describing this condition. If you were partially blind, you must attach a statement certified by your eye doctor or registered optometrist that:

- You can't see better than 20/200 in your better eye with glasses or contact lenses, or
- Your field of vision is 20 degrees or less.

If your eye condition is not likely to improve beyond the conditions listed above, attach a statement certified by your eye doctor or registered optometrist to this effect. Keep a copy of this statement for your records. If you attached this statement in a prior year, attach a note saying that you have already filed a statement.

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**Line 18b Dependents.** If your parent (or someone else) can claim you as a dependent on his or her return (even if that person chose not to claim you), check the box on line 18b. You must use the **Standard deduction worksheet for dependents** on page 37 to figure your standard deduction.

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**Line 18c** If you are married filing a separate return and your spouse itemizes deductions on a separate return, check the box on line 18c. You CANNOT take the standard deduction even if you were age 65 or older or blind (that is, you completed line 18a). Enter zero on line 19 and go to line 20. If you have any itemized deductions, such as state and local income taxes, your Federal income tax will be less if you itemize your deductions, but you must use Form 1040 to do so.

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**Line 19 Standard deduction.** Most people can find their standard deduction by looking at line 19 of Form 1040A. But if you checked **any** of the boxes on **line 18a or 18b**, use the chart or worksheet on page 37 that applies to you to figure your standard deduction. Also, if you checked the box on **line 18c**, you **cannot** take the standard deduction even if you were age 65 or older or blind.

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**Standard deduction chart for people age 65 or older or blind**

**Standard deduction chart for people age 65 or older or blind**  
If someone can claim you as a dependent, use the worksheet below instead.

Enter the number from the box on line 18a of Form 1040A. ►

**Caution:** Do not use the number of exemptions from line 6e.

If your filing status is:	And the number in the box above is:	Enter on Form 1040A, line 19:
Single	1	\$4,600
	2	\$5,500
Married filing a joint return or Qualifying widow(er) with dependent child	1	\$6,900
	2	\$7,600
	3	\$8,300
	4	\$9,000
Married filing a separate return	1	\$3,800
	2	\$4,500
	3	\$5,200
	4	\$5,900
Head of household	1	\$6,350
	2	\$7,250

**Standard deduction worksheet for dependents**

**Standard deduction worksheet for dependents** (keep for your records)  
Use this worksheet **ONLY** if someone can claim you as a dependent.

1. Enter the amount from Form 1040A, line 7. If none, enter -0-.	1.	<input type="text"/>
2. Minimum amount.	2.	<input type="text" value="600.00"/>
3. Enter the <b>larger</b> of line 1 or line 2.	3.	<input type="text"/>
4. Enter on line 4 the amount shown below for your filing status. <ul style="list-style-type: none"> <li>• Single, enter \$3,700</li> <li>• Married filing a separate return, enter \$3,100</li> <li>• Married filing a joint return or Qualifying widow(er) with dependent child, enter \$6,200</li> <li>• Head of household, enter \$5,450</li> </ul>	4.	<input type="text"/>
5. <b>Standard deduction.</b>		
a. Enter the <b>smaller</b> of line 3 or line 4. If under 65 and not blind, stop here and enter this amount on Form 1040A, line 19. Otherwise, go to line 5b.	5a.	<input type="text"/>
b. If 65 or older or blind, multiply \$900 (\$700 if married filing a joint or separate return, or qualifying widow(er) with dependent child) by the number on Form 1040A, line 18a.	5b.	<input type="text"/>
c. Add lines 5a and 5b. Enter the total here and on Form 1040A, line 19.	5c.	<input type="text"/>

**Line 22** Subtract line 21 from line 20. Your tax is figured on this amount.

**Tax figured by the IRS.** If you want, we will figure your tax for you. If you have paid too much, we will send you a refund. If you did not pay enough, we'll send you a bill. We won't charge you interest or a late payment penalty if you pay within 30 days of the notice date or by the due date for filing your return, whichever is later.

**Note:** If you are required to use **Form 8615, Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,200**, or if you want any of your refund applied to your 1994 estimated tax, we cannot figure your tax for you.

(continued)

To have us figure your tax for you, please do all of the following.

1. Fill in the parts of your return through line 22 that apply to you.
2. If you file a joint return, use the space to the left of line 22 to separately show your own and your spouse's taxable income.
3. Complete lines 24a, 24b, 26, and 28a through 28d if they apply to you. Read the instructions below if you want us to figure your credit for the elderly or the disabled, or your earned income credit.
4. Attach the first copy or Copy B of all your W-2 forms and any 1099-R form that shows Federal income tax withheld.
5. Fill in and attach any schedules or forms asked for on the lines you completed.
6. Sign and date your return (both spouses must sign a joint return) and enter your occupation(s).
7. Mail your return by April 15, 1994.

**We will also figure the following credits:**

**Credit for the elderly or the disabled.** If you can take this credit, attach Schedule 3 to your return and write "CFE" in the space to the left of line 24b. Check the box on Schedule 3 for your filing status and age, and fill in lines 11 and 13 of Part III if applicable. Also, complete Part II if applicable.

**Earned income credit (EIC).** Read the instructions that begin on page 63 to see if you can take this credit. If you can, enter "EIC" on the line next to line 28c. Fill in Page 1 of Schedule EIC and attach it to your Form 1040A. If you don't have to file a return, but are filing only to take the earned income credit, follow all of the above instructions.

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Figure your tax, credits, and payments—  
Lines 23–28d

**Line 23** Find your tax in the tax table on pages 50–55.

**Form 8615.** If this return is for a child who was under age 14 on January 1, 1994, and the child had more than \$1,200 of investment income, such as taxable interest or dividends, Form 8615 must be used to figure the tax. But if neither of the child's parents was alive at the end of 1993, do not use Form 8615. Instead, use the tax table to figure the child's tax.

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**Line 24a** **Child and dependent care credit.** You may be able to take this credit if you paid someone to care for your child **under age 13** or your dependent or spouse who could not care for himself or herself. But to do so, the care must have been provided so that you (and your spouse if you were married) could work or look for work and you must have had income from a job.

Use Schedule 2 to figure the credit. If you received any dependent care benefits for 1993, you must file Schedule 2 to figure the amount of the benefits you may exclude from your income even if you cannot take the credit. For more details, including special rules for divorced or separated parents, see the instructions for Schedule 2 that begin on page 58 and Pub. 503.

**Note:** *If the care was provided in your home, both you and the employee may have to pay a share of the social security and Medicare tax on the employee's wages. You may also have to pay Federal unemployment tax. For more details, get Pub. 926.*

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**Line 24b Credit for the elderly or the disabled.** You may be able to take this credit and reduce your tax if by the end of 1993:

- You were age 65 or older, **or**
- You were under age 65, you retired on **permanent and total** disability, and you had taxable disability income in 1993.

**Income limits.** Generally, you cannot take the credit if your income is equal to or more than the dollar amount shown below that applies to you.

<b>If you are:</b>	<b>You generally cannot take the credit if:</b>
Single, Head of household, or Qualifying widow(er)	The amount on Form 1040A, line 17, is \$17,500 or more; or you received \$5,000 or more of nontaxable social security or other nontaxable pensions
Married filing a joint return and only one spouse is eligible for the credit	The amount on Form 1040A, line 17, is \$20,000 or more; or you received \$5,000 or more of nontaxable social security or other nontaxable pensions
Married filing a joint return and both spouses are eligible for the credit	The amount on Form 1040A, line 17, is \$25,000 or more; or you received \$7,500 or more of nontaxable social security or other nontaxable pensions
Married filing a separate return and you lived apart from your spouse all year	The amount on Form 1040A, line 17, is \$12,500 or more; or you received \$3,750 or more of nontaxable social security or other nontaxable pensions

For more details, see the separate instructions for Schedule 3 and Pub. 524. If you want the IRS to figure the credit for you, see the instructions for line 22.

**Line 26 Advance earned income credit (EIC) payments.** If you received advance EIC payments, enter them on line 26. These payments should be shown in box 9 of your W-2 form(s).

**Line 27** Add lines 25 and 26. Enter the total on line 27. Also, if you owe the alternative minimum tax (see below), include that tax in the total on line 27.

**Alternative minimum tax.** If **both** 1 and 2 below apply to you, use the worksheet on page 40 to see if you owe this tax and, if you do, the amount to include on line 27.

1. The amount on Form 1040A, line 17, plus any tax-exempt interest on Form 1040A, line 8b, is more than \$45,000 if married filing jointly or qualifying widow(er); more than \$33,750 if single or head of household; more than \$22,500 if married filing separately.
2. The amount on Form 1040A, line 21, is more than \$9,400.

**Caution:** *If filing for a child under age 14 and the amount on Form 1040A, line 17, plus the child's tax-exempt interest from private activity bonds issued after August 7, 1986, is more than the total of \$1,000 plus the amount on Form 1040A, line 7, **do not** file this form. Instead, file Form 1040 for the child and use Form 6251 to see if the child owes this tax.*

Alternative  
minimum tax  
worksheet

## Alternative minimum tax worksheet (keep for your records)

1.	Enter the amount from Form 1040A, line 17, plus any tax-exempt interest from private activity bonds issued after August 7, 1986.	1.	<input type="text"/>
2.	Enter on line 2 the amount shown below for your filing status. <ul style="list-style-type: none"> <li>• Single or Head of household, enter \$33,750.</li> <li>• Married filing jointly or Qualifying widow(er) with dependent child, enter \$45,000.</li> <li>• Married filing separately, enter \$22,500.</li> </ul>	2.	<input type="text"/>
3.	Subtract line 2 from line 1. If zero or less, <b>stop here</b> ; you don't owe this tax. <ul style="list-style-type: none"> <li>• If you are married filing separately, go to line 4.</li> <li>• All others, enter the amount from line 3 on line 6 and go to line 7.</li> </ul>	3.	<input type="text"/>
4.	Subtract \$75,000 from the amount on line 1. If zero or less, enter -0- here and on line 5 and go to line 6.	4.	<input type="text"/>
5.	Multiply line 4 by 25% (.25).	5.	<input type="text"/>
6.	Add lines 3 and 5.	6.	<input type="text"/>
7.	Multiply line 6 by 26% (.26).	7.	<input type="text"/>
8.	Enter the amount from Form 1040A, line 23.	8.	<input type="text"/>
9.	<b>Alternative minimum tax.</b> If line 8 is equal to or more than line 7, you don't owe this tax. Otherwise, subtract line 8 from line 7 and enter the result. Also, include this amount in the total on Form 1040A, line 27. Write "AMT" and show the amount in the space to the left of line 27.	9.	<input type="text"/>

**Line 28a Federal income tax withheld.** Add the amounts shown as Federal income tax withheld on your Forms W-2 and 1099-R. Enter the total on line 28a. The amount of Federal income tax withheld should be shown in box 2 of Form W-2 and box 4 of Form 1099-R. If line 28a includes amounts withheld as shown on Form 1099-R, check the box on line 28a. Be sure to attach the Form 1099-R.

**Backup withholding.** If you received a 1993 Form 1099 showing Federal income tax withheld (backup withholding) on dividends or interest income, include the amount withheld in the total on line 28a. This should be shown in box 2 of Form 1099-DIV and in box 4 of the other 1099 forms. Be sure to check the box on line 28a.

**Line 28b 1993 estimated tax payments.** Enter any payments you made on your estimated Federal income tax (Form 1040-ES) for 1993. Include any overpayment from your 1992 return that you applied to your 1993 estimated tax.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, either of you can claim all of the amount paid. Or you can each claim part of it. Get Pub. 505 for details on how to divide your payments. Be sure to show both social security numbers (SSNs) in the space provided on the separate returns. If you or your spouse paid separate estimated tax but you



are now filing a joint income tax return, add the amounts you each paid. Follow these instructions even if your spouse died in 1993 or in 1994 before filing a 1993 return.

**Divorced taxpayers.** If you were divorced in 1993 and you made joint estimated tax payments with your former spouse, enter your former spouse's SSN in the space provided on the front of Form 1040A. If you were divorced and remarried in 1993, enter your present spouse's SSN in the space provided on the front of Form 1040A. Also, in the margin to the left of line 28b, write your former spouse's SSN, followed by "DIV."

**Name change.** If you changed your name because of marriage, divorce, etc., and you made estimated tax payments using your former name, attach a statement to the front of Form 1040A explaining all the payments you and your spouse made in 1993, the service center where you made the payments, and the name(s) and SSN(s) under which you made the payments.

**Line 28c Earned income credit (EIC).** If the amount on line 16 is less than \$23,050 and a child lived with you, you may be able to take this credit. Read the instructions for Schedule EIC that begin on page 63 to see if you can take this credit. If you can, use Schedule EIC to figure the credit. If you want the IRS to figure the credit for you, see the instructions for Schedule EIC. You may be able to get advance earned income credit payments in 1994 by filing a Form W-5 with your employer.

**Line 28d** Add lines 28a, 28b, and 28c. Enter the total on line 28d. Also, include in the total on line 28d any of the following that applies.

**Amount paid with extensions of time to file.** If you filed Form 4868 to get an automatic extension of time to file Form 1040A, include in the total on line 28d the amount you paid with that form. To the left of line 28d, write "Form 4868" and show the amount paid. Also, include any amount paid with Form 2688 if you filed for an additional extension.

**Excess social security taxes withheld.** If you had more than one employer for 1993 and your total wages were over \$57,600, your employers may have withheld too much social security tax. If so, you can include the excess amount in the total on line 28d. Get Pub. 505 to figure any excess amount to include on line 28d. Also, write "Excess SST" and show the amount in the space to the left of line 28d. If any employer withheld more than \$3,571.20 of social security tax, you must ask that employer to refund the excess to you. You cannot claim it on your return.

**Excess railroad retirement (RRTA) taxes withheld.** If you had more than one railroad employer for 1993 and your total compensation was over \$57,600, your employers may have withheld too much tier 1 tax. If your total compensation was over \$42,900, your employers may have withheld too much tier 2 tax. Get Pub. 505 to figure any excess amount to include on line 28d. If any employer withheld more than \$3,571.20 of tier 1 RRTA tax or more than \$2,102.10 of tier 2 tax, you must ask that employer to refund the excess to you. You cannot claim it on your return.

Figure your  
refund or  
amount you  
owe—  
Lines 29–33

**Line 29 Amount overpaid.** If you had too much tax withheld, line 28d will be more than line 27. Subtract line 27 from line 28d and enter the result on line 29. If line 29 is less than \$1, we will send the refund only if you request it when you file your return.

**Note:** If the amount you overpaid is large, you may want to decrease the amount of income tax withheld from your pay. See **Income tax withholding and estimated tax payments for 1994** on page 74.

**Injured spouse claim.** If you file a joint return and your spouse has not paid child or spousal support payments or certain Federal debts such as student loans, all or part of the overpayment on line 29 may be used to pay the past due amount. But **your** part of the overpayment may be refunded to you if **all three** of the following apply:

1. You are not required to pay the past due amount.
2. You received and reported income (such as wages, taxable interest, etc.) on the joint return.
3. You made and reported payments (such as Federal income tax withheld from your wages or estimated tax payments) on the joint return.

If **all three** of the above apply to you and you want your part of the amount on line 29 refunded to you, complete Form 8379. Write "Injured spouse" in the upper left corner of Form 1040A and attach Form 8379. If you have already filed your return for 1993, file Form 8379 by itself to get your refund. You may also be able to file an injured spouse claim for prior years. See Form 8379 for details.

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**Line 31 Amount applied to 1994 estimated tax.** Subtract line 30 from line 29 and enter the result on line 31. This is the amount that will be applied to your estimated tax for 1994. We will apply this amount to your account unless you request us to apply it to your spouse's account. The request should include your spouse's social security number.

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**Line 32 Amount you owe.** If you did not have enough tax withheld or did not pay enough estimated tax, line 27 will be more than line 28d. Subtract line 28d from line 27 and enter the result on line 32. This is the amount you owe. Attach to the front of your return a check or money order payable to the Internal Revenue Service for the full amount when you file. Write your name, address, social security number, daytime phone number, and "1993 Form 1040A" on your payment. Be sure to attach your payment on top of any Forms W-2, 1099-R, etc., on the front of your return. You do not have to pay if line 32 is under \$1.

**Do not** include any estimated tax payment in your check or money order. Mail any estimated tax payment in an envelope separate from the one you use to pay the tax due on Form 1040A.

**Note:** If you owe tax for 1993, you may need to **(a)** increase the amount of income tax withheld from your pay or **(b)** make estimated tax payments for 1994. See ***Income tax withholding and estimated tax payments for 1994*** on page 74.

**Installment payments.** If you cannot pay the full amount shown on line 32 with your return, you may ask to make monthly installment payments. However, you will be charged interest and a late payment penalty on the tax not paid by April 15, even if your request to pay in installments is granted. To limit the interest and penalty charges, pay as much of the tax as possible with your return. But before requesting an installment agreement, you should consider other less costly alternatives, such as a bank loan.

To ask for an installment agreement, attach to the front of your return either a completed **Form 9465**, Installment Agreement Request, or your written request. You can get Form 9465 by calling 1-800-TAX-FORM (1-800-829-3676). A written request should include your name, address, social security number, the amount shown on line 32, the amount you paid with your return, and the amount and date you can pay each month. It should also include the tax year and the form number (Form 1040A). You should receive a response to your request for installments within 30 days. But if you file your return after March 31, it may take us longer to reply.

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**Line 33 Estimated tax penalty.** If line 32 is at least \$500 and it is more than 10% of the tax shown on line 27 of your return, you may owe this penalty. Also, the penalty may be due if you underpaid your 1993 estimated tax liability for any payment period. Get Form 2210 to see if you owe the penalty. If so, use the form to figure the amount. Because Form 2210 is complicated, if you want, the IRS will figure the penalty for you and send you a bill. In certain situations, you may be able to lower your penalty. See **Lowering the penalty** below.

**Exceptions to the penalty.** You will not owe the penalty if:

1. You had no tax liability for 1992, you were a U.S. citizen or resident for all of 1992, AND your 1992 tax return was for a tax year of 12 full months, **or**
2. The total of lines 28a and 28b on your 1993 return is at least as much as your 1992 tax liability, AND your 1992 tax return was for a tax year of 12 full months. Your estimated tax payments for 1993 must have been made on time and for the required amount.

**Caution:** *Item 2 above may not apply if your 1993 adjusted gross income (AGI) on Form 1040A, line 17: (a) is over \$75,000 (over \$37,500 if married filing separately), AND (b) exceeds your 1992 AGI by more than \$40,000 (more than \$20,000 if married filing separately). If these conditions apply to you, see Form 2210 and its instructions for details.*

**Figuring the penalty.** If the **Exceptions** above do not apply and you choose to figure the penalty yourself, use Form 2210. Enter the penalty on Form 1040A, line 33. Add the penalty to any tax due and enter the total on line 32. If you are due a refund, subtract the penalty from the overpayment you show on line 29. **Do not** file Form 2210 with your return. Instead, keep it for your records.

If you leave line 33 blank, the IRS will figure the penalty and send you a bill. We will not begin to charge you interest on the penalty until 10 days after the date of the bill.

**Lowering the penalty.** In the following situations, you may be able to lower the amount of your penalty.

- You claim a waiver.
- Your income varied during the year and you use the annualized income installment method to figure your required payments.
- You had Federal income tax withheld from your wages and you treat it as being paid when it was actually withheld (instead of in four equal amounts).

If any of the situations above apply to you, complete Form 2210 to see if your penalty can be lowered. If so, you **must** file Form 2210 with your return. For more details, see the Instructions for Form 2210.

## Sign your return

Form 1040A is not considered a valid return unless you sign it. If you are filing a joint return, your spouse must also sign. Be sure to date your return and enter your occupation(s). If you are filing a joint return with your deceased spouse, see **What if a taxpayer died?** on page 7.

**Child's return.** If your child cannot sign the return, sign your child's name in the space provided. Then, add "By (your signature), parent for minor child."

**Paid preparers must sign your return.** Generally, anyone you pay to prepare your return must sign it. A preparer who is required to sign your return must sign it by hand in the space provided (signature stamps or labels cannot be used) and give you a copy of the return for your records. Someone who prepares your return for you but does not charge you should not sign your return.

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## Section 4—General information

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### How do I get forms and publications?

Generally, individuals receive tax packages containing the forms and schedules that seem right for them based on what they filed last year. Forms, schedules, and publications you may need are listed below. If you do not have any tax questions and you only need tax forms and publications, you can—

- Visit your local IRS office.
- Visit a participating bank or post office to get Forms 1040, 1040A, 1040EZ, Schedules A, B, and EIC, Schedules 1 and 2, and their instructions.
- Visit a participating library, which stocks a wider variety of forms and publications.
- Use the order blank on page 45. You should either receive your order or notification of the status of your order within 7-15 workdays after we receive your request.
- Call us toll free at 1-800-TAX-FORM (1-800-829-3676). The hours of operation during the filing season are **8:00 A.M. to 5:00 P.M. (weekdays)** and **9:00 A.M. to 3:00 P.M. (Saturdays)**. For callers in Alaska and Hawaii, the hours are Pacific Standard Time. For callers in Puerto Rico, the hours are Eastern Standard Time. You should get your order or notification of the status of your order within 7-15 workdays after you call.

**You can get the following forms, schedules, and instructions at participating banks, post offices, or libraries.**

#### **Form 1040**

Instructions for Form 1040 & Schedules

**Schedule A** for itemized deductions

**Schedule B** for interest and dividend income if over \$400, and for answering the foreign accounts or foreign trusts questions

**Schedule EIC** for claiming the earned income credit

#### **Form 1040A**

Instructions for Form 1040A & Schedules

**Schedule 1** for Form 1040A filers to report interest and dividend income

**Schedule 2** for Form 1040A filers to report child and dependent care expenses

#### **Form 1040EZ**

Instructions for Form 1040EZ

You can photocopy the items listed below (as well as those listed above) at participating libraries or order them from the IRS.

**Schedule 3**, Credit for the Elderly or the Disabled for Form 1040A Filers

**Schedule C**, Profit or Loss From Business

**Schedule C-EZ**, Net Profit From Business

**Schedule D**, Capital Gains and Losses

**Schedule E**, Supplemental Income and Loss

**Schedule F**, Profit or Loss From Farming

**Schedule R**, Credit for the Elderly or the Disabled

**Schedule SE**, Self-Employment Tax

**Form 1040-ES**, Estimated Tax for Individuals

**Form 1040X**, Amended U.S. Individual Income Tax Return

**Form 2106**, Employee Business Expenses

**Form 2119**, Sale of Your Home

**Form 2210**, Underpayment of Estimated Tax by Individuals and Fiduciaries

**Form 2441**, Child and Dependent Care Expenses

**Form 3903**, Moving Expenses

**Form 4562**, Depreciation and Amortization

**Form 4868**, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return

**Form 5329**, Additional Taxes Attributable to Qualified Retirement Plans (Including IRAs), Annuities, and Modified Endowment Contracts

**Form 8283**, Noncash Charitable Contributions

**Form 8582**, Passive Activity Loss Limitations

**Form 8606**, Nondeductible IRAs (Contributions, Distributions, and Basis)

**Form 8822**, Change of Address

**Form 8829**, Expenses for Business Use of Your Home

**Pub. 1**, Your Rights as a Taxpayer

**Pub. 17**, Your Federal Income Tax

**Pub. 334**, Tax Guide for Small Business

**Pub. 463**, Travel, Entertainment, and Gift Expenses

**Pub. 501**, Exemptions, Standard Deduction, and Filing Information

**Pub. 502**, Medical and Dental Expenses

**Pub. 505**, Tax Withholding and Estimated Tax

**Pub. 508**, Educational Expenses

**Pub. 521**, Moving Expenses

**Pub. 523**, Selling Your Home

**Pub. 525**, Taxable and Nontaxable Income

**Pub. 527**, Residential Rental Property (Including Rental of Vacation Homes)

**Pub. 529**, Miscellaneous Deductions

**Pub. 550**, Investment Income and Expenses

**Pub. 554**, Tax Information for Older Americans

**Pub. 575**, Pension and Annuity Income

**Pub. 590**, Individual Retirement Arrangements (IRAs)

**Pub. 596**, Earned Income Credit

**Pub. 910**, Guide to Free Tax Services (includes a list of publications)

**Pub. 917**, Business Use of a Car

**Pub. 929**, Tax Rules for Children and Dependents

**Pub. 936**, Home Mortgage Interest Deduction

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**How do I use the order blank?**

1. Cut the order blank on the dotted line and **be sure to print or type your name accurately in the space provided.**
2. Circle the items you need. Use the blank spaces to order items not listed. If you need more space, attach a separate sheet of paper listing the additional items you need. To help reduce waste, please order only the items you think you will need to prepare your return. We will send you two copies of each form and one copy of each set of instructions or publication you circle.
3. Enclose the order blank in your own envelope and send it to the IRS address shown on page 46. Do not use the envelope we sent you in your tax package because this envelope may be used only for filing your income tax return. You should either receive your order or notification of the status of your order within 7-15 workdays after we receive your request.

Detach at this line

**Order blank**

Name

**Fill in your name and address**

Number, street, and apt. number

City, town or post office, state, and ZIP code

**Circle desired forms, instructions, and publications**

1040	Schedule F (1040)	1040EZ	3903 & instructions	8829 & instructions	Pub. 508	Pub. 575	
Instructions for 1040 & Schedules	Schedule R (1040) & instructions	Instructions for 1040EZ	4562 & instructions	Pub. 1	Pub. 521	Pub. 590	
Schedules A&B (1040)	Schedule SE (1040)	1040-ES & instructions (1994)	4868 & instructions	Pub. 17	Pub. 523	Pub. 596	
Schedule C (1040)	1040A	1040X & instructions	5329 & instructions	Pub. 334	Pub. 525	Pub. 910	
Schedule C-EZ (1040)	Instructions for 1040A & Schedules	2106 & instructions	8283 & instructions	Pub. 463	Pub. 527	Pub. 917	
Schedule D (1040)	Schedule 1 (1040A)	2119 & instructions	8582 & instructions	Pub. 501	Pub. 529	Pub. 929	
Schedule E (1040)	Schedule 2 (1040A)	2210 & instructions	8606 & instructions	Pub. 502	Pub. 550	Pub. 936	
Schedule EIC (1040A or 1040)	Schedule 3 (1040A) & instructions	2441 & instructions	8822 & instructions	Pub. 505	Pub. 554		

Where do I send my order for free forms and publications?

**Caution:** *Do not send your tax return to any of the addresses listed below. Instead, see **Where do I file?** on page 73.*

**If you live in:**

**Send your order blank to:**

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Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Montana, Nevada, New Mexico, Oklahoma, Oregon, Utah, Washington, Wyoming, Guam, Northern Marianas, American Samoa

Western Area Distribution Center  
Rancho Cordova, CA  
95743-0001

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Alabama, Arkansas, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, Texas, Wisconsin

Central Area Distribution Center  
P.O. Box 8903  
Bloomington, IL 61702-8903

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Eastern Area Distribution Center  
P.O. Box 85074  
Richmond, VA 23261-5074

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**Foreign addresses**—Taxpayers with mailing addresses in foreign countries should send the order blank to either: Eastern Area Distribution Center, P.O. Box 25866, Richmond, VA 23286-8107; or Western Area Distribution Center, Rancho Cordova, CA 95743-0001, whichever is closer. Send letter requests for other forms and publications to: Eastern Area Distribution Center, P.O. Box 25866, Richmond, VA 23286-8107.

**Puerto Rico**—Eastern Area Distribution Center, P.O. Box 25866, Richmond, VA 23286-8107

**Virgin Islands**—V.I. Bureau of Internal Revenue, Lockharts Garden No. 1A, Charlotte Amalie, St. Thomas, VI 00802

## Where do I call to get answers to my Federal tax questions?

If you want to check on the status of your **refund**, call Tele-Tax. See page 48 for the number.

**Call the IRS with your tax question.** If you cannot answer your tax question by reading the tax form instructions or one of our free tax publications, please call us TOLL FREE. "Toll free" is a telephone call for which you pay only local charges, if any. This service is generally available during regular business hours.

**Choosing the right number**— Use only the number listed below for your area. Use a local city number only if it is not a long distance call for you. **Please do not dial "1-800" when using a local city number.** However, when dialing from an area that does not have a local number, be sure to dial "1-800" before calling the toll-free number.

**Before you call**— Remember that good communication is a two-way process. IRS representatives care about the quality of the service we provide to you, our customer. You can help us provide accurate, complete answers to your tax questions by having the following information available:

1. The tax form, schedule, or notice to which your question relates.
2. 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.).
3. The name of any IRS publication or other source of information that you used to look for the answer.

**Before you hang up**— If you do not fully understand the answer you receive, or you feel our representative may not fully understand your question, our representative needs to know this. The representative will be happy to take the additional time required to be sure he or she has answered your question fully and in the manner that is most helpful to you.

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. To make sure that IRS representatives give accurate and courteous answers, a second IRS representative sometimes listens in on telephone calls. No record is kept of any taxpayer's identity.

<b>Alabama</b> 1-800-829-1040	<b>Idaho</b> 1-800-829-1040	<b>Mississippi</b> 1-800-829-1040	<b>Ohio</b> Cincinnati, 621-6281 Cleveland, 522-3000 Elsewhere, 1-800-829-1040	<b>Virginia</b> Richmond, 649-2361 Elsewhere, 1-800-829-1040
<b>Alaska</b> Anchorage, 561-7484 Elsewhere, 1-800-829-1040	<b>Illinois</b> Chicago, 435-1040 In area code 708, 1-312-435-1040 Elsewhere, 1-800-829-1040	<b>Missouri</b> St. Louis, 342-1040 Elsewhere, 1-800-829-1040	<b>Oklahoma</b> 1-800-829-1040	<b>Washington</b> Seattle, 442-1040 Elsewhere, 1-800-829-1040
<b>Arizona</b> Phoenix, 640-3900 Elsewhere, 1-800-829-1040	<b>Indiana</b> Indianapolis, 226-5477 Elsewhere, 1-800-829-1040	<b>Montana</b> 1-800-829-1040	<b>Oregon</b> Portland, 221-3960 Elsewhere, 1-800-829-1040	<b>West Virginia</b> 1-800-829-1040
<b>Arkansas</b> 1-800-829-1040	<b>Iowa</b> Des Moines, 283-0523 Elsewhere, 1-800-829-1040	<b>Nebraska</b> Omaha, 422-1500 Elsewhere, 1-800-829-1040	<b>Pennsylvania</b> Philadelphia, 574-9900 Pittsburgh, 281-0112 Elsewhere, 1-800-829-1040	<b>Wisconsin</b> Milwaukee, 271-3780 Elsewhere, 1-800-829-1040
<b>California</b> Oakland, 839-1040 Elsewhere, 1-800-829-1040	<b>Kansas</b> 1-800-829-1040	<b>Nevada</b> 1-800-829-1040	<b>Puerto Rico</b> San Juan Metro Area, 766-5040 Elsewhere, 1-800-829-1040	<b>Wyoming</b> 1-800-829-1040
<b>Colorado</b> Denver, 825-7041 Elsewhere, 1-800-829-1040	<b>Kentucky</b> 1-800-829-1040	<b>New Hampshire</b> 1-800-829-1040	<b>Rhode Island</b> 1-800-829-1040	<b>Phone Help for People With Impaired Hearing Who Have TDD Equipment</b> All areas in U.S., including Alaska, Hawaii, Virgin Islands, and Puerto Rico: 1-800-829-4059 <b>Note:</b> <i>This number is answered by TDD equipment only.</i>
<b>Connecticut</b> 1-800-829-1040	<b>Louisiana</b> 1-800-829-1040	<b>New Jersey</b> 1-800-829-1040	<b>South Carolina</b> 1-800-829-1040	
<b>Delaware</b> 1-800-829-1040	<b>Maine</b> 1-800-829-1040	<b>New Mexico</b> 1-800-829-1040	<b>South Dakota</b> 1-800-829-1040	<b>Hours of TDD Operation:</b> 8:00 A.M. to 6:30 P.M. EST (Jan. 1–April 2) 9:00 A.M. to 7:30 P.M. EDT (April 3–April 15) 9:00 A.M. to 5:30 P.M. EDT (April 16–Oct. 29) 8:00 A.M. to 4:30 P.M. EST (Oct. 30–Dec. 31)
<b>District of Columbia</b> 1-800-829-1040	<b>Maryland</b> Baltimore, 962-2590 Elsewhere, 1-800-829-1040	<b>New York</b> Bronx, 488-9150 Brooklyn, 488-9150 Buffalo, 685-5432 Manhattan, 732-0100 Nassau, 222-1131 Queens, 488-9150 Staten Island, 488-9150 Suffolk, 724-5000 Elsewhere, 1-800-829-1040	<b>Tennessee</b> Nashville, 834-9005 Elsewhere, 1-800-829-1040	
<b>Florida</b> Jacksonville, 354-1760 Elsewhere, 1-800-829-1040	<b>Massachusetts</b> Boston, 536-1040 Elsewhere, 1-800-829-1040	<b>North Carolina</b> 1-800-829-1040	<b>Texas</b> Dallas, 742-2440 Houston, 541-0440 Elsewhere, 1-800-829-1040	
<b>Georgia</b> Atlanta, 522-0050 Elsewhere, 1-800-829-1040	<b>Michigan</b> Detroit, 237-0800 Elsewhere, 1-800-829-1040	<b>North Dakota</b> 1-800-829-1040	<b>Utah</b> 1-800-829-1040	
<b>Hawaii</b> Oahu, 541-1040 Elsewhere, 1-800-829-1040	<b>Minnesota</b> Minneapolis, 644-7515 St. Paul, 644-7515 Elsewhere, 1-800-829-1040		<b>Vermont</b> 1-800-829-1040	

## What is Tele-Tax?

**Automated refund information** allows you to check the status of your refund.

**Recorded tax information** includes about 140 topics that answer many Federal tax questions. You can listen to up to three topics on each call you make.

## How do I use Tele-Tax?

**Choosing the right number**—Use only the number listed below for your area. Use a local city number only if it is not a long distance call for you. **Please do not dial “1-800” when using a local city number.** However, when dialing from an area that does not have a local number, be sure to dial “1-800” before calling the toll-free number.

### Automated refund information

Be sure to have a copy of your 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 the appropriate phone number listed below 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.

Touch-tone service is available Monday through Friday from 7:00 A.M. to 11:30 P.M. (Hours may vary in your area.)

### Recorded tax information

A complete list of these topics is on the next page.

Touch-tone service is available 24 hours a day, 7 days a week.

Select, by number, the topic you want to hear. Then, call the appropriate phone number listed below.

### For the directory of topics, listen to topic 123.

Have paper and pencil handy to take notes.

- If you have a touch-tone phone, immediately follow the recorded instructions, or
- If you have a rotary or pulse dial phone, wait for further recorded instructions.

<b>Alabama</b> 1-800-829-4477	<b>Georgia</b> Atlanta, 331-6572 Elsewhere, 1-800-829-4477	<b>Mississippi</b> 1-800-829-4477	<b>Oregon</b> Portland, 294-5363 Elsewhere, 1-800-829-4477
<b>Alaska</b> 1-800-829-4477	<b>Hawaii</b> 1-800-829-4477	<b>Missouri</b> St. Louis, 241-4700 Elsewhere, 1-800-829-4477	<b>Pennsylvania</b> Philadelphia, 627-1040 Pittsburgh, 261-1040 Elsewhere, 1-800-829-4477
<b>Arizona</b> Phoenix, 640-3933 Elsewhere, 1-800-829-4477	<b>Idaho</b> 1-800-829-4477	<b>Montana</b> 1-800-829-4477	<b>Puerto Rico</b> 1-800-829-4477
<b>Arkansas</b> 1-800-829-4477	<b>Illinois</b> Chicago, 886-9614 In area code 708, 1-312-886-9614 Springfield, 789-0489 Elsewhere, 1-800-829-4477	<b>Nebraska</b> Omaha, 221-3324 Elsewhere, 1-800-829-4477	<b>Rhode Island</b> 1-800-829-4477
<b>California</b> <i>Counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba,</i> 1-800-829-4032 Oakland, 839-4245 Elsewhere, 1-800-829-4477	<b>Indiana</b> Indianapolis, 631-1010 Elsewhere, 1-800-829-4477	<b>Nevada</b> 1-800-829-4477	<b>South Carolina</b> 1-800-829-4477
<b>Colorado</b> Denver, 592-1118 Elsewhere, 1-800-829-4477	<b>Iowa</b> Des Moines, 284-7454 Elsewhere, 1-800-829-4477	<b>New Hampshire</b> 1-800-829-4477	<b>South Dakota</b> 1-800-829-4477
<b>Connecticut</b> 1-800-829-4477	<b>Kansas</b> 1-800-829-4477	<b>New Jersey</b> 1-800-829-4477	<b>Tennessee</b> Nashville, 781-5040 Elsewhere, 1-800-829-4477
<b>Delaware</b> 1-800-829-4477	<b>Kentucky</b> 1-800-829-4477	<b>New Mexico</b> 1-800-829-4477	<b>Texas</b> Dallas, 767-1792 Houston, 541-3400 Elsewhere, 1-800-829-4477
<b>District of Columbia</b> 628-2929	<b>Louisiana</b> 1-800-829-4477	<b>New York</b> Bronx, 488-8432 Brooklyn, 488-8432 Buffalo, 685-5533 Manhattan, 406-4080 Queens, 488-8432 Staten Island, 488-8432 Elsewhere, 1-800-829-4477	<b>Utah</b> 1-800-829-4477
<b>Florida</b> 1-800-829-4477	<b>Maine</b> 1-800-829-4477	<b>North Carolina</b> 1-800-829-4477	<b>Vermont</b> 1-800-829-4477
	<b>Maryland</b> Baltimore, 244-7306 Elsewhere, 1-800-829-4477	<b>North Dakota</b> 1-800-829-4477	<b>Virginia</b> Richmond, 783-1569 Elsewhere, 1-800-829-4477
	<b>Massachusetts</b> Boston, 536-0709 Elsewhere, 1-800-829-4477	<b>Ohio</b> Cincinnati, 421-0329 Cleveland, 522-3037 Elsewhere, 1-800-829-4477	<b>Washington</b> Seattle, 343-7221 Elsewhere, 1-800-829-4477
	<b>Michigan</b> Detroit, 961-4282 Elsewhere, 1-800-829-4477	<b>Oklahoma</b> 1-800-829-4477	<b>West Virginia</b> 1-800-829-4477
	<b>Minnesota</b> St. Paul, 644-7748 Elsewhere, 1-800-829-4477		<b>Wisconsin</b> Milwaukee, 273-8100 Elsewhere, 1-800-829-4477
			<b>Wyoming</b> 1-800-829-4477



Tele-Tax Topics		Topic No.	Subject	Topic No.	Subject	Topic No.	Subject	Topic No.	Subject		
Topic No.	Subject	305	Recordkeeping	425	401(k) plans	<b>Basis of Assets, Depreciation, and Sale of Assets</b>	<b>Tax Information for Aliens and U.S. Citizens Living Abroad</b>	851	Resident and nonresident aliens		
<b>IRS Help Available</b>		306	Penalty for underpayment of estimated tax	426	Passive activities— Losses and credits			701	Sale of your home— General	852	Dual-status alien
101	IRS services— Volunteer tax assistance, toll-free telephone, walk-in assistance, and outreach programs	307	Backup withholding	<b>Adjustments to Income</b>				702	Sale of your home—How to report gain	853	Foreign earned income exclusion—General
102	Tax assistance for individuals with disabilities and the hearing impaired	308	Amended returns	451	Individual retirement arrangements (IRAs)			703	Sale of your home— Exclusion of gain, age 55 and over	854	Foreign earned income exclusion—Who qualifies?
103	Small Business Tax Education Program (STEP)—Tax help for small businesses	309	Tax fraud—How to report	452	Alimony paid			704	Basis of assets	855	Foreign earned income exclusion—What qualifies?
104	Problem Resolution Program—Help for problem situations	310	Tax-exempt status for organizations	453	Bad debt deduction			705	Depreciation	856	Foreign tax credit
105	Public libraries—Tax information tapes and reproducible tax forms	311	How to apply for tax-exempt status	454	Tax shelters	<b>Employer Tax Information</b>		<b>Tax Information for Puerto Rico Residents (in Spanish)</b>			
911	Hardship assistance applications	312	Power of attorney information	<b>Itemized Deductions</b>		751	Social security and Medicare withholding rates		901	Who must file a U.S. income tax return in Puerto Rico	
<b>IRS Procedures</b>		999	Local information	501	Should I itemize?	752	Form W-2—Where, when, and how to file		902	Deductions and credits for Puerto Rico filers	
151	Your appeal rights	<b>Filing Requirements, Filing Status, and Exemptions</b>		502	Medical and dental expenses	753	Form W-4—Employee's withholding allowance certificate		903	Federal employment taxes in Puerto Rico	
152	Refunds—How long they should take	351	Who must file?	503	Deductible taxes	754	Form W-5—Advance earned income credit		904	Tax assistance for Puerto Rico residents	
153	What to do if you haven't filed your tax return (Nonfilers)	352	Which form—1040, 1040A, or 1040EZ?	504	Moving expenses	755	Employer identification number (EIN)—How to apply		<b>Other Tele-Tax Topics in Spanish</b>		
154	Form W-2—What to do if not received	353	What is your filing status?	505	Interest expense	756	Employment taxes for household employees	951	IRS services— Volunteer tax assistance, toll-free telephone, walk-in assistance, and outreach programs		
155	Forms and publications—How to order	354	Dependents	506	Contributions	757	Form 941—Deposit requirements	952	Refunds—How long they should take		
156	Copy of your tax return—How to get one	355	Estimated tax	507	Casualty losses	758	Form 941—Employer's Quarterly Federal Tax Return	953	Forms and publications—How to order		
157	Change of address— How to notify IRS	356	Decedents	508	Miscellaneous expenses	759	Form 940/940-EZ— Deposit requirements	954	Highlights of 1993 tax changes		
<b>Collection</b>		<b>Types of Income</b>		509	Business use of home	760	Form 940/940-EZ— Employer's Annual Federal Unemployment Tax Return	955	Who must file?		
201	The collection process	401	Wages and salaries	510	Business use of car	761	Targeted jobs credit	956	Which form to use		
202	What to do if you can't pay your tax	402	Tips	511	Business travel expenses	762	Tips—Withholding and reporting	957	What is your filing status?		
203	Failure to pay child support and other Federal obligations	403	Interest received	512	Business entertainment expenses	<b>Magnetic Media Filers—1099 Series and Related Information Returns (For electronic filing of individual returns, listen to Topic 252.)</b>		958	Social security and equivalent railroad retirement benefits		
204	Offers in compromise	404	Dividends	513	Educational expenses	801	Who must file magnetically	959	Earned income credit (EIC)		
<b>Alternative Filing Methods</b>		405	Refunds of state and local taxes	514	Employee business expenses	802	Acceptable media and locating a third party to prepare your files	960	Advance earned income credit		
251	1040PC tax return	406	Alimony received	515	Disaster area losses (including flood losses)	803	Applications, forms, and information	961	Alien tax clearance		
252	Electronic filing	407	Business income	<b>Tax Computation</b>		804	Waivers and extensions	<b>Topic numbers are effective January 1, 1994.</b>			
253	Substitute tax forms	408	Sole proprietorship	551	Standard deduction	805	Test files and combined Federal and state filing				
254	How to choose a tax preparer	409	Capital gains and losses	552	Tax and credits figured by IRS	806	Electronic filing of information returns				
<b>General Information</b>		410	Pensions and annuities	553	Tax on a child's investment income	807	Information Returns Program Bulletin Board System				
301	When, where, and how to file	411	Pensions—The general rule and the simplified general rule	554	Self-employment tax						
302	Highlights of 1993 tax changes	412	Lump-sum distributions	555	Five- or ten-year averaging for lump-sum distributions						
303	Checklist of common errors when preparing your tax return	413	Rollovers from retirement plans	556	Alternative minimum tax						
304	Extensions of time to file your tax return	414	Rental income and expenses	557	Estate tax						
		415	Renting vacation property and renting to relatives	558	Gift tax						
		416	Royalties	<b>Tax Credits</b>							
		417	Farming and fishing income	601	Earned income credit (EIC)						
		418	Earnings for clergy	602	Child and dependent care credit						
		419	Unemployment compensation	603	Credit for the elderly or the disabled						
		420	Gambling income and expenses	604	Advance earned income credit						
		421	Bartering income	<b>IRS Notices and Letters</b>							
		422	Scholarship and fellowship grants	651	Notices—What to do						
		423	Nontaxable income	652	Notice of underreported income—CP 2000						
		424	Social security and equivalent railroad retirement benefits	653	IRS notices and bills and penalty and interest charges						



1993 Tax Table—Continued

Table with columns for 'If Form 1040A, line 22, is—', 'And you are—', and tax amounts ranging from 5,000 to 14,000. The table is organized into sections for different income levels (5,000, 6,000, 7,000, 8,000, 9,000, 10,000, 11,000, 12,000, 13,000) and marital statuses (Single, Married filing jointly, Married filing separately, Head of a household). Each row lists a range of taxable income and the corresponding tax amounts for each category.

\* This column must also be used by a qualifying widow(er).

Continued on next page









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## Section 6—Instructions for Schedules 1, 2, and EIC

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### Instructions for Schedule 1

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#### Purpose of schedule

You must fill in Schedule 1 if **any** of the following apply:

- You had over \$400 of taxable interest income (fill in Part I), or
- You received interest from a seller-financed mortgage and the buyer used the property as a personal residence (fill in Part I), or
- You are claiming the exclusion of interest from series EE U.S. savings bonds issued after 1989 (fill in Part I), or
- You received interest as a nominee or a Form 1099-INT for tax-exempt interest (fill in Part I), or
- You had over \$400 of dividend income or you received dividends as a nominee (fill in Part II).

**Note:** *If you need more space to list your interest or dividends, attach separate sheets that are the same size as Schedule 1. Use the same format as lines 1 and 5, and show your totals on Schedule 1. Be sure to put your name and social security number on the sheets and attach them at the end of Form 1040A.*

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#### Part I Interest income

To see what interest income you must report, read the instructions for Form 1040A, line 8a, on page 25. Each payer should send you a Form 1099-INT or Form 1099-OID showing interest you must report. A copy of the form is also sent to the IRS.

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**Line 1** Report on line 1 **all** taxable interest you received or that was credited to your account so you could withdraw it. Include interest from series EE U.S. savings bonds. List each payer's name and show the amount. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the brokerage firm as the payer and enter the total interest shown on that form.

**Seller-financed mortgages.** If you sold your home or other property and the buyer used the property as a personal residence, list first any interest that buyer paid you on a mortgage or other form of seller financing. Be sure to show that buyer's name, address, and social security number (SSN). You must also let that buyer know your SSN. If you don't show the buyer's name, address, and SSN and let the buyer know your SSN, you may have to pay a \$50 penalty.

**Nominees.** If you received a Form 1099-INT that includes interest you received as a nominee (that is, in your name, but the interest actually belongs to someone else), report the total on line 1. Do this even if you later distributed some or all of this income to others. Under your last entry on line 1, put a subtotal of all interest listed on line 1. Below this subtotal, write "Nominee distribution" and show the total interest you received as a nominee. Subtract this amount from the subtotal and enter the result on line 2.

**Note:** *If you received interest as a nominee, you must give the actual owner a Form 1099-INT unless the owner is your spouse. You must also file a copy of Form 1099-INT with the IRS. Form 1096 must be sent with Form 1099-INT. For more details, see the Instructions for Forms 1099, 1098, 5498, and W-2G.*

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**Tax-exempt interest.** You should not have received a Form 1099-INT for tax-exempt interest. But if you did, report it on line 1. Do not include it in the total on line 2. Instead, under your last entry on line 1, put a subtotal of all interest listed. Below the subtotal, write "Tax-exempt interest" and show the amount. Subtract it from the subtotal and enter the result on line 2. Be sure to also include this tax-exempt interest on Form 1040A, line 8b.

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**Line 3 Excludable interest on series EE U.S. savings bonds issued after 1989.** If you cashed series EE U.S. savings bonds in 1993 that were issued after 1989 and you meet **all four** of the following conditions, you may be able to exclude part or all of the interest on those bonds.

1. The bonds were issued in your name or, if married, in your name and your spouse's name.
2. You were age 24 or older before the bonds were issued.
3. You paid qualified higher education expenses in 1993 for yourself, your spouse, or your dependents.
4. Your filing status is single, married filing joint return, head of household, or qualifying widow(er) with dependent child.

If you meet **all four** of the above conditions, get Form 8815 to figure the amount of any interest you can exclude.

**Caution:** *Only series EE savings bonds issued after 1989 qualify for the exclusion. Bond information will be verified with Department of the Treasury records.*

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**Part II**  
Dividend income

To see what dividend income you must report, read the instructions for Form 1040A, line 9, on page 25.

Each payer should send you a Form 1099-DIV showing dividends you must report. A copy of the form is also sent to the IRS.

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**Line 5** Report on line 5 **all** of your dividend income. List each payer's name and show the amount. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the brokerage firm as the payer and enter the total dividends shown on that form.

**Nominees.** If you received a Form 1099-DIV that includes dividends you received as a nominee (that is, in your name, but the dividends actually belong to someone else), report the total on line 5. Do this even if you later distributed some or all of this income to others. Under your last entry on line 5, put a subtotal of all dividends listed on line 5. Below this subtotal, write "Nominee distribution" and show the total dividends you received as a nominee. Subtract this amount from the subtotal and enter the result on line 6.

**Note:** *If you received dividends as a nominee, you must give the actual owner a Form 1099-DIV unless the owner is your spouse. You must also file a copy of Form 1099-DIV with the IRS. Form 1096 must be sent with Form 1099-DIV. For more details, see the Instructions for Forms 1099, 1098, 5498, and W-2G.*

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## Instructions for Schedule 2

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### Purpose of schedule

If you paid someone to care for your child or other qualifying person so you (and your spouse if filing a joint return) could work or look for work in 1993, you may be able to take the credit for child and dependent care expenses. But you must have had earned income to do so. If you can take the credit, fill in Parts I and II of Schedule 2 and attach it to your return. Part II is used to figure the amount of your credit.

If you received **any dependent care benefits** for 1993, you **MUST** fill in Parts I and III of Schedule 2 and attach it to your return. Part III is used to figure the amount, if any, of the benefits you may exclude from your income on Form 1040A, line 7. You must complete Part III before you can figure the credit, if any, in Part II.

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### Important terms

**Dependent care benefits.** These include amounts your employer paid directly to either you or your care provider for the care of your qualifying person(s) while you worked. These benefits also include the fair market value of care in a day-care facility provided or sponsored by your employer. Your salary may have been reduced to pay for these benefits. If you received dependent care benefits, they should be shown in box 10 of your 1993 W-2 form(s).

**Earned income.** Generally, this is your wages, salaries, tips, and other employee compensation. This is usually the amount shown on Form 1040A, line 7. But earned income does not include a scholarship or fellowship grant if you did not get a W-2 form for it. For purposes of Part III of Schedule 2, earned income does not include any dependent care benefits shown on line 11 of Schedule 2.

If you are **filing a joint return**, disregard community property laws. If your spouse died in 1993 and had no earned income, get Pub. 503 for details on how to figure the credit. If your spouse was a student or disabled in 1993, see the line 6 instructions.

**Qualified expenses.** You can count only those expenses that were for the qualifying person's well-being and protection while you worked or looked for work. These expenses include household services needed to care for the qualifying person and to run the home, expenses for the care of the qualifying person, and your share of the employment taxes paid on wages for qualifying child and dependent care services.

You may include the cost of care provided outside your home for your dependent under age 13 or any other qualifying person who regularly spends at least 8 hours a day in your home. If the care was provided by a dependent care center, the center must meet all applicable state and local regulations. A dependent care center is a place that provides care for more than six persons (other than persons who live there) and receives a fee, payment, or grant for providing services for any of those persons, even if the center is not run for profit.

**Do not** include amounts paid for food or schooling. But if these items are included as part of the total care and they are incident to and cannot be separated from the total cost, you can include the total cost. Also, **do not** include child support payments, any part of the cost of schooling for a child in the first grade or above, or the expenses for sending your child to an overnight camp.

Some disabled spouse and dependent care expenses may qualify as medical expenses if you itemize deductions. But you must use Form 1040. Get Pub. 503 and Pub. 502 for details.

**Qualifying person(s).** A qualifying person is:

- Any child **under age 13** whom you can claim as a dependent (but see **Exception for children of divorced or separated parents** later). If the
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child turned 13 during the year, the child is a qualifying person for the part of the year he or she was under age 13.

- Your disabled spouse who is not able to care for himself or herself.
- Any disabled person not able to care for himself or herself whom you can claim as a dependent (or could claim as a dependent except that the person had gross income of \$2,350 or more). But if this person is your child, see **Exception for children of divorced or separated parents** below.

To find out who is a dependent, see the instructions for Form 1040A, line 6c, that begin on page 19.

**Caution:** *To be a qualifying person, the person **must** have shared the same home with you in 1993.*

**Exception for children of divorced or separated parents.** If you were divorced, legally separated, or lived apart from your spouse during the last 6 months of 1993, you may be able to take the credit or the exclusion even if your child is not your dependent. If your child is not your dependent, he or she is a qualifying person only if **all five** of the following apply.

1. You had custody of the child for a longer time in 1993 than the other parent. Get Pub. 501 for the definition of custody.
2. One or both of the parents provided over half of the child's support in 1993.
3. One or both of the parents had custody of the child for more than half of 1993.
4. The child was under age 13 or was disabled and could not take care of himself or herself.
5. The other parent claims the child as a dependent under the rules for **Children of divorced or separated parents** on page 21.

If you can take the credit or the exclusion because of this exception, enter your child's name in the space to the left of line 3. The other parent cannot treat this child as a qualifying person even though the other parent claims this child as a dependent.

**A change  
to note**

**If you have a child who was born in 1993** and the amount on Form 1040A, line 17, is less than \$23,050, you may be able to take the extra credit for a child born in 1993 on Schedule EIC. To find out if you can take the extra credit, see Schedule EIC and its instructions. But if you take the extra credit, you **cannot** take the credit for child care expenses or the exclusion of dependent care benefits on Schedule 2 for the same child.

If you qualify for both the child care credit **and** the extra credit for a child born in 1993, **you should figure the amount of tax you overpaid (or the amount of tax you owe) both ways to see which way is better for you.** You should also do this if you received dependent care benefits and qualify for the extra credit on Schedule EIC. But see the **Exception** on page 60.

To see which way is better, first get Schedule EIC and fill in lines 1(a)–1(g) and all the lines on page 2 that apply to you. Be sure to figure the extra credit for a child born in 1993. Then, follow the steps below.

**Step 1.** Figure the child care credit or exclusion on Schedule 2. **Include** the qualified expenses for your child born in 1993. Fill in Form 1040A through line 28b. On line 28c, enter the total of the amounts from lines 11 and 16 of Schedule EIC. Fill in the rest of Form 1040A through line 29 (or line 32).

**Step 2.** Again, figure the child care credit or exclusion on Schedule 2. But this time, **don't include** the qualified expenses for your child born in 1993. Fill in Form 1040A through line 28b. On line 28c, enter the amount from line 20 of Schedule EIC. Fill in the rest of Form 1040A through line 29 (or line 32).

**Step 3.** Compare the amount on line 29 (or line 32) of Form 1040A figured using Step 1 to the amount figured using Step 2. File your return using the one that benefits you more. If you choose to use Step 1 and the amount on line 4 of Schedule 2 includes expenses for more than one person, write in the amount of qualified expenses for your child born in 1993 on the line to the left of your line 4 entry. If you are completing Part III, write this amount on the line to the left of your line 14 entry.

**Exception.** If you didn't receive any dependent care benefits and the amount on line 23 of your Form 1040A is zero, you should take the extra credit for a child born in 1993. **Do not** file Schedule 2.

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Who may take the credit or exclude dependent care benefits?

You may take the credit or the exclusion if **all six** of the following apply.

1. Your filing status is single, head of household, qualifying widow(er) with dependent child, or married filing jointly. But see **Special rule for married persons filing separate returns** below.
2. The care was provided so you (and your spouse if you were married) could work or look for work. However, if you did not find a job and have no earned income for the year, you cannot take the credit or the exclusion. But if your spouse was a student or disabled, see the line 6 instructions.
3. You (and your spouse if you were married) paid over half the cost of keeping up your home. Call Tele-Tax (see page 48) and listen to topic 602 or get Pub. 503 for an explanation of what costs are included.
4. You and the qualifying person(s) lived in the same home.
5. The person who provided the care was not your spouse or a person whom you can claim as a dependent. If your child provided the care, he or she must have been age 19 or older by the end of 1993.
6. You report the required information about the care provider on line 1.

**Special rule for married persons filing separate returns.** If your filing status is married filing separately and **all** of the following apply, you are considered unmarried for purposes of figuring the credit and the exclusion on Schedule 2.

- You lived apart from your spouse during the last 6 months of 1993, and
- The qualifying person lived in your home more than half of 1993, and
- You provided over half the cost of keeping up your home.

If you meet **all** the requirements to be treated as unmarried and meet items 2 through 6 listed above, you may take the credit or the exclusion. If you do not meet all the requirements to be treated as unmarried, you **cannot** take the credit. However, you may take the exclusion if you meet items 2 through 6.

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Other forms you may have to file

If you paid someone who worked in your home cash wages of \$50 or more in any calendar quarter in 1993, you usually must file Form 942. Also, if you paid someone who worked in your home cash wages of \$1,000 or more in any calendar quarter in 1992 or 1993, you must file a 1993 Form 940 or Form 940-EZ by January 31, 1994. Get Pub. 926 for more details.

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<b>Part I</b>  Persons or organizations who provided the care	<p><b>Line 1</b> Complete columns <b>(a)</b> through <b>(d)</b> for each person or organization that provided the care. You can use Form W-10 or any other source listed in its instructions to get the information from the care provider. If you do not give correct or complete information, your credit (and exclusion, if applicable) may be disallowed unless you can show you used due diligence in attempting to provide the required information.</p> <p><b>Due diligence.</b> You can show due diligence by keeping in your records a Form W-10 properly completed by the care provider or one of the other sources of information listed in the instructions for Form W-10. If the provider does not comply with your request for one of these items, complete the entries you can on line 1 of Schedule 2, such as the provider's name and address. Write "See page 2" in the columns for which you do not have the information. On the bottom of page 2, explain that you requested the information from the care provider, but the provider did not comply with your request.</p> <p><b>Columns (a) and (b).</b> Enter the care provider's name and address. If you were covered by your employer's dependent care plan and your employer furnished the care (either at your workplace or by hiring a care provider), enter your employer's name in column <b>(a)</b>, write "See W-2" in column <b>(b)</b>, and leave columns <b>(c)</b> and <b>(d)</b> blank. But if your employer paid a third party (not hired by your employer) on your behalf to provide the care, you must give information on the third party in columns <b>(a)</b> through <b>(d)</b>.</p> <p><b>Column (c).</b> If the care provider is an individual, enter his or her social security number (SSN). Otherwise, enter the provider's employer identification number (EIN). If the provider is a tax-exempt organization, enter "Tax-exempt."</p> <p><b>Column (d).</b> Enter the total amount you <b>actually paid</b> in 1993 to the care provider. Also, include amounts your employer paid to a third party on your behalf. It does not matter when the expenses were incurred. Do not reduce this amount by any reimbursement you received.</p>
<b>Part II</b>  Credit for child and dependent care expenses	<p><b>Line 4</b> Do not include on line 4 qualified expenses you incurred in 1993 but did not pay until 1994. You may be able to use these expenses to increase your 1994 credit. Do not include on line 4 qualified expenses you incurred in 1992 but did not pay until 1993. Instead, see <b>Prior year's expenses</b> below.</p> <p><b>Line 6</b> <b>Spouse who was a student or disabled.</b> Your spouse was a <b>student</b> if he or she was enrolled as a full-time student at a school during any 5 months of 1993. Your spouse was <b>disabled</b> if he or she was not capable of self-care. Figure your spouse's earned income on a monthly basis.</p> <p>For each month or part of a month your spouse was a student or was disabled, he or she is considered to have worked and earned income. His or her earned income for each month is considered to be at least \$200 (\$400 if more than one qualifying person was cared for in 1993). If your spouse also worked during that month, use the higher of \$200 (or \$400) or his or her actual earned income for that month. If, in the same month, both you and your spouse were either students or disabled, this rule applies to only one of you for that month.</p> <p>For any month that your spouse was not a student or disabled, use your spouse's actual earned income if he or she worked during the month.</p> <p><b>Line 10</b> If you had qualified expenses for 1992 that you didn't pay until 1993, see <b>Prior year's expenses</b> next. Otherwise, see <b>Credit limit</b> on page 62.</p> <p><b>Prior year's expenses.</b> If you had qualified expenses for 1992 that you did not pay until 1993, you may be able to increase the amount of credit you can take in 1993. For details, see <b>Amount of Credit</b> in Pub. 503. If you can take a credit for your 1992 expenses, write "PYE" and the amount of the credit next to line 10. Add the credit to the amount on line 10 and replace the amount on line 10</p>

with that total. Also, attach a statement showing how you figured the credit. See **Credit limit** next.

**Credit limit.** Add the amounts on Form 1040A, lines 8b and 17. If the total is not over (a) \$45,000 if married filing jointly or qualifying widow(er), (b) \$33,750 if single or head of household, or (c) \$22,500 if married filing separately, your credit is not limited. Enter on Form 1040A, line 24a, the amount from Schedule 2, line 10. If the total is over the dollar amount for your filing status, your credit may be limited. To figure the amount of credit you may claim, first complete lines 1-7 of the **Alternative minimum tax worksheet** on page 40. Then, complete the worksheet below.

Credit limit worksheet

Credit limit worksheet—Line 10 (keep for your records)

1. Enter the amount from Form 1040A, line 23.	1.	<input type="text"/>
2. Enter the amount from line 7 of the <b>Alternative minimum tax worksheet</b> on page 40.	2.	<input type="text"/>
3. Subtract line 2 from line 1.	3.	<input type="text"/>
4. Enter the amount from Schedule 2, line 10.	4.	<input type="text"/>

Look at lines 3 and 4 above. If line 4 is equal to or less than line 3, your credit is not limited. Enter the amount from line 4 on Form 1040A, line 24a. If line 4 is more than line 3, enter the amount from line 3 on Form 1040A, line 24a. Write "AMT" next to line 24a and replace the amount on Schedule 2, line 10, with that amount.

Part III  
Dependent care benefits

**Line 12** If you had a flexible spending account, any amount included on line 11 that you did not receive because you did not incur the expense is considered forfeited. Enter the forfeited amount on line 12. **Do not** include amounts you expect to receive at a future date.

**Example.** Under your employer's dependent care plan, you elected to have your employer set aside \$5,000 to cover your 1993 dependent care expenses. The \$5,000 is shown in box 10 of your W-2 form. In 1993, you incurred and were reimbursed for \$4,950 of qualified expenses. You would enter \$5,000 on line 11 and \$50, the amount forfeited, on line 12.

**Line 14** Enter the total of all qualified expenses incurred in 1993 for the care of your qualifying person(s). It does not matter when the expenses were paid.

**Example.** You received \$2,000 in cash under your employer's dependent care plan for 1993. The \$2,000 is shown in box 10 of your W-2 form. Only \$900 of qualified expenses were incurred in 1993 for the care of your 5-year-old dependent child. You would enter \$2,000 on line 11 and \$900 on line 14.

**Line 17** If your filing status is married filing separately, see **Special rule for married persons filing separate returns** on page 60. If you are considered unmarried under that rule, enter your earned income (from line 16) on line 17. On line 19, enter the smaller of the amount from line 18 or \$5,000. If you are **not** considered unmarried under that rule, enter your spouse's earned income on line 17. If your spouse was a student or disabled in 1993, see the line 6 instructions. On line 19, enter the smaller of the amount from line 18 or \$2,500.

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## Instructions for Schedule EIC

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<b>Purpose of schedule</b>	<p>Use Schedule EIC to figure the earned income credit. If you can take the credit, subtract it from the tax you owe. You can get a refund of the credit even if you don't owe any tax. Get <b>Pub. 596</b> for more details.</p> <p><b>Note:</b> <i>If you qualify, you may be able to get part of the credit added to your pay. For details, get <b>Form W-5</b> from your employer or call 1-800-829-3676.</i></p>
<b>Changes you should note</b>	<p><b>Basic credit.</b> This credit can be as much as \$1,434 for one qualifying child. For two qualifying children, it can be as much as \$1,511. This is the maximum amount of this credit even if you had more than two qualifying children.</p> <p><b>Health insurance credit.</b> This credit can be as much as \$465.</p> <p><b>Extra credit for a child born in 1993.</b> If you have a qualifying child born in 1993, you may also be able to take this credit. It can be as much as \$388. This is the maximum amount of this credit even if you had more than one qualifying child born in 1993 (for example, twins). If you paid someone to care for your child born in 1993 so you could work, see <b>Special rule</b> next.</p>
<b>Special rule</b>	<p>If you take the <b>extra credit for a child born in 1993</b>, you <b>can't</b> take the credit for child care expenses or the exclusion of dependent care benefits on Schedule 2 for the same child. To help you decide if it would be better to take the extra credit or the credit or exclusion on Schedule 2, see <b>A change to note</b> on page 59. But you can take the <b>basic credit</b> and, if it applies, the <b>health insurance credit</b> for your qualifying child born in 1993 even if you choose to take the credit or exclusion on Schedule 2 for that child.</p>
<b>General information</b>	<p><b>Who can take the earned income credit.</b> You can take this credit if your adjusted gross income (Form 1040A, line 16) is less than \$23,050 and you meet <b>all four</b> of the following requirements.</p> <ol style="list-style-type: none"> <li>1. You worked and the total of your <b>taxable and nontaxable earned income</b> (see page 65) is less than \$23,050. To see if you meet this requirement, you can fill in lines 4 through 7 on page 2 of Schedule EIC.</li> <li>2. Your filing status is single, married filing jointly, head of household, or qualifying widow(er).</li> <li>3. You have at least one qualifying child (see page 64). If the child was married or is also a qualifying child of another person, special rules apply. For details, see <b>Married child</b> and <b>Qualifying child of more than one person</b> on page 64.</li> <li>4. You are not a qualifying child of another person.</li> </ol> <p>Do you meet <b>all four</b> of the above requirements?</p> <ul style="list-style-type: none"> <li>• <b>Yes.</b> Fill in the lines on Schedule EIC that apply to you.</li> <li>• <b>No.</b> Enter "No" on the line next to line 28c of Form 1040A.</li> </ul> <p><b>Effect of credit on certain welfare benefits.</b> Any refund you receive as the result of claiming the earned income credit will not be used to determine if you are eligible for the following benefit programs, or how much you can receive from them.</p> <ul style="list-style-type: none"> <li>• Aid to Families With Dependent Children (AFDC).</li> </ul>

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- Medicaid and Supplemental Security Income (SSI).
- Food stamps and low-income housing.

**If you want the IRS to figure your credit**, fill in page 1 of Schedule EIC and attach it to your return. Be sure to enter the amount from Form 1040A, line 16, in the space provided below line 1. On Form 1040A, enter "EIC" on the line next to line 28c. Make sure you fill in line 28a for Federal income tax withheld. Sign and date your return, enter your occupation, and mail it. If you are filing a joint return, your spouse must also sign. If you are due a refund, we will send it to you. If you owe tax, we will send you a bill.

**Qualifying child.** A child must meet one condition from each of the three boxes on page 1 of Schedule EIC to be a qualifying child. A child doesn't have to be your dependent in most cases. But if the child was married, special rules apply. See **Married child** below.

**Example.** You are divorced and have a 7-year-old son. Although you had custody of your son, he is claimed as a dependent on his other parent's 1993 tax return. Your son is your qualifying child because he meets one condition from each box on page 1 of Schedule EIC. Your son is not a qualifying child of his other parent because he did not live with the other parent for more than half of 1993.

The following explains some of the terms used on page 1 of Schedule EIC.

- A **foster child** is any child you cared for as your own child. For example, if you cared for your niece as your own child, she is considered your foster child.
- A child placed with you by an authorized placement agency for legal adoption is an **adopted child** even if the adoption isn't final.
- A **grandchild** is any descendant of your son, daughter, or adopted child. For example, a grandchild includes your great-grandchild, great-great-grandchild, etc.

To find out if your child qualifies as a **student**, see the instructions for line 1, column (c), on page 65. To find out who is considered **permanently and totally disabled**, see the instructions for line 1, column (d), on page 66.

**Exception.** The child, including a foster child, is considered to have lived with you for all of 1993 if **(1)** the child was born or died in 1993, **and (2)** your home was the child's home for the entire time he or she was alive. Temporary absences (such as for school, vacation, or medical care) count as time lived in the home.

**Married child.** If your child was married at the end of 1993, that child is a qualifying child only if you can claim him or her as your dependent on Form 1040A, line 6c. But if this child's other parent claimed him or her as a dependent under the rules on page 21 for **Children of divorced or separated parents**, this child is your qualifying child.

**Qualifying child of more than one person.** If a child meets the conditions to be a qualifying child of more than one person, only the person who had the **highest** adjusted gross income for 1993 may treat that child as a qualifying child. If the other person is your spouse and you are filing a joint return, this rule doesn't apply. If you cannot take the earned income credit because of this rule, enter "No" on the line next to line 28c of Form 1040A.

**Example.** You and your 5-year-old daughter moved in with your mother in April 1993. You are not a qualifying child of your mother. Your daughter meets the conditions to be a qualifying child for both you and your mother. Your adjusted gross income for 1993 was \$7,000 and your mother's was \$14,000. Since your

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mother's adjusted gross income was higher, your daughter is your mother's qualifying child.

**Taxable earned income.** This is usually the amount reported on Form 1040A, line 7. But if you received a taxable scholarship or fellowship grant that wasn't reported on a W-2 form, see the instructions for line 4 on page 67.

**Nontaxable earned income.** Certain earned income is not taxable, but it must be included on Schedule EIC to see if you can take the earned income credit. It is also used to figure the amount of your credit. It includes anything of value (money, goods, or services) that is not taxable which you received from your employer for your work. Some examples of nontaxable earned income are—

- Basic quarters and subsistence allowances and the value of in-kind quarters and subsistence received from the U.S. military. This amount may be shown on your last Leave and Earnings Statement for 1993. If it isn't or you need additional help, contact your legal assistance office or unit tax advisor.
- Combat zone excluded pay. If you served in Operation Desert Storm, contact your legal assistance office or unit tax advisor to find out the amount of combat zone excluded pay you received in 1993.
- Housing allowance or rental value of a parsonage for clergy members.
- Meals and lodging provided for the convenience of your employer.
- Voluntary salary deferrals. If you chose to have your employer contribute part of your pay to certain retirement plans (such as a 401(k) plan or the Federal Thrift Savings Plan) instead of having it paid to you, the "Deferred compensation" box in box 15 of your W-2 form should be checked. The amount deferred should be shown in box 13 of your W-2 form.
- Excludable dependent care benefits from Schedule 2, line 19.
- Voluntary salary reductions, such as under a cafeteria plan, unless they are included in box 1 of your W-2 form(s). For details, see Pub. 596.

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**Information about your qualifying child or children**

**Line 1** If you had a qualifying child, fill in columns (a) through (g). If you don't give all the information asked for, it may take us longer to process your return and issue your refund. If you had **more than two qualifying children**, you need to list only two to get the maximum credit.

**Column (a).** Enter each qualifying child's name. If you had more than two qualifying children, list only the two youngest children. If you had a qualifying child born in 1993, list that child even if you chose to claim the credit or exclusion for child care expenses for this child on Schedule 2.

**Column (c).** If your child was born **before 1975** but was under age 24 at the end of 1993 and a student, put a checkmark in column (c). Your child was a **student** if he or she—

- Was enrolled as a full-time student at a school during any 5 months of 1993, or
- Took a full-time, on-farm training course during any 5 months of 1993. The course had to be given by a school or a state, county, or local government agency.

A **school** includes technical, trade, and mechanical schools. It does not include on-the-job training courses or correspondence schools.

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**Column (d).** If your child was born **before 1975** and was permanently and totally disabled during any part of 1993, put a checkmark in column (d). A person is **permanently and totally disabled** if **both** of the following apply.

1. He or she cannot engage in any substantial gainful activity because of a physical or mental condition.
2. A doctor determines the condition has lasted or can be expected to last continuously for at least a year or can lead to death.

**Column (e).** If your child was born **before 1993**, you must enter his or her social security number in column (e). If your child doesn't have a number, apply for one by filing Form SS-5 with your local Social Security Administration (SSA) office. It usually takes about 2 weeks to get a number. If your child won't have a number by the time you are ready to file your return, ask the SSA to give you a receipt. When you file your return, enter "applied for" in column (e). If the SSA gave you a receipt, attach a copy of it to your return.

**Column (g).** Enter the number of months your child lived with you in your home in the United States during 1993. Don't enter more than 12. Count temporary absences such as for school or vacation as time lived in your home. If the child lived with you for more than half of 1993 but less than 7 months, enter "7" in this column. If the **Exception** on page 64 applies to your child, enter "12" in this column.

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**Other information**

Fill in lines 2 and 3 only if you want the IRS to figure the earned income credit for you.

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**Line 2** If you received any earned income that is not taxable, enter the total of that income on line 2. List the type and amount of this income on the dotted line next to line 2. If you need more space, attach a statement. See **Nontaxable earned income** on page 65.

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**Line 3** Enter the total amount you paid in 1993 for health insurance that covered at least one of your qualifying children even if the insurance covered you and other members of your family.

**Example 1.** You had health insurance at work that covered you, your spouse, and your qualifying child. You paid part of the cost for the insurance and your employer paid part. Your pay statements for 1993 show that you paid a total of \$500 for the health insurance. You should enter \$500 on line 3.

**Example 2.** You paid \$700 for health insurance in 1993. The insurance covered you and your spouse for the first 6 months and you, your spouse, and your qualifying child for the last 6 months. The total amount you paid for health insurance for the last 6 months of 1993 was \$350. You should enter \$350 on line 3.

**Do not** include on line 3—

- The Medicare tax withheld from your pay.
  - Amounts paid to doctors, dentists, hospitals, etc.
  - Amounts paid for prescription medicines and drugs.
  - Amounts contributed under a cafeteria plan, unless they are included in box 1 of your W-2 form(s).
  - Any amount paid, reimbursed, or subsidized by Federal, state, or local governments or their subsidiary agencies or offices unless you must include that amount in your income.
-

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**Figure your total earned income credit**

**Line 4** If the total on Form 1040A, line 7, includes an amount for a taxable scholarship or fellowship grant that wasn't reported on a W-2 form, subtract that amount from the total on line 7. Enter the result on line 4 of Schedule EIC. Also, enter "SCH" and the amount you subtracted on the dotted line next to line 4.

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**Line 5** If you received any earned income that was not taxable, enter the total of that income on line 5. List the type and amount of this income on the dotted lines next to line 5. If you need more space, attach a statement. See **Nontaxable earned income** on page 65.

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**Lines 8-11 Basic credit.** The amount of this credit depends on whether you listed one qualifying child or two qualifying children on line 1 of Schedule EIC. If you had more than two qualifying children, you need to list only two to get the maximum basic credit.

If you listed a qualifying child who was born in 1993, you can use that child to figure your basic credit even if you are also using that child to take the extra credit for a child born in 1993.

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**Lines 12-16 Health insurance credit.** If you paid for health insurance in 1993 and the insurance covered at least one of your qualifying children, you can also take this credit.

On line 15, enter the total amount you paid in 1993 for health insurance even if the insurance covered you and other members of your family.

**Example 1.** You had health insurance at work that covered you, your spouse, and your qualifying child. You paid part of the cost for the insurance and your employer paid part. Your pay statements for 1993 show that you paid a total of \$500 for the health insurance. You should enter \$500 on line 15.

**Example 2.** You paid \$700 for health insurance in 1993. The insurance covered you and your spouse for the first 6 months and you, your spouse, and your qualifying child for the last 6 months. The total amount you paid for health insurance for the last 6 months of 1993 was \$350. You should enter \$350 on line 15.

**Do not** include on line 15—

- The Medicare tax withheld from your pay.
  - Amounts paid to doctors, dentists, hospitals, etc.
  - Amounts paid for prescription medicines and drugs.
  - Amounts contributed under a cafeteria plan, unless they are included in box 1 of your W-2 form(s).
  - Any amount paid, reimbursed, or subsidized by Federal, state, or local governments or their subsidiary agencies or offices unless you must include that amount in your income.
- 

**Lines 17-19 Extra credit for child born in 1993.** You can take this credit ONLY if:

- You listed on line 1 of Schedule EIC a child born in 1993, AND
- You did not take the credit for child care expenses or the exclusion of dependent care benefits on Schedule 2 for the same child.

If you had more than one qualifying child born in 1993 (for example, twins), the amount of this credit does not change.

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**Line 20** Add lines 11, 16, and 19. Enter the total on line 20 and on Form 1040A, line 28c. But if you owe the alternative minimum tax (see the instructions for line 27 on page 39), first subtract that tax from the amount on line 20 of Schedule EIC. Next, enter the result (if more than zero) on Form 1040A, line 28c. Then, replace the amount on Schedule EIC, line 20, with the amount entered on Form 1040A, line 28c.

# TABLE A—Basic Credit 1993 Earned Income Credit

**Caution:** This is **not** a tax table.

**To find your basic credit:** First, read down the “At least — But less than” columns and find the line that includes the amount you entered on line 7 or line 9 of Schedule EIC. Next, read across to the column that includes the number of qualifying children you listed on Schedule EIC. Then, enter the credit from that column on Schedule EIC, line 8 or line 10, whichever applies.

If the amount on Schedule EIC, line 7 or line 9, is—		And you listed—		If the amount on Schedule EIC, line 7 or line 9, is—		And you listed—		If the amount on Schedule EIC, line 7 or line 9, is—		And you listed—		If the amount on Schedule EIC, line 7 or line 9, is—		And you listed—	
At least	But less than	One child	Two children	At least	But less than	One child	Two children	At least	But less than	One child	Two children	At least	But less than	One child	Two children
Your basic credit is—		Your basic credit is—		Your basic credit is—		Your basic credit is—		Your basic credit is—		Your basic credit is—		Your basic credit is—		Your basic credit is—	
\$1	\$50	\$5	\$5	2,800	2,850	523	551	5,600	5,650	1,041	1,097	12,800	12,850	1,351	1,424
50	100	14	15	2,850	2,900	532	561	5,650	5,700	1,050	1,107	12,850	12,900	1,345	1,417
100	150	23	24	2,900	2,950	541	570	5,700	5,750	1,059	1,116	12,900	12,950	1,338	1,410
150	200	32	34	2,950	3,000	550	580	5,750	5,800	1,068	1,126	12,950	13,000	1,331	1,403
200	250	42	44	3,000	3,050	560	590	5,800	5,850	1,078	1,136	13,000	13,050	1,325	1,396
250	300	51	54	3,050	3,100	569	600	5,850	5,900	1,087	1,146	13,050	13,100	1,318	1,389
300	350	60	63	3,100	3,150	578	609	5,900	5,950	1,096	1,155	13,100	13,150	1,312	1,382
350	400	69	73	3,150	3,200	587	619	5,950	6,000	1,105	1,165	13,150	13,200	1,305	1,375
400	450	79	83	3,200	3,250	597	629	6,000	6,050	1,115	1,175	13,200	13,250	1,298	1,368
450	500	88	93	3,250	3,300	606	639	6,050	6,100	1,124	1,185	13,250	13,300	1,292	1,362
500	550	97	102	3,300	3,350	615	648	6,100	6,150	1,133	1,194	13,300	13,350	1,285	1,355
550	600	106	112	3,350	3,400	624	658	6,150	6,200	1,142	1,204	13,350	13,400	1,279	1,348
600	650	116	122	3,400	3,450	634	668	6,200	6,250	1,152	1,214	13,400	13,450	1,272	1,341
650	700	125	132	3,450	3,500	643	678	6,250	6,300	1,161	1,224	13,450	13,500	1,265	1,334
700	750	134	141	3,500	3,550	652	687	6,300	6,350	1,170	1,233	13,500	13,550	1,259	1,327
750	800	143	151	3,550	3,600	661	697	6,350	6,400	1,179	1,243	13,550	13,600	1,252	1,320
800	850	153	161	3,600	3,650	671	707	6,400	6,450	1,189	1,253	13,600	13,650	1,246	1,313
850	900	162	171	3,650	3,700	680	717	6,450	6,500	1,198	1,263	13,650	13,700	1,239	1,306
900	950	171	180	3,700	3,750	689	726	6,500	6,550	1,207	1,272	13,700	13,750	1,232	1,299
950	1,000	180	190	3,750	3,800	698	736	6,550	6,600	1,216	1,282	13,750	13,800	1,226	1,292
1,000	1,050	190	200	3,800	3,850	708	746	6,600	6,650	1,226	1,292	13,800	13,850	1,219	1,285
1,050	1,100	199	210	3,850	3,900	717	756	6,650	6,700	1,235	1,302	13,850	13,900	1,212	1,278
1,100	1,150	208	219	3,900	3,950	726	765	6,700	6,750	1,244	1,311	13,900	13,950	1,206	1,271
1,150	1,200	217	229	3,950	4,000	735	775	6,750	6,800	1,253	1,321	13,950	14,000	1,199	1,264
1,200	1,250	227	239	4,000	4,050	745	785	6,800	6,850	1,263	1,331	14,000	14,050	1,193	1,257
1,250	1,300	236	249	4,050	4,100	754	795	6,850	6,900	1,272	1,341	14,050	14,100	1,186	1,250
1,300	1,350	245	258	4,100	4,150	763	804	6,900	6,950	1,281	1,350	14,100	14,150	1,179	1,243
1,350	1,400	254	268	4,150	4,200	772	814	6,950	7,000	1,290	1,360	14,150	14,200	1,173	1,236
1,400	1,450	264	278	4,200	4,250	782	824	7,000	7,050	1,300	1,370	14,200	14,250	1,166	1,229
1,450	1,500	273	288	4,250	4,300	791	834	7,050	7,100	1,309	1,380	14,250	14,300	1,160	1,222
1,500	1,550	282	297	4,300	4,350	800	843	7,100	7,150	1,318	1,389	14,300	14,350	1,153	1,215
1,550	1,600	291	307	4,350	4,400	809	853	7,150	7,200	1,327	1,399	14,350	14,400	1,146	1,208
1,600	1,650	301	317	4,400	4,450	819	863	7,200	7,250	1,337	1,409	14,400	14,450	1,140	1,201
1,650	1,700	310	327	4,450	4,500	828	873	7,250	7,300	1,346	1,419	14,450	14,500	1,133	1,194
1,700	1,750	319	336	4,500	4,550	837	882	7,300	7,350	1,355	1,428	14,500	14,550	1,127	1,187
1,750	1,800	328	346	4,550	4,600	846	892	7,350	7,400	1,364	1,438	14,550	14,600	1,120	1,180
1,800	1,850	338	356	4,600	4,650	856	902	7,400	7,450	1,374	1,448	14,600	14,650	1,113	1,173
1,850	1,900	347	366	4,650	4,700	865	912	7,450	7,500	1,383	1,458	14,650	14,700	1,107	1,166
1,900	1,950	356	375	4,700	4,750	874	921	7,500	7,550	1,392	1,467	14,700	14,750	1,100	1,160
1,950	2,000	365	385	4,750	4,800	883	931	7,550	7,600	1,401	1,477	14,750	14,800	1,094	1,153
2,000	2,050	375	395	4,800	4,850	893	941	7,600	7,650	1,411	1,487	14,800	14,850	1,087	1,146
2,050	2,100	384	405	4,850	4,900	902	951	7,650	7,700	1,420	1,497	14,850	14,900	1,080	1,139
2,100	2,150	393	414	4,900	4,950	911	960	7,700	7,750	1,429	1,506	14,900	14,950	1,074	1,132
2,150	2,200	402	424	4,950	5,000	920	970	7,750	12,200	1,434	1,511	14,950	15,000	1,067	1,125
2,200	2,250	412	434	5,000	5,050	930	980	12,200	12,250	1,430	1,508	15,000	15,050	1,061	1,118
2,250	2,300	421	444	5,050	5,100	939	990	12,250	12,300	1,424	1,501	15,050	15,100	1,054	1,111
2,300	2,350	430	453	5,100	5,150	948	999	12,300	12,350	1,417	1,494	15,100	15,150	1,047	1,104
2,350	2,400	439	463	5,150	5,200	957	1,009	12,350	12,400	1,411	1,487	15,150	15,200	1,041	1,097
2,400	2,450	449	473	5,200	5,250	967	1,019	12,400	12,450	1,404	1,480	15,200	15,250	1,034	1,090
2,450	2,500	458	483	5,250	5,300	976	1,029	12,450	12,500	1,397	1,473	15,250	15,300	1,028	1,083
2,500	2,550	467	492	5,300	5,350	985	1,038	12,500	12,550	1,391	1,466	15,300	15,350	1,021	1,076
2,550	2,600	476	502	5,350	5,400	994	1,048	12,550	12,600	1,384	1,459	15,350	15,400	1,014	1,069
2,600	2,650	486	512	5,400	5,450	1,004	1,058	12,600	12,650	1,378	1,452	<i>(This table continues on next page)</i>			
2,650	2,700	495	522	5,450	5,500	1,013	1,068	12,650	12,700	1,371	1,445				
2,700	2,750	504	531	5,500	5,550	1,022	1,077	12,700	12,750	1,364	1,438				
2,750	2,800	513	541	5,550	5,600	1,031	1,087	12,750	12,800	1,358	1,431				

1993 Earned Income Credit TABLE A—Basic Credit *Continued*

If the amount on Schedule EIC, line 7 or line 9, is—		And you listed—		If the amount on Schedule EIC, line 7 or line 9, is—		And you listed—		If the amount on Schedule EIC, line 7 or line 9, is—		And you listed—	
		One child	Two children			One child	Two children			One child	Two children
At least	But less than	Your basic credit is—		At least	But less than	Your basic credit is—		At least	But less than	Your basic credit is—	
15,400	15,450	1,008	1,062	18,400	18,450	611	644	21,400	21,450	215	226
15,450	15,500	1,001	1,055	18,450	18,500	605	637	21,450	21,500	209	219
15,500	15,550	995	1,048	18,500	18,550	598	630	21,500	21,550	202	212
15,550	15,600	988	1,041	18,550	18,600	592	623	21,550	21,600	195	205
15,600	15,650	981	1,034	18,600	18,650	585	616	21,600	21,650	189	198
15,650	15,700	975	1,027	18,650	18,700	578	609	21,650	21,700	182	191
15,700	15,750	968	1,020	18,700	18,750	572	602	21,700	21,750	175	184
15,750	15,800	961	1,013	18,750	18,800	565	595	21,750	21,800	169	177
15,800	15,850	955	1,006	18,800	18,850	559	588	21,800	21,850	162	170
15,850	15,900	948	999	18,850	18,900	552	581	21,850	21,900	156	164
15,900	15,950	942	992	18,900	18,950	545	574	21,900	21,950	149	157
15,950	16,000	935	985	18,950	19,000	539	567	21,950	22,000	142	150
16,000	16,050	928	978	19,000	19,050	532	561	22,000	22,050	136	143
16,050	16,100	922	971	19,050	19,100	526	554	22,050	22,100	129	136
16,100	16,150	915	964	19,100	19,150	519	547	22,100	22,150	123	129
16,150	16,200	909	958	19,150	19,200	512	540	22,150	22,200	116	122
16,200	16,250	902	951	19,200	19,250	506	533	22,200	22,250	109	115
16,250	16,300	895	944	19,250	19,300	499	526	22,250	22,300	103	108
16,300	16,350	889	937	19,300	19,350	493	519	22,300	22,350	96	101
16,350	16,400	882	930	19,350	19,400	486	512	22,350	22,400	90	94
16,400	16,450	876	923	19,400	19,450	479	505	22,400	22,450	83	87
16,450	16,500	869	916	19,450	19,500	473	498	22,450	22,500	76	80
16,500	16,550	862	909	19,500	19,550	466	491	22,500	22,550	70	73
16,550	16,600	856	902	19,550	19,600	460	484	22,550	22,600	63	66
16,600	16,650	849	895	19,600	19,650	453	477	22,600	22,650	57	59
16,650	16,700	843	888	19,650	19,700	446	470	22,650	22,700	50	52
16,700	16,750	836	881	19,700	19,750	440	463	22,700	22,750	43	45
16,750	16,800	829	874	19,750	19,800	433	456	22,750	22,800	37	38
16,800	16,850	823	867	19,800	19,850	426	449	22,800	22,850	30	31
16,850	16,900	816	860	19,850	19,900	420	442	22,850	22,900	24	24
16,900	16,950	810	853	19,900	19,950	413	435	22,900	22,950	17	17
16,950	17,000	803	846	19,950	20,000	407	428	22,950	23,000	10	10
17,000	17,050	796	839	20,000	20,050	400	421	23,000	23,050	4	3
17,050	17,100	790	832	20,050	20,100	393	414				
17,100	17,150	783	825	20,100	20,150	387	407				
17,150	17,200	777	818	20,150	20,200	380	400				
17,200	17,250	770	811	20,200	20,250	374	393	<b>\$23,050 or more—you may not take the credit</b>			
17,250	17,300	763	804	20,250	20,300	367	386				
17,300	17,350	757	797	20,300	20,350	360	379				
17,350	17,400	750	790	20,350	20,400	354	372				
17,400	17,450	744	783	20,400	20,450	347	366				
17,450	17,500	737	776	20,450	20,500	341	359				
17,500	17,550	730	769	20,500	20,550	334	352				
17,550	17,600	724	763	20,550	20,600	327	345				
17,600	17,650	717	756	20,600	20,650	321	338				
17,650	17,700	711	749	20,650	20,700	314	331				
17,700	17,750	704	742	20,700	20,750	308	324				
17,750	17,800	697	735	20,750	20,800	301	317				
17,800	17,850	691	728	20,800	20,850	294	310				
17,850	17,900	684	721	20,850	20,900	288	303				
17,900	17,950	677	714	20,900	20,950	281	296				
17,950	18,000	671	707	20,950	21,000	275	289				
18,000	18,050	664	700	21,000	21,050	268	282				
18,050	18,100	658	693	21,050	21,100	261	275				
18,100	18,150	651	686	21,100	21,150	255	268				
18,150	18,200	644	679	21,150	21,200	248	261				
18,200	18,250	638	672	21,200	21,250	242	254				
18,250	18,300	631	665	21,250	21,300	235	247				
18,300	18,350	625	658	21,300	21,350	228	240				
18,350	18,400	618	651	21,350	21,400	222	233				







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## Section 7—After you fill in Form 1040A

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### Where do I file?

**Caution:** *You must put sufficient postage on your envelope.*

*Envelopes without enough postage will be returned to you by the post office. If your envelope contains more than five pages, it may require additional postage. Oversized envelopes may also require additional postage. Also, your envelope should include your complete return address in the upper left corner.*

If an addressed envelope came with your booklet, please use it. If you do not have one, or if you moved during the year, mail your return to the **Internal Revenue Service Center** for the place where you live. **No street address is needed.**

**Alabama**—Memphis, TN 37501

**Alaska**—Ogden, UT 84201

**Arizona**—Ogden, UT 84201

**Arkansas**—Memphis, TN 37501

**California**—*Counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba*—Ogden, UT 84201

*All other counties*—Fresno, CA 93888

**Colorado**—Ogden, UT 84201

**Connecticut**—Andover, MA 05501

**Delaware**—Philadelphia, PA 19255

**District of Columbia**—Philadelphia, PA 19255

**Florida**—Atlanta, GA 39901

**Georgia**—Atlanta, GA 39901

**Hawaii**—Fresno, CA 93888

**Idaho**—Ogden, UT 84201

**Illinois**—Kansas City, MO 64999

**Indiana**—Cincinnati, OH 45999

**Iowa**—Kansas City, MO 64999

**Kansas**—Austin, TX 73301

**Kentucky**—Cincinnati, OH 45999

**Louisiana**—Memphis, TN 37501

**Maine**—Andover, MA 05501

**Maryland**—Philadelphia, PA 19255

**Massachusetts**—Andover, MA 05501

**Michigan**—Cincinnati, OH 45999

**Minnesota**—Kansas City, MO 64999

**Mississippi**—Memphis, TN 37501

**Missouri**—Kansas City, MO 64999

**Montana**—Ogden, UT 84201

**Nebraska**—Ogden, UT 84201

**Nevada**—Ogden, UT 84201

**New Hampshire**—Andover, MA 05501

**New Jersey**—Holtsville, NY 00501

**New Mexico**—Austin, TX 73301

**New York**—*New York City and counties of Nassau, Rockland, Suffolk, and Westchester*—Holtsville, NY 00501

*All other counties*—Andover, MA 05501

**North Carolina**—Memphis, TN 37501

**North Dakota**—Ogden, UT 84201

**Ohio**—Cincinnati, OH 45999

**Oklahoma**—Austin, TX 73301

**Oregon**—Ogden, UT 84201

**Pennsylvania**—Philadelphia, PA 19255

**Rhode Island**—Andover, MA 05501

**South Carolina**—Atlanta, GA 39901

**South Dakota**—Ogden, UT 84201

**Tennessee**—Memphis, TN 37501

**Texas**—Austin, TX 73301

**Utah**—Ogden, UT 84201

**Vermont**—Andover, MA 05501

**Virginia**—Philadelphia, PA 19255

**Washington**—Ogden, UT 84201

**West Virginia**—Cincinnati, OH 45999

**Wisconsin**—Kansas City, MO 64999

**Wyoming**—Ogden, UT 84201

**American Samoa**—Philadelphia, PA 19255

**Guam: Permanent residents**—Commissioner of Revenue and Taxation  
855 West Marine Dr.  
Agana, GU 96910

**Guam: Nonpermanent residents**—Philadelphia, PA 19255

**Puerto Rico** (*or if excluding income under section 933*)—Philadelphia, PA 19255

**Virgin Islands: Nonpermanent residents**—Philadelphia, PA 19255

**Virgin Islands: Permanent residents**—V.I. Bureau of Internal Revenue  
Lockharts Garden No. 1A  
Charlotte Amalie  
St. Thomas, VI 00802

**Foreign country:** *U.S. citizens and those filing Form 2555, Form 2555-EZ, or Form 4563*—Philadelphia, PA 19255

**All A.P.O. and F.P.O. addresses**—Philadelphia, PA 19255

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### What do I need if I write to the IRS?

If you write to the IRS, include your social security number on your correspondence. If you don't include it, it may take us longer to reply.

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### What should I do if I move?

If you move after you file, always notify, in writing, the Internal Revenue Service Center where you filed your last return or the Chief, Taxpayer Service Division, in your local IRS district office. You can use Form 8822 to notify us of your new address. If you are expecting a refund, also notify the post office serving your old address. This will help forward your check to your new address.

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### How long should I keep my tax return?

Keep a copy of your tax return, worksheets you used, and records of all items appearing on it (such as W-2 and 1099 forms) until the statute of limitations runs out for that return. Usually, this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. You should keep some records longer. For example, keep property records (including those on your home) as long as they are needed to figure the basis of the original or replacement property. For more details, get Pub. 552.

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**Income tax withholding and estimated tax payments for 1994**

If the amount you owe the IRS (line 32) or the amount you overpaid the IRS (line 29) is large, you may want to file a new Form W-4 with your employer to change the amount of income tax to be withheld from your pay. If you go back to work after a period of unemployment, you may be able to reduce your withholding. In general, you do not have to make estimated tax payments if you expect that your 1994 tax return will show a tax refund OR a tax balance due the IRS of less than \$500. If your total estimated tax for 1994 is \$500 or more, please get Form 1040-ES. It has a worksheet you can use to see if you have to make estimated tax payments. Get Pub. 505 for more details.

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**How do I amend my tax return?**

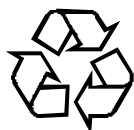
If you find changes in your income, deductions, or credits after you mail your return, file Form 1040X to change the return you already filed. If you filed a joint return, you may not, after the due date of that return, amend it to file as married filing a separate return. Generally, Form 1040X must be filed within 3 years after the date the original return was filed, or within 2 years after the date the tax was paid, whichever is later. A return filed early is considered filed on the date it was due. If your return is changed for any reason (for example, as a result of an audit of your return by the IRS), it may affect your state income tax return. Contact your state tax agency for more details.

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**Avoid common mistakes—Errors may delay your refund**

1. If a child lived with you and the amount on Form 1040A, line 16, is under \$23,050, did you read the instructions for Schedule EIC that begin on page 63 to see if you can take the earned income credit?
  2. Are your name, address, and social security number correct on the label? If not, did you enter the correct information?
  3. If you are married filing a joint return and didn't get a label, or you are married filing a separate return, did you enter your spouse's social security number in the space provided on page 1 of Form 1040A? Did you enter your social security number in the space provided next to your name?
  4. Did you use the correct filing status? If you think you can file as Head of household, did you read the instructions for line 4 that begin on page 17 to make sure you qualify?
  5. Did you enter your standard deduction on line 19? Also, if you checked any box on line 18a or 18b, did you see page 36 to find the amount to enter on line 19?
  6. If you (or your spouse if you checked the box on line 6b) were age 65 or older or blind, did you check the appropriate boxes on line 18a?
  7. If your parents (or someone else) can claim you as a dependent on their tax return (even if they chose not to claim you), did you check the box on line 18b?
  8. Did you enter the correct tax on line 23? Did you enter your total tax on line 27?
  9. Did you check your computations (additions, subtractions, etc.) especially when figuring your taxable income, Federal income tax withheld, and your refund or amount you owe?
  10. Did you attach your W-2 form(s) and any other required forms and schedules? Did you sign and date Form 1040A and enter your occupation?
- 

**Recycling**



The tax forms and instructions you received are printed on recyclable paper. If your community has a recycling program, please recycle. But remember to keep a copy of your return and any worksheets you used. The IRS tries to use recycled paper for all of its forms and instructions.

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## Major categories of Federal income and outlays for fiscal year 1992

On or before the first Monday in February of each year, the President is required by law to submit to the Congress a budget proposal for the fiscal year that begins the following October. The budget plan sets forth the President's proposed receipts, spending, and the deficit for the Federal government. The plan includes recommendations for new legislation as well as recommendations to change, eliminate, and add programs. After receipt of the President's proposal, the Congress reviews the proposal and makes changes. It first passes a budget resolution setting its own targets for receipts, outlays, and the deficit. Individual spending and revenue bills are then enacted consistent with the goals of the budget resolution.

In fiscal year 1992 (which began on October 1, 1991, and ended on September 30, 1992), Federal income was \$1,090.5 billion and outlays were \$1,380.9 billion, leaving a deficit of \$290.4 billion.

### Federal income

Income and social insurance taxes are, by far, the largest source of receipts. In 1992, individuals paid \$476 billion in income taxes and corporations paid \$100.3 billion. Social security and other insurance and retirement contributions were \$413.7 billion. Excise taxes were \$45.6 billion. The remaining \$55 billion of receipts were from Federal Reserve deposits, customs duties, estate and gift taxes, and other miscellaneous receipts. (These figures do not total to \$1,090.5 billion due to rounding.)

### Federal outlays

About 79% of total outlays were financed by tax receipts and the remaining 21% were financed by borrowing. Government receipts and borrowing finance a wide range of public services. The following is the breakdown of total outlays for fiscal year 1992:\*

**1. Social security, Medicare, and other retirement:** \$469.7 billion. These programs were 33% of total outlays. These programs provide income support for the retired and disabled and medical care for the elderly.

**2. National defense, veterans, and foreign affairs:** \$348.6 billion. About 21% of total outlays were to equip, modernize, and pay our armed forces and to fund other national defense activities; about 2% went for veterans benefits and services; and about 1% went for international activities, including military and economic assistance to foreign countries and the maintenance of United States embassies abroad.

**3. Net interest:** \$199.4 billion. About 14% of total outlays were for net interest payments on the public debt.

**4. Physical, human, and community development:** \$139.5 billion. About 10% of total outlays were for agriculture; natural resources and environmental programs; transportation programs; aid for elementary and secondary education and direct assistance to college students; job training programs; deposit insurance, commerce and housing credit, and community development; and space, energy, and general science programs.

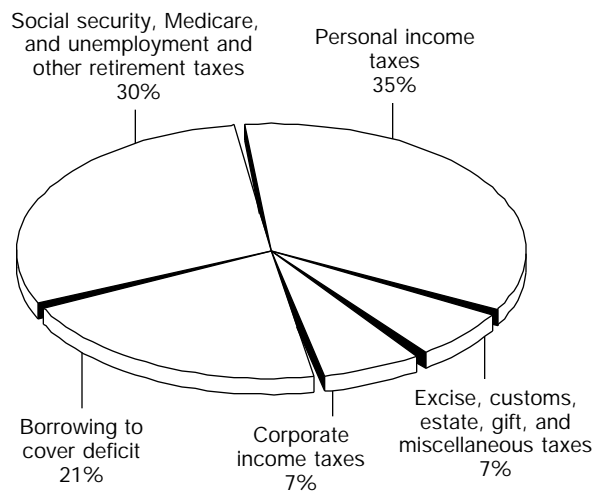
**5. Social programs:** \$235.6 billion. The Federal government spent 10% of total

outlays to fund Medicaid, food stamps, aid to families with dependent children, supplemental security income, and related programs. About 7% was spent for health research and public health programs, unemployment compensation, assisted housing, and social services.

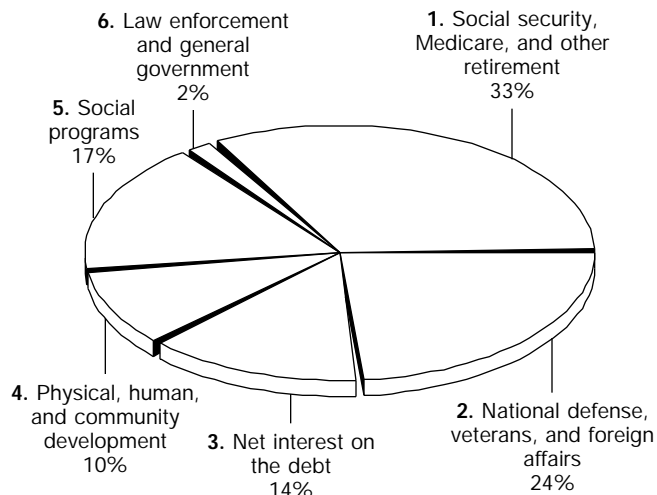
**6. Law enforcement and general government:** \$27.4 billion. About 2% of total outlays were for judicial activities, Federal law enforcement, and prisons; and to provide for the general costs of the Federal government, including the collection of taxes and legislative activities.

**Income and outlays—**These pie charts show the relative sizes of the major categories of Federal income and outlays for fiscal year 1992.

Where the income came from:



What the outlays were:



\* The percentages on this page exclude undistributed offsetting receipts, which were -\$39.3 billion in fiscal year 1992. In the budget, these receipts are offset against spending in figuring the outlay totals shown above. These receipts are primarily for the U.S. Government's share of its employee retirement programs and rents and royalties on the Outer Continental Shelf.