



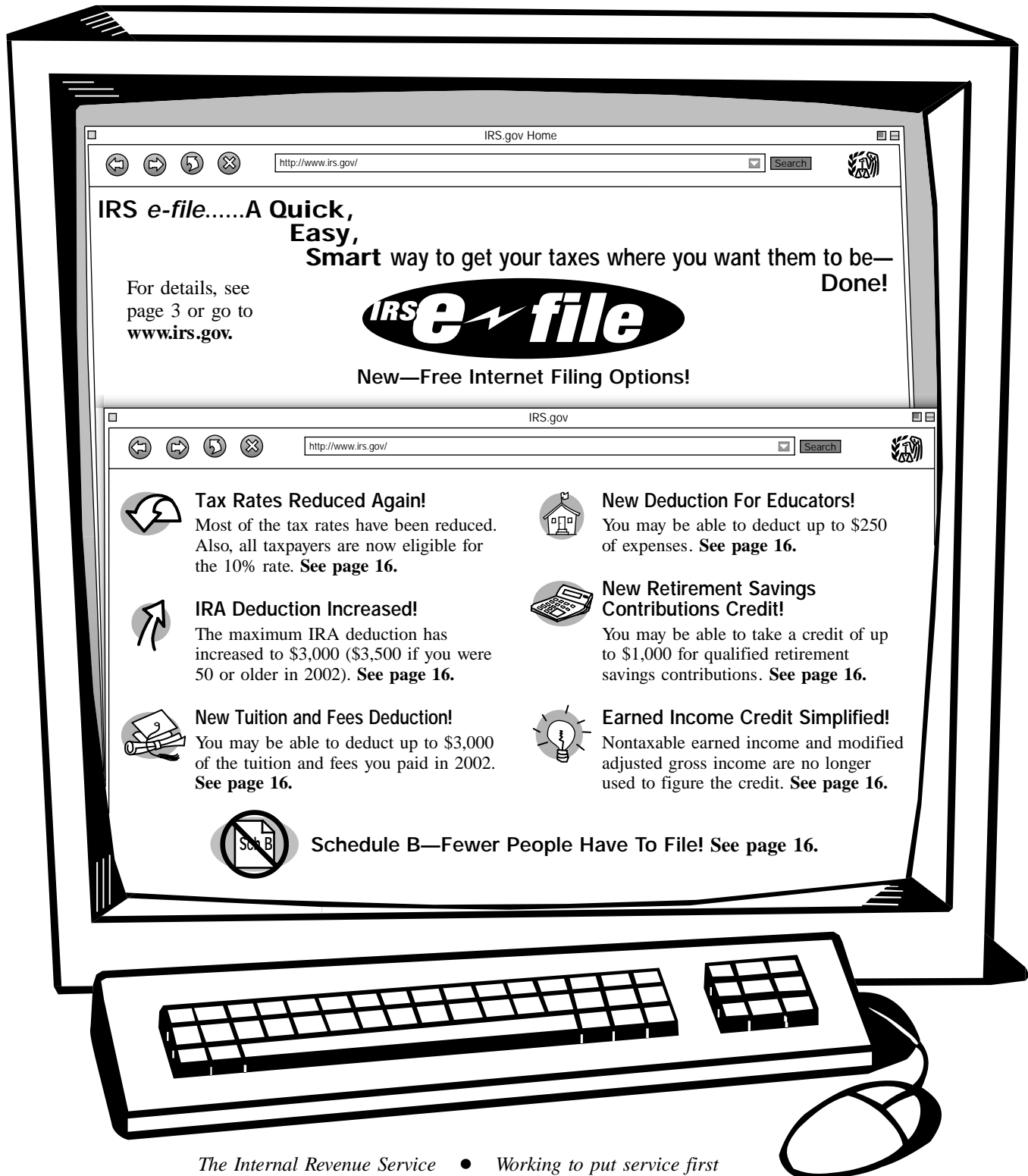
Department of the Treasury
Internal Revenue Service

www.irs.gov

Note. This booklet does not contain any tax forms.

2002 1040

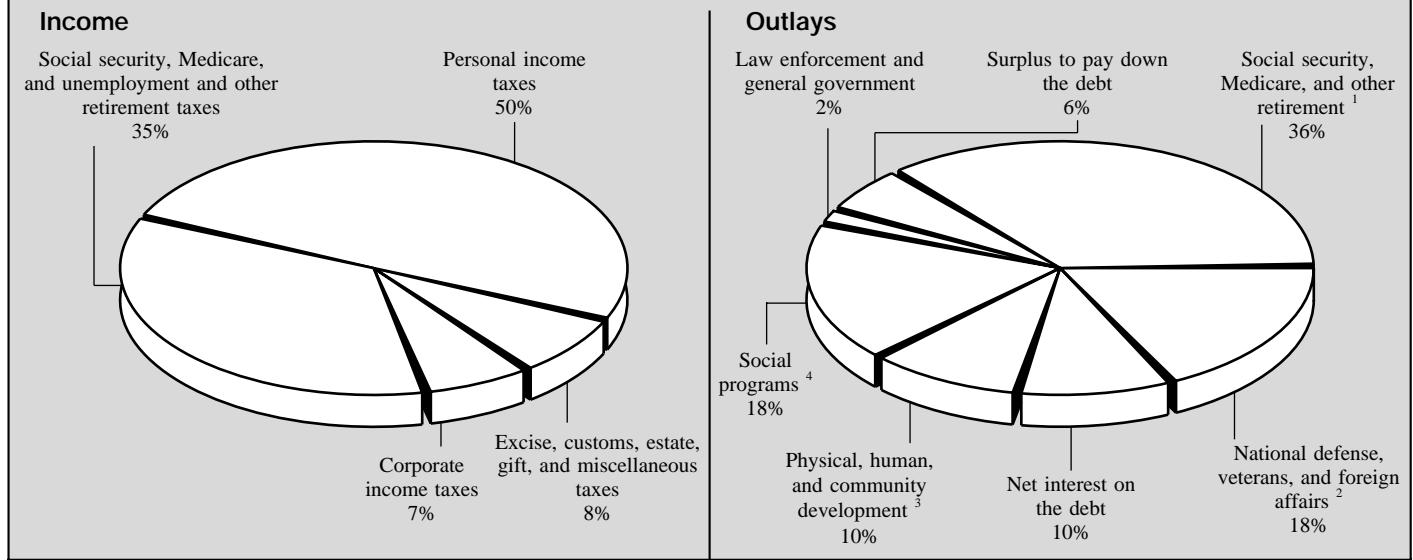
Instructions



The Internal Revenue Service • Working to put service first

Major Categories of Federal Income and Outlays for Fiscal Year 2001

Income and Outlays. These pie charts show the relative sizes of the major categories of Federal income and outlays for fiscal year 2001.



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 surplus or deficit for the Federal Government. The plan includes recommendations for new legislation as well as recommendations to change, eliminate, and add programs. After receiving the President's proposal, the Congress reviews it and makes changes. It first passes a budget resolution setting its own targets for receipts, outlays, and the surplus or deficit. Next, individual spending and revenue bills that are consistent with the goals of the budget resolution are enacted.

In fiscal year 2001 (which began on October 1, 2000, and ended on September 30, 2001), Federal income was \$2.0 trillion and outlays were \$1.9 trillion, leaving a surplus of \$0.1 trillion.

Footnotes for Certain Federal Outlays

1. Social security, Medicare, and other retirement: These programs provide income support for the retired and disabled and medical care for the elderly.

2. National defense, veterans, and foreign affairs: About 15% of outlays were to equip, modernize, and pay our armed forces and to fund other national defense activities; about 2% were for veterans benefits and services; and about 1% were for international activities, including military and economic assistance to foreign countries and the maintenance of U.S. embassies abroad.

3. Physical, human, and community development: These outlays were for agriculture; natural resources; environment; transportation; aid for elementary and secondary education and direct assistance to college students; job training; deposit insurance, commerce and housing credit, and community development; and space, energy, and general science programs.

4. Social programs: About 12% of total outlays were for Medicaid, food stamps, temporary assistance for needy families, supplemental security income, and related programs; and 6% for health research and public health programs, unemployment compensation, assisted housing, and social services.

Note. The percentages on this page exclude undistributed offsetting receipts, which were \$55 billion in fiscal year 2001. In the budget, these receipts are offset against spending in figuring the outlay totals shown above. These receipts are for the U.S. Government's share of its employee retirement programs, rents and royalties on the Outer Continental Shelf, and proceeds from the sale of assets.

The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.



New—Free Internet Filing Options!

Use the IRS Web Site, www.irs.gov, to access commercial tax preparation software and *e-file* services available at no cost to eligible taxpayers.

IRS *e-file* has:

- **Accuracy!** Your chance of getting an error notice from the IRS is significantly reduced.
- **Security!** Your privacy and security are assured.
- **Electronic Signatures!** Create your own personal identification number (PIN) and file a completely paperless return through your tax preparation software or tax professional. There is nothing to mail!
- **Proof of Acceptance!** You receive an electronic acknowledgement within 48 hours that the IRS has accepted your return for processing.
- **Fast Refunds!** You get your refund in half the time, even faster and safer with Direct Deposit—in as few as 10 days.
- **Electronic Payment Options!** Convenient, safe, and secure electronic payment options are available. *e-file* and *e-pay* your taxes in a single step. You can *e-pay* by authorizing an electronic funds withdrawal or by credit card. If you *e-file* before April 15, 2003, you may schedule an electronic funds withdrawal from your checking or savings account as late as April 15, 2003.
- **Federal/State *e-file*!** Prepare and file your Federal and state returns together and double the benefits you get from IRS *e-file*.

Get all the details on pages 4 and 5 or check out the IRS Web Site at www.irs.gov.

So Easy, No Wonder 47 Million People Use It.



- **New—Free Internet Filing Options**
 - **Accurate**
 - **Secure**
 - **Paperless**

So easy, no wonder 47 million people use it! You can file electronically, sign electronically, and get your refund or even pay electronically. IRS *e-file* offers accurate, safe, and fast alternatives to filing on paper. IRS computers quickly and automatically check for errors or other missing information. This year, 99% of all forms and schedules can be *e-filed*. Even returns with a foreign address can be *e-filed*! The chance of an audit of an *e-filed* tax return is no greater than with a paper filed return. Forty-seven million taxpayers just like you filed their tax returns electronically using an IRS *e-file* option because of the many benefits:

- New—Free Internet Filing Options!
- Accuracy!
- Security!
- Electronic Signatures!
- Proof of Acceptance!
- Fast Refunds!
- Electronic Payment Options!
- Federal/State *e-file*!

Here's How You Can Participate in IRS *e-file*



Use an Authorized IRS *e-file* Provider. Many tax professionals can electronically file paperless returns for their clients. As a taxpayer, you have two options.

1. You can prepare your return, take it to an authorized IRS *e-file* provider, ask to sign it electronically using a five-digit self-selected personal identification number (PIN), and have the provider transmit it electronically to the IRS, or

2. You can have a tax professional prepare your return, sign it electronically using a five-digit self-selected PIN, and have the preparer transmit it for you electronically.

You will be asked to complete **Form 8879** to authorize the provider to enter your self-selected PIN on your return.

Depending on the provider and the specific services requested, a fee may be charged. To find an authorized IRS *e-file* provider near you, go to www.irs.gov or look for an "Authorized IRS *e-file* Provider" sign.

Use Your Personal Computer. A computer with a modem or Internet access is all you need to file your income tax return using IRS *e-file*. Best of all, when you use your personal computer, you can *e-file* your tax return from the comfort of your home any time of the day or night. Sign your return electronically using a five-digit self-selected PIN to complete the process. There is no signature form to submit or Forms W-2 to send in. IRS *e-file* is totally paperless! Within 48 hours of filing, you will receive confirmation that the IRS accepted your return for processing.

New—Free Internet Filing Options! More taxpayers can now prepare and *e-file* their individual income tax returns for free using commercial tax preparation software—accessible through www.irs.gov or www.firstgov.gov. The IRS is partnering with the tax software industry to offer free preparation and filing services to a significant number of taxpayers. Security and privacy certificate programs will assure your tax data is safe and secure. To see if you qualify for these free services, visit the Free Internet Filing Homepage at www.irs.gov.

If you cannot use the free services, you can buy tax preparation software at various electronics stores or computer and office supply stores. You can also download software from the Internet or prepare and file your return completely on-line by using a tax preparation software package available on our Partners Page at www.irs.gov.

Through Employers and Financial Institutions. Some businesses offer free *e-file* to their employees, members, or customers. Others offer it for a fee. Ask your employer or financial institution if they offer IRS *e-file* as an employee, member, or customer benefit.

Free Help With Your Return. Free help in preparing your return is available nationwide from IRS-trained volunteers. The Volunteer Income Tax Assistance (VITA) program is designed to help low-income taxpayers and the Tax Counseling for the Elderly (TCE) program is designed to assist taxpayers age 60 or older with their tax returns. Some locations offer free electronic filing and all volunteers will let you know about the credits and deductions you may be entitled to claim. For details, call us. See page 15 for the number. If you received a Federal income tax package in the mail, take it with you when you go for help. Also take a copy of your 2001 tax return (if available), all your Forms W-2 and 1099 for 2002, any other information about your 2002 income and expenses, and the social security number (or individual taxpayer identification number) for your spouse, your dependents, and yourself. Or to find the nearest AARP Tax-Aide site, visit AARP's Web

Site at www.aarp.org/taxaide or call **1-888-227-7669**.



Use a Telephone. For millions of eligible taxpayers, TeleFile is the easiest way to file. TeleFile allows you to file your simple Federal

income tax return using a touch-tone telephone. Only taxpayers who met the qualifications for Form 1040EZ in the prior year are eligible to receive the TeleFile Tax Package for the current year. A TeleFile Tax Package is automatically mailed to you if you are eligible. TeleFile is completely paperless—there are no forms to mail in. Just follow the instructions and complete the TeleFile Tax Record in the package, pick up a telephone, and call the toll-free number any time day or night. In seven states, you can file your Federal and state income tax returns together using TeleFile. Check your state instruction booklet for more information. TeleFile is filed directly with the IRS, usually in 10 minutes, and it's absolutely FREE. **Parents: If your children receive a TeleFile Tax Package, please encourage them to use TeleFile.**

More About IRS *e-file* Benefits

All tax returns prepared electronically should be filed electronically. It's just a matter of clicking Send instead of Print! **Remember!** You get automatic confirmation within 48 hours that the IRS has accepted your *e-filed* income tax return for processing.

DIRECT DEPOSIT Fast Refunds!
Simple. Safe. Secure.

Choose Direct Deposit—a fast, simple, safe, secure way to have your Federal income tax refund deposited automatically into your checking or savings account. To choose Direct Deposit, the tax preparation software will prompt you to indicate on the refund portion of the electronic return the financial institution's routing number, account number, and type of account—either checking or savings. However, if your check is payable through a financial institution different from the one at which you have your checking account, **do not** use the routing number on the check. Instead, contact your financial institution for the correct routing number. Taxpayers who file electronically receive their refunds in less than half the time paper filers do and with Direct Deposit—in as few as 10 days!

Electronic Signatures! Paperless filing is easier than you think and it's available to most taxpayers who file electronically—including those first-time filers who were 16 or older at the end of 2002. It's available to individuals who prepare their own returns using tax preparation software or those who

use a tax professional. Regardless of the *e-filing* method you choose, you may be able to participate in the Self-Select PIN program. If you are married filing jointly, you and your spouse will each need to create a PIN and enter these PINs as your electronic signatures.

If using tax preparation software, the process includes completing your income tax return on your personal computer and when prompted, signing electronically. You will enter a five-digit PIN that will serve as your electronic signature. The five digits are any combination of five numbers you choose with one exception—you cannot use five zeros (00000). To verify your identity, the software will prompt you to enter your adjusted gross income (AGI) from your **originally** filed 2001 income tax return, if applicable. Do not use your AGI from an amended return (Form 1040X), math error notice from the IRS, etc. AGI is the amount shown on your 2001 Form 1040, line 33; Form 1040A, line 19; Form 1040EZ, line 4; and on the TeleFile Tax Record, line I. If you don't have your 2001 income tax return, call the IRS at 1-800-829-1040 to get a free transcript of your account. You will also be prompted to enter your date of birth (DOB). Make sure your DOB is accurate and matches the information on record with the Social Security Administration before you *e-file*. To do this, check your annual Social Security Statement.

If you use a self-select PIN, there's nothing to sign and nothing to mail—not even your Forms W-2. If you use a tax professional, ask to sign your return electronically! For more details on the Self-Select PIN program, visit the IRS Web Site at www.irs.gov.

Forms 8453 and 8453-OL. Your return is not complete without your signature. If you are not eligible or choose not to sign your return electronically, you must complete, sign, and file Form 8453 or Form 8453-OL, whichever applies.

You **cannot** participate in the Self-Select PIN program if you are a first-time filer under 16 at the end of 2002, **or** if you are filing **Form 3115, 5713, 8283** (if a third-party signature is required), **8332, or 8609**. These forms must be attached to Form 8453 or Form 8453-OL.

Electronic Payment Options!

These payment options are convenient, safe, and secure methods for paying individual income taxes. There's no check to write, money order to buy, or voucher to mail! There are three paperless payment methods to choose from.

1. Electronic Funds Withdrawal. You can *e-file* and *e-pay* in a single step by authorizing an electronic funds withdrawal from your checking or savings account. This option is available using tax professionals, tax preparation software, and TeleFile. If you select this payment option, you will be prompted to enter your financial institution's routing number, your account number, and the account type (checking or savings). You can schedule the payment for withdrawal on a future date up to and including the tax return due date (April 15, 2003). Check with your financial institution to make sure that an electronic funds withdrawal is allowed and to get the correct routing and account numbers.

2. Credit Card. You can also *e-file* and *e-pay* your taxes in a single step by authorizing a credit card payment. This option is available through some tax preparation software and tax professionals. If you *e-file* and *e-pay* your taxes using your personal computer, your tax preparation software will prompt you to enter your credit card information. Two other ways to pay by credit card are by telephone or Internet. For more information or to make a payment, you may contact the following service providers.

Official Payments Corporation
1-800-2PAY-TAXSM (1-800-272-9829)
1-877-754-4413 (Customer Service)
www.officialpayments.com

Link2Gov Corporation
1-888-PAY-1040SM (1-888-729-1040)
1-888-658-5465 (Customer Service)
www.PAY1040.com

Both service providers will accept all major credit cards: American Express® Card, Discover® Card, MasterCard® card, or Visa® card. You may use your credit card to pay: **(a)** tax on Forms 1040, 1040A, 1040EZ; **(b)** estimated tax payments (Form 1040-ES); **(c)** tax you estimate as due on Form 4868; **(d)** installment agreement payments (for tax years 1999 and later); and **(e)** any balance due shown on an individual income tax return notice.



Service providers charge a convenience fee for credit card payments.



3.

Electronic Federal Tax Payment System (EFTPS) offers another way to pay your Federal taxes. Best of all, it's free and available to business and individual taxpayers. In fact, it's recommended for estimated tax payments and installment agreement payments. For details on how to enroll, visit www.eftps.gov or call EFTPS Customer Service at **1-800-555-4477** or **1-800-945-8400**.

Additional information about electronic payment options is available on our Partners Page at www.irs.gov.

Federal/State *e-file*!

File Federal and state tax returns together using *e-file* and double the benefits of *e-file*! The tax preparation software automatically transfers relevant data from the Federal income tax return to the state income tax return as the information is entered. Currently, 37 states and the District of Columbia participate in the Federal/State *e-file* program. To see a complete list of states, check the IRS Web Site at www.irs.gov.

Need More Time To File?

You can get an automatic 4-month extension of time to file your return if, by April 15, 2003, you do one of the following.

- **File Form 4868** by telephone any time from February 13 through April 15, 2003. Simply call toll-free 1-888-796-1074. You will need to provide your adjusted gross income from your 2001 return if you plan to make a payment by using electronic funds withdrawal. You will be given a confirmation number at the end of the call for your records.

- *e-file* Form 4868 through your tax professional or by using tax preparation software.

This extension gives you through August 15, 2003, to *e-file* your return.

Tax Return Page Reference

Questions about what to put on a line? Help is on the page number in the circle.

Form **1040** Department of the Treasury—Internal Revenue Service **2002** | (99) IRS Use Only—Do not write or staple in this space.

Label (21) (See instructions on page 21.) Use the IRS label. Otherwise, please print or type. L A B E L H E R E	For the year Jan. 1–Dec. 31, 2002, or other tax year beginning _____, 2002, ending _____, 20	OMB No. 1545-0074
	Your first name and initial _____ Last name _____	Your social security number _____ (21)
	If a joint return, spouse's first name and initial _____ Last name _____ FOR REFERENCE ONLY—DO NOT FILE	Spouse's social security number _____ (21)
	Home address (number and street). If you have a P.O. box, see page 21. _____ Apt. no. _____ City, town or post office, state, and ZIP code. If you have a foreign address, see page 21. _____	▲ Important! ▲ You must enter your SSN(s) above.

Presidential Election Campaign (See page 21.) (21) **Note.** Checking "Yes" will not change your tax or reduce your refund.

Do you, or your spouse if filing a joint return, want \$3 to go to this fund? Yes No Yes No

Filing Status

Check only one box. (21)

1 <input type="checkbox"/> Single 2 <input type="checkbox"/> Married filing jointly (even if only one had income) 3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶ _____	4 <input type="checkbox"/> Head of household (with qualifying person). (See page 21.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ _____ 5 <input type="checkbox"/> Qualifying widow(er) with dependent child (year spouse died ▶ _____). (See page 21.)
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Exemptions (21)

6a Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a

b Spouse

c Dependents:	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see page 22)	
(1) First name Last name				
	(22)		(22)	(22)
			(22)	(22)
			(22)	(22)
			(22)	(22)

If more than five dependents, see page 22. (22)

d Total number of exemptions claimed (22)

No. of boxes checked on 6a and 6b _____
 No. of children on 6c who:
 • lived with you _____
 • did not live with you due to divorce or separation (see page 22) _____
 Dependents on 6c not entered above _____
 Add numbers on lines above ▶

Income (58)	7 Wages, salaries, tips, etc. Attach Form(s) W-2	7	(23)
Attach Forms W-2 and W-2G here. Also attach Form(s) 1099-R if tax was withheld.	8a Taxable interest. Attach Schedule B if required	8a	(23)
	b Tax-exempt interest. Do not include on line 8a	8b	(23)
If you did not get a W-2, see page 23. (23)	9 Ordinary dividends. Attach Schedule B if required	9	(24)
	10 Taxable refunds, credits, or offsets of state and local income taxes (see page 24)	10	(24)
Enclose, but do not attach, any payment. Also, please use Form 1040-V (57)	11 Alimony received	11	(25)
	12 Business income or (loss). Attach Schedule C or C-EZ	12	(25)
If you did not get a W-2, see page 23. (23)	13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	13	(25)
	14 Other gains or (losses). Attach Form 4797	14	(25)
Form 1040-V (57)	15a IRA distributions 15a (25)	15b	(25)
	b Taxable amount (see page 25)	15b	(25)
Form 1040-V (57)	16a Pensions and annuities 16a (25)	16b	(25)
	b Taxable amount (see page 25)	16b	(25)
Form 1040-V (57)	17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	(27)
	18 Farm income or (loss). Attach Schedule F.	18	(27)
Form 1040-V (57)	19 Unemployment compensation	19	(27)
	20a Social security benefits 20a (27)	20b	(27)
Form 1040-V (57)	b Taxable amount (see page 27)	20b	(27)
	21 Other income. List type and amount (see page 29)	21	(27)
Form 1040-V (57)	22 Add the amounts in the far right column for lines 7 through 21. This is your total income ▶	22	(29)

Adjusted Gross Income	23 Educator expenses (see page 29)	23	(NEW) (29)
Form 1040-V (57)	24 IRA deduction (see page 29)	24	(29)
	25 Student loan interest deduction (see page 31)	25	(31)
Form 1040-V (57)	26 Tuition and fees deduction (see page 32).	26	(NEW) (32)
	27 Archer MSA deduction. Attach Form 8853	27	(32)
Form 1040-V (57)	28 Moving expenses. Attach Form 3903	28	(32)
	29 One-half of self-employment tax. Attach Schedule SE	29	(32)
Form 1040-V (57)	30 Self-employed health insurance deduction (see page 33)	30	(33)
	31 Self-employed SEP, SIMPLE, and qualified plans	31	(33)
Form 1040-V (57)	32 Penalty on early withdrawal of savings	32	(33)
	33a Alimony paid b Recipient's SSN ▶ _____	33a	(33)
Form 1040-V (57)	34 Add lines 23 through 33a	34	(33)
	35 Subtract line 34 from line 22. This is your adjusted gross income ▶	35	(33)

Tax Return Page Reference

Questions about what to put on a line? Help is on the page number in the circle.

Tax and Credits

Standard Deduction for—

- People who checked any box on line 37a or 37b or who can be claimed as a dependent, see page 34.
- All others:
 - Single, \$4,700
 - Head of household, \$6,900
 - Married filing jointly or Qualifying widow(er), \$7,850
 - Married filing separately, \$3,925

34

36	Amount from line 35 (adjusted gross income)			36	
37a	Check if: <input type="checkbox"/> You were 65 or older, <input type="checkbox"/> Blind; <input type="checkbox"/> Spouse was 65 or older, <input type="checkbox"/> Blind. Add the number of boxes checked above and enter the total here . . . ▶ 37a				34
b	If you are married filing separately and your spouse itemizes deductions, or you were a dual-status alien, see page 34 and check here . . . ▶ 37b <input type="checkbox"/>				34
38	Itemized deductions (from Schedule A) or your standard deduction (see left margin)				34
39	Subtract line 38 from line 36				
40	If line 36 is \$103,000 or less, multiply \$3,000 by the total number of exemptions claimed on line 6d. If line 36 is over \$103,000, see the worksheet on page 35				35
41	Taxable income. Subtract line 40 from line 39. If line 40 is more than line 39, enter -0-				
42	Tax (see page 36). Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972				36
43	Alternative minimum tax (see page 37). Attach Form 6251				37
44	Add lines 42 and 43				
45	Foreign tax credit. Attach Form 1116 if required	45	38		
46	Credit for child and dependent care expenses. Attach Form 2441	46	38		
47	Credit for the elderly or the disabled. Attach Schedule R	47	38		
48	Education credits. Attach Form 8863	48	38		
49	Retirement savings contributions credit. Attach Form 8880	49	NEW 38		
50	Child tax credit (see page 39)	50	39		
51	Adoption credit. Attach Form 8839	51	41		
52	Credits from: a <input type="checkbox"/> Form 8396 b <input type="checkbox"/> Form 8859	52	41		
53	Other credits. Check applicable box(es): a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Specify _____	53	41		
54	Add lines 45 through 53. These are your total credits				
55	Subtract line 54 from line 44. If line 54 is more than line 44, enter -0- ▶				

Other Taxes

56	Self-employment tax. Attach Schedule SE			56	
57	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137				41
58	Tax on qualified plans, including IRAs, and other tax-favored accounts. Attach Form 5329 if required.				41
59	Advance earned income credit payments from Form(s) W-2.				41
60	Household employment taxes. Attach Schedule H				41
61	Add lines 55 through 60. This is your total tax ▶				41

Payments

If you have a qualifying child, attach Schedule EIC.

62	Federal income tax withheld from Forms W-2 and 1099	62			
63	2002 estimated tax payments and amount applied from 2001 return	63	42	42	
64	Earned income credit (EIC)	64	43	43	
65	Excess social security and tier 1 RRTA tax withheld (see page 56)	65	56	56	
66	Additional child tax credit. Attach Form 8812	66	56	56	
67	Amount paid with request for extension to file (see page 56)	67	56	56	
68	Other payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885	68	56	56	
69	Add lines 62 through 68. These are your total payments (NEW) ▶				

Refund

Direct deposit? See page 56 and fill in 71b, 71c, and 71d.

70	If line 69 is more than line 61, subtract line 61 from line 69. This is the amount you overpaid			70	
71a	Amount of line 70 you want refunded to you ▶ 71a	71a	56		56
b	Routing number <input type="text"/>	b	56		
c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	c	56		
d	Account number <input type="text"/>	d	56		
72	Amount of line 70 you want applied to your 2003 estimated tax ▶	72	57		57

Amount You Owe

73	Amount you owe. Subtract line 69 from line 61. For details on how to pay, see page 57 ▶			73	
74	Estimated tax penalty (see page 57)	74	57		57

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 58)? Yes. Complete the following. No

Designee's name ▶	(58)	Phone no. ▶ ()	Personal identification number (PIN) ▶
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Sign Here

Joint return? See page 21. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	(58)	Date	Your occupation	Daytime phone number () () () () () () () ()
Spouse's signature. If a joint return, both must sign.		Date	Spouse's occupation	

Paid Preparer's Use Only

Preparer's signature ▶	(58)	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ▶		EIN	Phone no. () () () () () () () ()	

IRS Customer Service Standards

At the IRS, our goal is to continually improve the quality of our services. To achieve that goal, we have developed customer service standards in the following areas:

- **Easier filing and payment options**
- **Access to information**
- **Accuracy**

- **Prompt refunds**
- **Initial contact resolution**
- **Canceling penalties**
- **Resolving problems**
- **Simpler forms**

If you would like information about the IRS standards and a report of our accomplishments, see **Pub. 2183**.

Help With Unresolved Tax Issues

Office of the Taxpayer Advocate

Contacting Your Taxpayer Advocate

If you have attempted to deal with an IRS problem unsuccessfully, you should contact your Taxpayer Advocate.

The Taxpayer Advocate independently represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels.

While Taxpayer Advocates cannot change the tax law or make a technical tax decision, they can clear up problems that resulted from previous contacts and ensure that your case is given a complete and impartial review.

Handling Your Tax Problems

Your assigned personal advocate will listen to your point of view and will work with you to address your concerns. You can expect the advocate to provide you with:

- A “fresh look” at your new or on-going problem
- Timely acknowledgment
- The name and phone number of the individual assigned to your case
- Updates on progress
- Timeframes for action
- Speedy resolution
- Courteous service

Information You Should Be Prepared To Provide

- Your name, address, and social security number (or employer identification number)
- Your telephone number and hours you can be reached
- The type of tax return and year(s) involved
- A detailed description of your problem
- Your previous attempts to solve the problem and the office you contacted, and
- Description of the hardship you are facing (if applicable)

How To Contact Your Taxpayer Advocate

- Call the Taxpayer Advocate’s toll-free number: **1-877-777-4778**
- Call, write, or fax the Taxpayer Advocate office in your area (see **Pub. 1546** for addresses and phone numbers)
- TTY/TDD help is available by calling 1-800-829-4059

Quick and Easy Access to Tax Help and Forms

Note. If you live outside the United States, see **Pub. 54** to find out how to get help and forms.



Personal Computer

You can access the IRS Web Site 24 hours a day, 7 days a week, at www.irs.gov to:

- Access commercial tax preparation and *e-file* services available for FREE to eligible taxpayers
- Check the status of your 2002 refund
- Download forms, instructions, and publications
- Order IRS products on-line
- See answers to frequently asked tax questions
- Search publications on-line by topic or keyword
- Figure your withholding allowances using our W-4 calculator
- Send us comments or request help by e-mail
- Sign up to receive local and national tax news by e-mail

You can also reach us using File Transfer Protocol at <ftp.irs.gov>



Fax

You can get over 100 of the most requested forms and instructions 24 hours a day, 7 days a week, by fax. Just call **703-368-9694** from the telephone connected to the fax machine.

See pages 10 and 11 for a list of the items available.

For help with transmission problems, call **703-487-4608**.

Long-distance charges may apply.



Mail

You can order forms, instructions, and publications by completing the order blank on page 61. You should receive your order within 10 days after we receive your request.



Walk-In

You can pick up some of the most requested forms, instructions, and publications at many IRS offices, post offices, and libraries. Some grocery stores, copy centers, city and county government offices, credit unions, and office supply stores have a collection of reproducible tax forms available to photocopy or print from a CD-ROM.



Phone

You can order forms and publications and receive automated information 24 hours a day, 7 days a week, by phone.

Forms and Publications

Call **1-800-TAX-FORM** (1-800-829-3676) to order current year forms, instructions, and publications, and prior year forms and instructions. You should receive your order within 10 days.

TeleTax Topics

Call **1-800-829-4477** to listen to pre-recorded messages covering about 150 tax topics. See pages 13 and 14 for a list of the topics.

Refund Information

You can check the status of your 2002 refund. See page 13 for details.



CD-ROM

Order **Pub. 1796**, Federal Tax Products on CD-ROM, and get:

- Current year forms, instructions, and publications
- Prior year forms, instructions, and publications
- Frequently requested tax forms that may be filled in electronically, printed out for submission, and saved for recordkeeping
- The Internal Revenue Bulletin

Buy the CD-ROM on the Internet at www.irs.gov/cdorders from the National Technical Information Service (NTIS) for \$22 (no handling fee) or call **1-877-CDFORMS** (1-877-233-6767) toll free to buy the CD-ROM for \$22 (plus a \$5 handling fee).

You can also get help in other ways—See page 60 for information.

Forms by Fax

The following forms and instructions are available through our **Tax Fax** service 24 hours a day, 7 days a week. Just call **703-368-9694** from the telephone connected to the fax machine. Long-distance charges may apply. When you call, you will hear instructions on how to use the service. Select the option for getting forms. Then, enter the **Catalog Number** (Cat. No.) shown below for each item you want. When you hang up the phone, the fax will begin.

Name of Form or Instructions	Title of Form or Instructions	Cat. No.	No. of Pages	Name of Form or Instructions	Title of Form or Instructions	Cat. No.	No. of Pages
Form SS-4	Application for Employer Identification Number	16055	2	Instr. 990-EZ	Specific Instructions for Form 990-EZ	50003	9
Instr. SS-4		62736	6	Form 1040	U.S. Individual Income Tax Return	11320	2
Form SS-8	Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding	16106	5	Instr. 1040	Line Instructions for Form 1040	11325	38
Form W-4	Employee's Withholding Allowance Certificate	10220	2	Instr. 1040	General Information for Form 1040	24811	26
Form W-4P	Withholding Certificate for Pension or Annuity Payments	10225	4	Tax Table and Tax Rate Sch.	Tax Table and Tax Rate Schedules (Form 1040)	24327	13
Form W-5	Earned Income Credit Advance Payment Certificate	10227	3	Schedules A&B (Form 1040)	Itemized Deductions & Interest and Ordinary Dividends	11330	2
Form W-7	Application for IRS Individual Taxpayer Identification Number	10229	4	Instr. Sch. A&B		24328	8
Form W-7A	Application for Taxpayer Identification Number for Pending U.S. Adoptions	24309	2	Schedule C (Form 1040)	Profit or Loss From Business (Sole Proprietorship)	11334	2
Form W-7P	Application for Preparer Tax Identification Number	26781	1	Instr. Sch. C		24329	9
Form W-9	Request for Taxpayer Identification Number and Certification	10231	3	Schedule C-EZ (Form 1040)	Net Profit From Business (Sole Proprietorship)	14374	2
Instr. W-9		20479	4	Schedule D (Form 1040)	Capital Gains and Losses	11338	2
Form W-9S	Request for Student's or Borrower's Taxpayer Identification Number and Certification	25240	2	Instr. Sch. D		24331	9
Form W-10	Dependent Care Provider's Identification and Certification	10437	1	Schedule D-1 (Form 1040)	Continuation Sheet for Schedule D	10424	2
Form 709	U.S. Gift (and Generation-Skipping Transfer) Tax Return	16783	4	Schedule E (Form 1040)	Supplemental Income and Loss	11344	2
Instr. 709		16784	12	Instr. Sch. E		24332	6
Form 709A	U.S. Short Form Gift Tax Return	10171	3	Schedule EIC (Form 1040A or 1040)	Earned Income Credit	13339	2
Form 843	Claim for Refund and Request for Abatement	10180	1	Schedule F (Form 1040)	Profit or Loss From Farming	11346	2
Instr. 843		11200	2	Instr. Sch. F		24333	6
Form 940	Employer's Annual Federal Unemployment (FUTA) Tax Return	11234	2	Schedule H (Form 1040)	Household Employment Taxes	12187	2
Instr. 940		13660	6	Instr. Sch. H		21451	8
Form 940-EZ	Employer's Annual Federal Unemployment (FUTA) Tax Return	10983	2	Schedule J (Form 1040)	Farm Income Averaging	25513	1
Instr. 940-EZ		25947	5	Instr. Sch. J		25514	7
Form 941	Employer's Quarterly Federal Tax Return	17001	4	Schedule R (Form 1040)	Credit for the Elderly or the Disabled	11359	2
Instr. 941		14625	4	Instr. Sch. R		11357	4
Form 941c	Supporting Statement To Correct Information	11242	4	Schedule SE (Form 1040)	Self-Employment Tax	11358	2
Form 990	Return of Organization Exempt From Income Tax	11282	6	Instr. Sch. SE		24334	4
Instr. 990 & 990-EZ	General Instructions for Forms 990 and 990-EZ	22386	15	Form 1040A	U.S. Individual Income Tax Return	11327	2
Instr. 990	Specific Instructions for Form 990	50002	19	Schedule 1 (Form 1040A)	Interest and Ordinary Dividends for Form 1040A Filers	12075	1
Schedule A (Form 990 or 990-EZ)	Organization Exempt Under Section 501(c)(3)	11285	6	Schedule 2 (Form 1040A)	Child and Dependent Care Expenses for Form 1040A Filers	10749	2
Instr. Sch. A		11294	14	Instr. Sch. 2		30139	3
Form 990-EZ	Short Form Return of Organization Exempt From Income Tax	10642	2	Schedule 3 (Form 1040A)	Credit for the Elderly or the Disabled for Form 1040A Filers	12064	2
				Instr. Sch. 3		12059	4
				Form 1040-ES	Estimated Tax for Individuals	11340	7
				Form 1040EZ	Income Tax Return for Single and Joint Filers With No Dependents	11329	2
				Form 1040NR	U.S. Nonresident Alien Income Tax Return	11364	5
				Instr. 1040NR		11368	40
				Form 1040NR-EZ	U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents	21534	2

Name of Form or Instructions	Title of Form or Instructions	Cat. No.	No. of Pages	Name of Form or Instructions	Title of Form or Instructions	Cat. No.	No. of Pages
Instr. 1040NR-EZ		21718	15	Form 6252	Installment Sale Income	13601	4
Form 1040-V	Payment Voucher	20975	2	Form 6781	Gains and Losses From Section 1256 Contracts and Straddles	13715	3
Form 1040X	Amended U.S. Individual Income Tax Return	11360	2	Form 8271	Investor Reporting of Tax Shelter Registration Number	61924	2
Instr. 1040X		11362	6	Form 8283	Noncash Charitable Contributions	62299	2
Form 1116	Foreign Tax Credit	11440	2	Instr. 8283		62730	4
Instr. 1116		11441	16	Form 8300	Report of Cash Payments Over \$10,000 Received in a Trade or Business	62133	4
Form 1310	Statement of Person Claiming Refund Due a Deceased Taxpayer	11566	2	Form 8332	Release of Claim to Exemption for Child of Divorced or Separated Parents	13910	1
Form 2106	Employee Business Expenses	11700	2	Form 8379	Injured Spouse Claim and Allocation	62474	2
Instr. 2106		64188	8	Form 8582	Passive Activity Loss Limitations	63704	3
Form 2106-EZ	Unreimbursed Employee Business Expenses	20604	2	Instr. 8582		64294	12
Form 2120	Multiple Support Declaration	11712	1	Form 8586	Low-Income Housing Credit	63987	2
Form 2210	Underpayment of Estimated Tax by Individuals, Estates, and Trusts	11744	3	Form 8606	Nondeductible IRAs	63966	2
Instr. 2210		63610	6	Instr. 8606		25399	8
Form 2290	Heavy Highway Vehicle Use Tax Return	11250	3	Form 8615	Tax for Children Under Age 14 With Investment Income of More Than \$1,500	64113	1
Instr. 2290		27231	8	Instr. 8615		28914	2
Form 2441	Child and Dependent Care Expenses	11862	2	Form 8718	User Fee for Exempt Organization Determination Letter Request	64728	1
Instr. 2441		10842	3	Form 8801	Credit for Prior Year Minimum Tax—Individuals, Estates, and Trusts	10002	4
Form 2553	Election by a Small Business Corporation	18629	2	Form 8809	Request for Extension of Time To File Information Returns	10322	2
Instr. 2553		49978	4	Form 8812	Additional Child Tax Credit	10644	2
Form 2555	Foreign Earned Income	11900	3	Form 8814	Parents' Election To Report Child's Interest and Dividends	10750	2
Instr. 2555		11901	4	Form 8815	Exclusion of Interest From Series EE and I U.S. Savings Bonds Issued After 1989	10822	2
Form 2555-EZ	Foreign Earned Income Exclusion	13272	2	Form 8822	Change of Address	12081	2
Instr. 2555-EZ		14623	3	Form 8824	Like-Kind Exchanges	12311	4
Form 2688	Application for Additional Extension of Time To File U.S. Individual Income Tax Return	11958	2	Form 8829	Expenses for Business Use of Your Home	13232	1
Form 2848	Power of Attorney and Declaration of Representative	11980	2	Instr. 8829		15683	4
Instr. 2848		11981	4	Form 8839	Qualified Adoption Expenses	22843	2
Form 3903	Moving Expenses	12490	2	Instr. 8839		23077	4
Form 4136	Credit for Federal Tax Paid on Fuels	12625	4	Form 8850	Pre-Screening Notice and Certification Request for the Work Opportunity and Welfare-to-Work Credits	22851	2
Form 4137	Social Security and Medicare Tax on Unreported Tip Income	12626	2	Instr. 8850		24833	2
Form 4506	Request for Copy or Transcript of Tax Form	41721	2	Form 8853	Archer MSAs and Long-Term Care Insurance Contracts	24091	2
Form 4562	Depreciation and Amortization	12906	2	Instr. 8853		24188	8
Instr. 4562		12907	12	Form 8857	Request for Innocent Spouse Relief	24647	4
Form 4684	Casualties and Thefts	12997	2	Form 8859	District of Columbia First-Time Homebuyer Credit	24779	2
Instr. 4684		12998	4	Form 8862	Information To Claim Earned Income Credit After Disallowance	25145	2
Form 4797	Sales of Business Property	13086	2	Instr. 8862		25343	2
Instr. 4797		13087	7	Form 8863	Education Credits	25379	3
Form 4835	Farm Rental Income and Expenses	13117	2	Form 8880	Credit For Qualified Retirement Savings Contributions	33394	2
Form 4868	Application for Automatic Extension of Time To File U.S. Individual Income Tax Return	13141	4	Form 8885	Health Insurance Credit For Eligible Recipients	34641	2
Form 4952	Investment Interest Expense Deduction	13177	2	Form 9465	Installment Agreement Request	14842	2
Form 4972	Tax on Lump-Sum Distributions	13187	4				
Form 5329	Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts	13329	2				
Instr. 5329		13330	4				
Form 6198	At-Risk Limitations	50012	1				
Instr. 6198		50013	8				
Form 6251	Alternative Minimum Tax—Individuals	13600	2				
Instr. 6251		64277	8				

Partial List of Publications

The following publications are available through the IRS Web Site 24 hours a day, 7 days a week, at www.irs.gov. You can also order publications by calling **1-800-TAX-FORM** (1-800-829-3676) or by completing the order blank on page 61. You should receive your order within 10 days after we receive your request. For a complete list of available publications, see **Pub. 910**.

Pub. No.	Title	Pub. No.	Title
1	Your Rights as a Taxpayer	570	Tax Guide for Individuals With Income From U.S. Possessions
3	Armed Forces' Tax Guide	575	Pension and Annuity Income
17	Your Federal Income Tax (For Individuals)	584	Casualty, Disaster, and Theft Loss Workbook (Personal-Use Property)
225	Farmer's Tax Guide	587	Business Use of Your Home (Including Use by Day-Care Providers)
334	Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)	590	Individual Retirement Arrangements (IRAs)
378	Fuel Tax Credits and Refunds	593	Tax Highlights for U.S. Citizens and Residents Going Abroad
463	Travel, Entertainment, Gift, and Car Expenses	594	The IRS Collection Process
501	Exemptions, Standard Deduction, and Filing Information	595	Tax Highlights for Commercial Fishermen
502	Medical and Dental Expenses	596	Earned Income Credit (EIC)
503	Child and Dependent Care Expenses	721	Tax Guide to U.S. Civil Service Retirement Benefits
504	Divorced or Separated Individuals	901	U.S. Tax Treaties
505	Tax Withholding and Estimated Tax	907	Tax Highlights for Persons With Disabilities
508	Tax Benefits for Work-Related Education	908	Bankruptcy Tax Guide
509	Tax Calendars for 2003	910	Guide To Free Tax Services
514	Foreign Tax Credit for Individuals	911	Direct Sellers
516	U.S. Government Civilian Employees Stationed Abroad	915	Social Security and Equivalent Railroad Retirement Benefits
517	Social Security and Other Information for Members of the Clergy and Religious Workers	919	How Do I Adjust My Tax Withholding?
519	U.S. Tax Guide for Aliens	925	Passive Activity and At-Risk Rules
520	Scholarships and Fellowships	926	Household Employer's Tax Guide—For Wages Paid in 2003
521	Moving Expenses	929	Tax Rules for Children and Dependents
523	Selling Your Home	936	Home Mortgage Interest Deduction
524	Credit for the Elderly or the Disabled	946	How To Depreciate Property
525	Taxable and Nontaxable Income	947	Practice Before the IRS and Power of Attorney
526	Charitable Contributions	950	Introduction to Estate and Gift Taxes
527	Residential Rental Property (Including Rental of Vacation Homes)	954	Tax Incentives for Empowerment Zones and Other Distressed Communities
529	Miscellaneous Deductions	967	The IRS Will Figure Your Tax
530	Tax Information for First-Time Homeowners	968	Tax Benefits for Adoption
531	Reporting Tip Income	970	Tax Benefits for Education
533	Self-Employment Tax	971	Innocent Spouse Relief (And Separation of Liability and Equitable Relief)
534	Depreciating Property Placed in Service Before 1987	972	Child Tax Credit
535	Business Expenses	1542	Per Diem Rates (For Travel Within the Continental United States)
537	Installment Sales	1544	Reporting Cash Payments of Over \$10,000
541	Partnerships	1546	The Taxpayer Advocate Service of the IRS—How to Get Help With Unresolved Tax Problems
544	Sales and Other Dispositions of Assets		
547	Casualties, Disasters, and Thefts		
550	Investment Income and Expenses (Including Capital Gains and Losses)		
551	Basis of Assets		
552	Recordkeeping for Individuals		
553	Highlights of 2002 Tax Changes		
554	Older Americans' Tax Guide		
555	Community Property		
556	Examination of Returns, Appeal Rights, and Claims for Refund		
559	Survivors, Executors, and Administrators		
561	Determining the Value of Donated Property		
564	Mutual Fund Distributions		
		Spanish Language Publications	
		1SP	Your Rights as a Taxpayer
		579SP	How To Prepare Your Federal Income Tax Return
		594SP	The IRS Collection Process
		596SP	Earned Income Credit
		850	English-Spanish Glossary of Words and Phrases Used in Publications Issued by the Internal Revenue Service
		1544SP	Reporting Cash Payments of Over \$10,000

Refund Information

You can check on the status of your 2002 refund if it has been at least 4 weeks from the date you filed your return (3 weeks if you filed electronically).

Be sure to have a copy of your 2002 tax return available because you will need to know the first social security number shown on your return and the **exact** whole-dollar amount of your refund. Do not send in a copy of your return unless asked to do so. You will also need to know your filing status. Then, do one of the following.

- Go to www.irs.gov, click on **Where's My Refund** then on **Go Get My Refund Status**.

- Call **1-800-829-4477** for automated refund information and follow the recorded instructions.

- Call **1-800-829-1954** during the hours shown on page 15.



Refunds are sent out weekly on Fridays. If you call to check the status of your refund and are not given the date it will be issued, please wait until the next week before calling back.

What Is TeleTax?

How Do You Use TeleTax?

Recorded Tax Information

Recorded tax information is available 24 hours a day, 7 days a week. Select the

number of the topic you want to hear. Then, call **1-800-829-4477**. Have paper and pencil handy to take notes.

Topics by Personal Computer

TeleTax topics are also available using a personal computer and modem (go to www.irs.gov).

TeleTax Topics

All topics are available in Spanish.

Topic No.	Subject
IRS Help Available	
101	IRS services—Volunteer tax assistance, toll-free telephone, walk-in assistance, and outreach programs
102	Tax assistance for individuals with disabilities and the hearing impaired
103	Intro. to Federal taxes for small businesses/self-employed
104	Taxpayer Advocate program—Help for problem situations
105	Public libraries—Tax information tapes and reproducible tax forms
IRS Procedures	
151	Your appeal rights
152	Refunds—How long they should take
153	What to do if you haven't filed your tax return
154	2002 Forms W-2 and Form 1099-R—What to do if not received

Topic No.	Subject
155	Forms and publications—How to order
156	Copy of your tax return—How to get one
157	Change of address—How to notify IRS
158	Ensuring proper credit of payments
159	Prior year(s) Form W-2—How to get a copy of
Collection	
201	The collection process
202	What to do if you can't pay your tax
203	Failure to pay child support and Federal nontax and state income tax obligations
204	Offers in compromise
205	Innocent spouse relief (and separation of liability and equitable relief)
Alternative Filing Methods	
251	Electronic signatures
252	Electronic filing
253	Substitute tax forms
254	How to choose a paid tax preparer
255	TeleFile

Topic No.	Subject
General Information	
301	When, where, and how to file
302	Highlights of tax changes
303	Checklist of common errors when preparing your tax return
304	Extensions of time to file your tax return
305	Recordkeeping
306	Penalty for underpayment of estimated tax
307	Backup withholding
308	Amended returns
309	Roth IRA contributions
310	Coverdell education savings accounts
311	Power of attorney information
312	Disclosure authorizations
313	Qualified tuition programs (QTPs)
Filing Requirements, Filing Status, and Exemptions	
351	Who must file?
352	Which form—1040, 1040A, or 1040EZ?
353	What is your filing status?

(Continued on page 14)

TeleTax Topics

(Continued)

Topic No.	Subject
354	Dependents
355	Estimated tax
356	Decedents
357	Tax information for parents of kidnapped children
Types of Income	
401	Wages and salaries
402	Tips
403	Interest received
404	Dividends
405	Refunds of state and local taxes
406	Alimony received
407	Business income
408	Sole proprietorship
409	Capital gains and losses
410	Pensions and annuities
411	Pensions—The general rule and the simplified method
412	Lump-sum distributions
413	Rollovers from retirement plans
414	Rental income and expenses
415	Renting vacation property and renting to relatives
416	Farming and fishing income
417	Earnings for clergy
418	Unemployment compensation
419	Gambling income and expenses
420	Bartering income
421	Scholarship and fellowship grants
422	Nontaxable income
423	Social security and equivalent railroad retirement benefits
424	401(k) plans
425	Passive activities—Losses and credits
426	Other income
427	Stock options
428	Roth IRA distributions
429	Traders in securities (information for Form 1040 filers)
430	Exchange of policyholder interest for stock
431	Sale of assets held for more than 5 years
Adjustments to Income	
451	Individual retirement arrangements (IRAs)
452	Alimony paid
453	Bad debt deduction
454	Tax shelters
455	Moving expenses
456	Student loan interest deduction
457	Tuition and fees deduction
458	Educator expense deduction
Itemized Deductions	
501	Should I itemize?
502	Medical and dental expenses

Topic No.	Subject
503	Deductible taxes
504	Home mortgage points
505	Interest expense
506	Contributions
507	Casualty and theft losses
508	Miscellaneous expenses
509	Business use of home
510	Business use of car
511	Business travel expenses
512	Business entertainment expenses
513	Educational expenses
514	Employee business expenses
515	Casualty, disaster, and theft losses
Tax Computation	
551	Standard deduction
552	Tax and credits figured by the IRS
553	Tax on a child's investment income
554	Self-employment tax
555	Ten-year tax option for lump-sum distributions
556	Alternative minimum tax
557	Tax on early distributions from traditional and Roth IRAs
558	Tax on early distributions from retirement plans
Tax Credits	
601	Earned income credit (EIC)
602	Child and dependent care credit
603	Credit for the elderly or the disabled
604	Advance earned income credit
605	Education credits
606	Child tax credits
607	Adoption credit
608	Excess social security and RRTA tax withheld
610	Retirement savings contributions credit
IRS Notices	
651	Notices—What to do
652	Notice of underreported income—CP 2000
653	IRS notices and bills, penalties, and interest charges
Basis of Assets, Depreciation, and Sale of Assets	
701	Sale of your home
703	Basis of assets
704	Depreciation
705	Installment sales
Employer Tax Information	
751	Social security and Medicare withholding rates
752	Form W-2—Where, when, and how to file

Topic No.	Subject
753	Form W-4—Employee's Withholding Allowance Certificate
754	Form W-5—Advance earned income credit
755	Employer identification number (EIN)—How to apply
756	Employment taxes for household employees
757	Form 941—Deposit requirements
758	Form 941—Employer's Quarterly Federal Tax Return
759	Form 940 and 940-EZ—Deposit requirements
760	Form 940 and Form 940-EZ—Employer's Annual Federal Unemployment Tax Returns
761	Tips—Withholding and reporting
762	Independent contractor vs. employee
Magnetic Media Filers—1099 Series and Related Information Returns	
801	Who must file magnetically
802	Applications, forms, and information
803	Waivers and extensions
804	Test files and combined Federal and state filing
805	Electronic filing of information returns
Tax Information for Aliens and U.S. Citizens Living Abroad	
851	Resident and nonresident aliens
852	Dual-status alien
853	Foreign earned income exclusion—General
854	Foreign earned income exclusion—Who qualifies?
855	Foreign earned income exclusion—What qualifies?
856	Foreign tax credit
857	Individual Taxpayer Identification Number—Form W-7
858	Alien tax clearance
Tax Information for Puerto Rico Residents (in Spanish only)	
901	Who must file a U.S. income tax return in Puerto Rico
902	Deductions and credits for Puerto Rico filers
903	Federal employment taxes in Puerto Rico
904	Tax assistance for Puerto Rico residents

Topic numbers are effective
January 1, 2003.

Calling the IRS

If you cannot answer your question by using one of the methods listed on page 9, please call us for assistance at **1-800-829-1040**. You will not be charged for the call unless your phone company charges you for local calls. Our normal hours of operation are Monday through Friday from 7:00 a.m. to 10:00 p.m. local time. Beginning January 25, 2003, through April 12, 2003, assistance will also be available on Saturday from 10:00 a.m. to 3:00 p.m. local time. Assistance provided to callers from Alaska and Hawaii will be based on the hours of operation in the Pacific time zone.



If you want to check the status of your **2002 refund**, see **Refund Information** on page 13 for instructions.

Employee Plans. If you own a business and have questions about starting a pension plan, an existing plan, or filing **Form 5500**, call our **Tax Exempt/Government Entities Customer Account Services** at **1-877-829-5500**. Assistance is available Monday through Friday from 8:00 a.m. to 6:30 p.m. EST. **If you have questions about an individual retirement arrangement (IRA) or any individual income tax issues you should call 1-800-829-1040.**

Exempt Organizations. If you have questions about exempt organizations, including the types of tax-exempt organizations, or you want to verify an organization's charitable status, call our **Tax Exempt/Government Entities Customer Account Services** at **1-877-829-5500**. Assistance is available Monday through Friday from 8:00 a.m. to 6:30 p.m. EST.

Before You Call

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 questions by having the following information available.

- The tax form, schedule, or notice to which your question relates.
- The facts about your particular situation. The answer to the same question often varies from one taxpayer to another because of differences in their age, income, whether they can be claimed as a dependent, etc.
- The name of any IRS publication or other source of information that you used to look for the answer.

To maintain your account security, you may be asked for the following information, which you should also have available.

- Your social security number.
- The amount of refund and filing status shown on your tax return.
- The "Caller ID Number" shown at the top of any notice you received.
- Your personal identification number (PIN) if you have one.
- Your date of birth.
- The numbers in your street address.
- Your ZIP code.

If you are asking for an installment agreement to pay your tax, you will be asked for the highest amount you can pay each month and the date on which you can pay it.

Evaluation of Services Provided. The IRS uses several methods to evaluate the quality of this telephone service. One method is for a second IRS representative to sometimes listen in on or record telephone calls. Another is to ask some callers to complete a short survey at the end of the call.

Making the Call

Call **1-800-829-1040** (for TTY/TDD help, call 1-800-829-4059). We have redesigned our menus to allow callers with pulse or rotary dial telephones to speak their responses when requested to do so. First, you will be provided a series of options that will request touch-tone responses. If a touch-tone response is not received, you will then hear a series of options and be asked to speak your selections. After your touch-tone or spoken response is received, the system will direct your call to the appropriate assistance. You can do the following within the system.

- Order tax forms and publications.
- Find out what you owe.
- Determine if we have adjusted your account or received payments you made.
- Request a transcript of your account.
- Find out where to send your tax return or payment.
- Request more time to pay or set up a monthly installment agreement.

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. He or she will be happy to take additional time to be sure your question is answered fully.

By law, you are responsible for paying your 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.

Before You Fill In Form 1040

See **How To Avoid Common Mistakes** on page 59.

If you were serving in, or in support of, the Armed Forces in a designated combat zone or qualified hazardous duty area (for example, you were in the Afghanistan, Bosnia, Kosovo, or Persian Gulf area), see **Pub. 3**.



For details on the changes for 2002 and 2003, see **Pub. 553**.

What's New for 2002?

Free Internet Filing Options. Visit the Free Internet Filing Homepage at www.irs.gov to access commercial tax preparation software and *e-file* services available at no cost to eligible taxpayers.

Tax Rates Reduced. Most of the tax rates have decreased by 1/2% and a new 10% tax rate applies to all filers. The new rates are reflected in the Tax Table that begins on page 63 and the Tax Rate Schedules on page 75.

Schedule B—Fewer People Have To File! You may not have to file Schedule B if your taxable interest is \$1,500 or less and your ordinary dividends are \$1,500 or less. See the instructions for line 8a on page 23 and line 9 on page 24.

Educator Expenses—New. If you were an educator, you may be able to deduct up to \$250 of expenses you paid even if you do not itemize your deductions. See the instructions for line 23 on page 29.

Tuition and Fees Deduction—New. You may be able to deduct up to \$3,000 of the qualified tuition and fees you paid in 2002 for yourself, your spouse, or your dependents. However, you cannot take this deduction if you can be claimed as a dependent on someone's tax return or if you claim an education credit on line 48 for the same student. See the instructions for line 26 on page 32.

Retirement Savings Contributions Credit—New. You may be able to take a credit of up to \$1,000 for qualified retirement savings contributions. However, you cannot take this credit if your adjusted gross income (AGI) on line 36 is more than \$25,000 (\$37,500 if head of household, \$50,000 if married filing jointly). See the instructions for line 49 on page 38.

Health Insurance Credit for Eligible Recipients—New. You may be able to take this credit **only** if you were an eligible trade adjustment assistance (TAA), alternative TAA, or Pension Benefit Guaranty Corporation pension recipient. By February 18, 2003, **Form 8887** showing that you were an eligible recipient should be sent to you. Use **Form 8885** to figure the amount, if any, of your health insurance credit.

Student Loan Interest Deduction. The 60-month limit on interest payments no longer applies and the modified AGI limit has increased. See the instructions for line 25 that begin on page 31.

IRA Deduction Expanded. You, and your spouse if filing jointly, may be able to deduct up to \$3,000 (\$3,500 if age 50 or older at the end of 2002). If you were covered by a retirement plan, you may be able to take an IRA deduction if your modified AGI is less than \$44,000 (\$64,000 if married filing jointly or qualifying widow(er)). See the instructions for line 24 that begin on page 29.

Adoption Credit. You may be able to take a credit of up to \$10,000 per child for qualified adoption expenses you paid. See **Form 8839** for details.

Self-Employed Health Insurance Deduction. You may be able to deduct up to 70% of your health insurance expenses. See the instructions for line 30 on page 33.

Standard Mileage Rates. The 2002 rate for business use of your vehicle is 36½ cents a mile. The 2002 rate for use of your vehicle to get medical care is 13 cents a mile.

Coverdell Education Savings Account (ESA) Distributions. If you received a distribution from a Coverdell ESA in 2002, you now report only the taxable amount of the distribution on line 21. Also, a distribution may not be taxable if it was used to pay qualified elementary and secondary school expenses. See **Pub. 970**.

Qualified State Tuition Program Earnings. If you received a distribution, you may now be able to exclude part or all of the earnings from income. See the instructions for line 21 on page 29.

Qualifying Child—New Definition. New rules apply to determine who is a qualifying child for purposes of the child tax credit and the earned income credit. See the instructions for line 6c, column (4), on page 22 and the instructions for line 64 that begin on page 43.

Foreign Earned Income Exclusion. You may be able to exclude up to \$80,000 of foreign earned income. See **Form 2555** or **Form 2555-EZ** for details.

Mailing Your Return. You may be mailing your return to a different address this year because the IRS has changed the filing location for several areas. If you received an envelope with your tax package, please use

it. Otherwise, see **Where Do You File?** on the back cover.

Earned Income Credit. The credit has been expanded and simplified.

- You may be able to take the credit if:
 - A child lived with you and you earned less than \$33,178 (\$34,178 if married filing jointly) or
 - A child did not live with you and you earned less than \$11,060 (\$12,060 if married filing jointly).

- Nontaxable earned income and modified AGI are no longer taken into account. Instead, taxable earned income and AGI are used to determine if you can take the credit and the amount of the credit.

- New rules apply if a child meets the conditions to be a qualifying child of more than one person.

- The alternative minimum tax no longer reduces the amount of the credit.

For more details, see the instructions for line 64 that begin on page 43.

What To Look for in 2003

IRA Deduction Allowed to More People Covered by Retirement Plans. You may be able to take an IRA deduction if you were covered by a retirement plan and your 2003 modified AGI is less than \$50,000 (\$70,000 if married filing jointly or qualifying widow(er)).

Self-Employed Health Insurance Deduction. You may be able to deduct up to 100% of your health insurance expenses.

Adoption Credit. If you adopt a child with special needs, you may be able to take a \$10,000 credit regardless of the amount of your expenses.

Child and Dependent Care Credit Increased. You may be able to take a credit of up to \$1,050 for the expenses you pay for the care of one qualifying person; \$2,100 if you pay for the care of two or more qualifying persons.

Standard Mileage Rates. The 2003 rate for business use of your vehicle is 36 cents a mile. The 2003 rate for use of your vehicle to get medical care is 12 cents a mile.

Lifetime Learning Credit Doubled. The maximum lifetime learning credit for 2003 is \$2,000.

Filing Requirements

These rules apply to all U.S. citizens, regardless of where they live, and resident aliens.

Do You Have To File?

Use **Chart A, B, or C** to see if you must file a return. U.S. citizens who lived in or had income from a U.S. possession should see **Pub. 570**. Residents of Puerto Rico can use TeleTax topic 901 (see page 13) to see if they must file.



Even if you do not otherwise have to file a return, you should file one to get a refund of any Federal income tax withheld.

You should also file if you are eligible for the earned income credit or the additional child tax credit.

Exception for Children Under Age 14. If you are planning to file a return for your child who was under age 14 at the end of 2002 and certain other conditions apply, you may elect to report your child's income on your return. But you must use **Form 8814** to do so. If you make this election, your child does not have to file a return. For details, use TeleTax topic 553 (see page 13) or see Form 8814.



A child born on January 1, 1989, is considered to be age 14 at the end of 2002. **Do not** use Form 8814 for such a child.

Chart A—For Most People

IF your filing status is . . .	AND at the end of 2002 you were* . . .	THEN file a return if your gross income** was at least . . .
Single	under 65	\$7,700
	65 or older	8,850
Married filing jointly***	under 65 (both spouses)	\$13,850
	65 or older (one spouse)	14,750
	65 or older (both spouses)	15,650
Married filing separately	any age	\$3,000
Head of household (see page 21)	under 65	\$9,900
	65 or older	11,050
Qualifying widow(er) with dependent child (see page 21)	under 65	\$10,850
	65 or older	11,750

* If you were born on January 1, 1938, you are considered to be age 65 at the end of 2002.

** **Gross income** means all income you received in the form of money, goods, property, and services that is not exempt from tax including any income from sources outside the United States (even if you may exclude part or all of it). **Do not** include social security benefits unless you are married filing a separate return and you lived with your spouse at any time in 2002.

*** If you did not live with your spouse at the end of 2002 (or on the date your spouse died) and your gross income was at least \$3,000, you must file a return regardless of your age.

Nonresident Aliens and Dual-Status Aliens. These rules also apply to nonresident aliens and dual-status aliens who were married to U.S. citizens or residents at the end of 2002 and who have elected to be taxed as resident aliens. Other nonresident aliens and dual-status aliens have different filing requirements. They may have to file **Form 1040NR** or **Form 1040NR-EZ**. Specific rules apply to determine if you are a resident or nonresident alien. See **Pub. 519** for details, including the rules for students and scholars who are aliens.

When Should You File?

Not later than **April 15, 2003**. If you file after this date, you may have to pay interest and penalties. See page 60.

What if You Cannot File on Time?

You can get an automatic 4-month extension if, no later than April 15, 2003, you **either**:

- File **Form 4868** or
- File for an extension by phone, using tax software, or through a tax professional. If you expect to owe tax with your return, you can even pay part or all of it by electronic funds withdrawal or credit card (American Express® Card, Discover® Card, MasterCard® card, or Visa® card). See Form 4868 for details.



An automatic 4-month extension to file does not extend the time to pay your tax. See Form 4868.

If you are a U.S. citizen or resident, you may qualify for an automatic extension of time to file without filing Form 4868 or filing for an extension by phone, using tax software, or through a tax professional. You qualify if, on the due date of your return, you meet one of the following conditions.

- You live outside the United States and Puerto Rico **and** your main place of business or post of duty is outside the United States and Puerto Rico.
- You are in military or naval service on duty outside the United States and Puerto Rico.

This extension gives you an extra 2 months to file and pay the tax, but interest will be charged from the original due date of the return on any unpaid tax. You must attach a statement to your return showing that you meet the requirements.

Where Do You File?

See the back cover of this booklet for filing instructions and addresses. For details on using a private delivery service to mail your return or payment, see page 20.

Chart B—For Children and Other Dependents (See the instructions for line 6c on page 22 to find out if someone can claim you as a dependent.)

If your parent (or someone else) can claim you as a dependent, use this chart to see if you must file a return.

In this chart, **unearned income** includes taxable interest, ordinary dividends, and capital gain distributions. **Earned income** includes wages, tips, and taxable scholarship and fellowship grants. **Gross income** is the total of your unearned and earned income.



If your gross income was \$3,000 or more, you usually cannot be claimed as a dependent unless you were under age 19 or a student under age 24. For details, see **Pub. 501**.

Single dependents. Were you **either** age 65 or older **or** blind?

No. You must file a return if **any** of the following apply.

- Your **unearned income** was over \$750.
- Your **earned income** was over \$4,700.
- Your **gross income** was more than the **larger** of—
 - \$750 or
 - Your earned income (up to \$4,450) plus \$250.

Yes. You must file a return if **any** of the following apply.

- Your unearned income was over \$1,900 (\$3,050 if 65 or older **and** blind).
- Your earned income was over \$5,850 (\$7,000 if 65 or older **and** blind).
- Your gross income was more than—

The larger of:	Plus	This amount:
<ul style="list-style-type: none"> ● \$750 or ● Your earned income (up to \$4,450) plus \$250 	}	\$1,150 (\$2,300 if 65 or older and blind)

Married dependents. Were you **either** age 65 or older **or** blind?

No. You must file a return if **any** of the following apply.

- Your unearned income was over \$750.
- Your earned income was over \$3,925.
- Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.
- Your gross income was more than the **larger** of—
 - \$750 or
 - Your earned income (up to \$3,675) plus \$250.

Yes. You must file a return if **any** of the following apply.

- Your unearned income was over \$1,650 (\$2,550 if 65 or older **and** blind).
- Your earned income was over \$4,825 (\$5,725 if 65 or older **and** blind).
- Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.
- Your gross income was more than—

The larger of:	Plus	This amount:
<ul style="list-style-type: none"> ● \$750 or ● Your earned income (up to \$3,675) plus \$250 	}	\$900 (\$1,800 if 65 or older and blind)

Chart C—Other Situations When You Must File

You must file a return if any of the four conditions below apply for 2002.

1. You owe any special taxes, such as:

- Social security and Medicare tax on tips you did not report to your employer,
- Uncollected social security and Medicare or RRTA tax on tips you reported to your employer or on group-term life insurance,
- Alternative minimum tax,
- Recapture taxes (see the instructions for lines 42 and 61 that begin on pages 36 and 41), or
- Tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if you are filing a return only because you owe this tax, you can file **Form 5329** by itself.

2. You received any advance earned income credit (EIC) payments from your employer. These payments are shown in box 9 of your W-2 form.

3. You had net earnings from self-employment of at least \$400.

4. You had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes.

Where To Report Certain Items From 2002 Forms W-2, 1098, and 1099

Report on Form 1040, line 62, any amounts shown on these forms as **Federal income tax withheld**. If you itemize your deductions, report on Schedule A, line 5, any amounts shown on these forms as **state or local income tax withheld**.

Form	Item and Box in Which it Should Appear	Where To Report if Filing Form 1040
W-2	Wages, salaries, tips, etc. (box 1)	Form 1040, line 7
	Allocated tips (box 8)	See Tip income on page 23
	Advance EIC payment (box 9)	Form 1040, line 59
	Dependent care benefits (box 10)	Form 2441, line 12
	Adoption benefits (box 12, code T)	Form 8839, line 22
	Employer contributions to an Archer MSA (box 12, code R)	Form 8853, line 3b
W-2G	Gambling winnings (box 1)	Form 1040, line 21 (Schedule C or C-EZ for professional gamblers)
1098	Mortgage interest (box 1)	} Schedule A, line 10*
	Points (box 2)	
	Refund of overpaid interest (box 3)	Form 1040, line 21, but first see the instructions on Form 1098*
1098-E	Student loan interest (box 1)	See the instructions for Form 1040, line 25, that begin on page 31*
1099-A	Acquisition or abandonment of secured property	See Pub. 544
1099-B	Stocks, bonds, etc. (box 2)	Schedule D
	Bartering (box 3)	See Pub. 525
	Aggregate profit or (loss) on futures contracts (box 9)	Form 6781
1099-C	Canceled debt (box 2)	Form 1040, line 21, but first see the instructions on Form 1099-C*
1099-DIV	Ordinary dividends (box 1)	Form 1040, line 9
	Total capital gain distributions (box 2a)	Form 1040, line 13, or, if required, Schedule D, line 13, column (f)
	28% rate gain (box 2b)	Schedule D, line 13, column (g)
	Qualified 5-year gain (box 2c)	See the worksheet for Schedule D, line 29, on page D-8
	Unrecaptured section 1250 gain (box 2d)	See the worksheet for Schedule D, line 19, on page D-7
	Section 1202 gain (box 2e)	See the instructions for Schedule D
	Nontaxable distributions (box 3)	See the instructions for Form 1040, line 9, on page 24
	Investment expenses (box 5)	Schedule A, line 22
Foreign tax paid (box 6)	Form 1040, line 45, or Schedule A, line 8	
1099-G	Unemployment compensation (box 1)	Form 1040, line 19. But if you repaid any unemployment compensation in 2002, see the instructions for line 19 on page 27
	State or local income tax refunds (box 2)	See the instructions for Form 1040, line 10, that begin on page 24*
	Taxable grants (box 3)	Form 1040, line 21*
	Agriculture payments (box 7)	See the Schedule F instructions or Pub. 225

* If the item relates to an activity for which you are required to file Schedule C, C-EZ, E, or F or Form 4835, report the taxable or deductible amount allocable to the activity on that schedule or form instead.

Form	Item and Box in Which it Should Appear	Where To Report if Filing Form 1040
1099-INT	Interest income (box 1)	Form 1040, line 8a
	Early withdrawal penalty (box 2)	Form 1040, line 32
	Interest on U.S. savings bonds and Treasury obligations (box 3)	See the instructions for Form 1040, line 8a, on page 23
	Investment expenses (box 5)	Schedule A, line 22
	Foreign tax paid (box 6)	Form 1040, line 45, or Schedule A, line 8
1099-LTC	Long-term care and accelerated death benefits	See Pub. 502 and the instructions for Form 8853
1099-MISC	Rents (box 1)	See the instructions for Schedule E
	Royalties (box 2)	Schedule E, line 4 (timber, coal, iron ore royalties, see Pub. 544)
	Other income (box 3)	Form 1040, line 21*
	Nonemployee compensation (box 7)	Schedule C, C-EZ, or F. But if you were not self-employed, see the instructions on Form 1099-MISC.
	Other (boxes 5, 6, 8, 9, 10, 13, and 14)	See the instructions on Form 1099-MISC
1099-MSA	Distributions from MSAs**	Form 8853
1099-OID	Original issue discount (box 1)	See the instructions on Form 1099-OID
	Other periodic interest (box 2)	
	Early withdrawal penalty (box 3)	
1099-PATR	Patronage dividends and other distributions from a cooperative (boxes 1, 2, 3, and 5)	Schedule C, C-EZ, or F or Form 4835, but first see the instructions on Form 1099-PATR
	Credits (boxes 6, 7, and 8)	Form 3468, 5884, 8844, 8845, 8861, or 8884
	Patron's AMT adjustment (box 9)	Form 6251, line 26
1099-Q	Qualified tuition program earnings (box 2)	See the instructions for Form 1040, line 21, on page 29
1099-R	Distributions from IRAs***	See the instructions for Form 1040, lines 15a and 15b, on page 25
	Distributions from pensions, annuities, etc.	See the instructions for Form 1040, lines 16a and 16b, that begin on page 25
	Distributions from Coverdell education savings accounts (ESAs)	See the instructions for Form 1040, line 21, on page 29
	Capital gain (box 3)	See the instructions on Form 1099-R
1099-S	Gross proceeds from real estate transactions (box 2)	Form 4797, Form 6252, or Schedule D. But if the property was your home, see the instructions for Schedule D to find out if you must report the sale or exchange.
	Buyer's part of real estate tax (box 5)	See the instructions for Schedule A, line 6, on page A-2*

* If the item relates to an activity for which you are required to file Schedule C, C-EZ, E, or F or Form 4835, report the taxable or deductible amount allocable to the activity on that schedule or form instead.

** This includes distributions from Archer and Medicare+Choice MSAs.

*** This includes distributions from Roth, SEP, and SIMPLE IRAs.

Private Delivery Services

You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. The most recent list of designated private delivery services was published by the IRS in September 2002. The list includes only the following:

- Airborne Express (Airborne): Overnight Air Express Service, Next Afternoon Service, and Second Day Service.

- DHL Worldwide Express (DHL): DHL "Same Day" Service, and DHL USA Overnight.

- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.

- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.



Private delivery services cannot deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Line Instructions for Form 1040

Name and Address

Use the Peel-Off Label

Using your peel-off name and address label on the back of this booklet will speed the processing of your return. It also prevents common errors that can delay refunds or result in unnecessary notices. Put the label on your return **after** you have finished it. Cross out any incorrect information and print the correct information. Add any missing items, such as your apartment number.

Address Change

If the address on your peel-off label is not your current address, cross out your old address and print your new address. If you plan to move after filing your return, see page 59.

Name Change

If you changed your name, be sure to report the change to your local Social Security Administration office **before** filing your return. This prevents delays in processing your return and issuing refunds. It also safeguards your future social security benefits. See page 59 for more details. If you received a peel-off label, cross out your former name and print your new name.

What If You Do Not Have a Label?

Print or type the information in the spaces provided. If you are married filing a separate return, enter your husband's or wife's name on line 3 instead of below your name.



If you filed a joint return for 2001 and you are filing a joint return for 2002 with the same spouse, be sure to enter your names and SSNs in the same order as on your 2001 return.

P.O. Box

Enter your box number **only** if your post office does not deliver mail to your home.

Foreign Address

Enter the information in the following order: City, province or state, and country. Follow the country's practice for entering the postal code. **Do not** abbreviate the country name.

Death of a Taxpayer

See page 60.

Social Security Number (SSN)

An incorrect or missing SSN may increase your tax or reduce your refund. **To apply for an SSN**, get **Form SS-5** from your local Social Security Administration (SSA) office or call the SSA at 1-800-772-1213. Fill in Form SS-5 and return it to the SSA. It usually takes about 2 weeks to get an SSN.

Check that your SSN is correct on your Forms W-2 and 1099. If not, see page 59 for more details.

IRS Individual Taxpayer Identification Numbers (ITINs) for Aliens

The IRS will issue you an ITIN if you are a nonresident or resident alien and you do not have and are not eligible to get an SSN. **To apply for an ITIN**, file **Form W-7** with the IRS. It usually takes about 4-6 weeks to get an ITIN. **Enter your ITIN wherever your SSN is requested on your tax return.**

Note. An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.

Nonresident Alien Spouse

If your spouse is a nonresident alien and you file a joint or separate return, your spouse must have either an SSN or an ITIN.

Presidential Election Campaign Fund

This fund helps pay for Presidential election campaigns. 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 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.

Filing Status

Check **only** the filing status that applies to you. The ones that will usually give you the lowest tax are listed last.

- Married filing separately.
- Single.
- **Head of household.** This status is for unmarried people who paid over half the cost of keeping up a home for a qualifying person, such as a child who lived with you or your parent whom you can claim as a dependent. Certain married people who lived apart from their spouse for the last 6 months of 2002 may also be able to use this status.
- Married filing jointly or Qualifying widow(er) with dependent child. The **Qualifying widow(er)** status is for certain people whose spouse died in 2000 or 2001 and who had a child living with them whom they can claim as a dependent.

Joint and Several Tax Liability. If you file a joint return, both you and your spouse are generally responsible for the tax and any interest or penalties due on the return. This means that if one spouse does not pay the tax due, the other may have to. However, see **Innocent Spouse Relief** on page 59.



More than one filing status may apply to you. Choose the one that will give you the lowest tax. If you are not sure about your filing status, use TeleTax topic 353 (see page 13) or see **Pub. 501**.

Exemptions

You usually can deduct \$3,000 on line 40 for each exemption you can take.

Line 6b

Spouse

Check the box on line 6b if you file either **(a)** a joint return or **(b)** a separate return and your spouse had no income and is not filing a return. However, **do not** check the box if your spouse can be claimed as a dependent on another person's return.

Line 6c

Dependents

You can take an exemption for each of your dependents. The following is a brief description of the five tests that must be met for a person to qualify as your dependent. If you have **more than five** dependents, attach a statement to your return with the required information.

Relationship Test. The person must be either your relative or have lived in your home as a family member all year. If the person is not your relative, the relationship must not violate local law.

Joint Return Test. If the person is married, he or she cannot file a joint return. But the person can file a joint return if the return is filed only as a claim for refund **and** no tax liability would exist for either spouse if they had filed separate returns.

Citizen or Resident Test. The person must be a U.S. citizen or resident alien, or a resident of Canada or Mexico. There is an exception for certain adopted children. To find out who is a **resident alien**, use TeleTax topic 851 (see page 13) or see **Pub. 519**.

Income Test. The person's gross income must be less than \$3,000. But your child's gross income can be \$3,000 or more if he or she was either **(a) under age 19** at the end of 2002 or **(b) under age 24** at the end of 2002 and was a **student**.

Support Test. You must have provided over half of the person's total support in 2002. But there are two exceptions to this test: One for children of divorced or separated parents and one for persons supported by two or more taxpayers.



For more details about the tests, including any exceptions that apply, see **Pub. 501**.

Line 6c, Column (2)

You must enter each dependent's social security number (SSN). Be sure the name and SSN entered agree with the dependent's social security card. Otherwise, at the time we process your return, we may disallow the exemption claimed for the dependent and reduce or disallow any other tax benefits (such as the child tax credit and the earned income credit) based on that dependent. If the name or SSN on the dependent's social security card is not correct, call the Social Security Administration at 1-800-772-1213.



For details on how your dependent can get an SSN, see page 21. If your dependent will not have a number by April 15, 2003, see **What if You Cannot File on Time?** on page 17.

If your dependent child was born and died in 2002 and you do not have an SSN for the child, you may attach a copy of the child's birth certificate instead and enter "Died" in column (2).

Adoption Taxpayer Identification Numbers (ATINs). If you have a dependent who was placed with you by an authorized placement agency and you do not know his or her SSN, you must get an ATIN for the dependent from the IRS. An authorized placement agency includes any person authorized by state law to place children for legal adoption. See **Form W-7A** for details.

Line 6c, Column (4)

Check the box in this column if your dependent is a qualifying child for the child tax credit (defined below). If you have a qualifying child, you may be able to take the child tax credit on line 50 and the additional child tax credit on line 66.

Qualifying Child for Child Tax Credit. A qualifying child for purposes of the child tax credit is a child who:

- Is claimed as your dependent on line 6c, **and**
- Was **under age 17** at the end of 2002, **and**
- Is **(a)** your son, daughter, adopted child, stepchild, grandchild; **(b)** your brother, sister, stepbrother, stepsister, or a descendant of your brother, sister, stepbrother, or stepsister (for example, your niece or nephew), whom you cared for as your own child; or **(c)** a foster child (that is, any child placed with you by an authorized placement agency whom you cared for as your own child), **and**
- Is a U.S. citizen or resident alien.

Note. The above requirements are not the same as the requirements to be a qualifying child for the earned income credit.

A child placed with you by an authorized placement agency for legal adoption is an **adopted child** even if the adoption is not final. An authorized placement agency includes any person authorized by state law to place children for legal adoption.

A **grandchild** is any descendant of your son, daughter, adopted child, or stepchild and includes your great-grandchild, great-great-grandchild, etc.

Children Who Did Not Live With You Due to Divorce or Separation

If you are claiming a child who did not live with you under the rules explained in **Pub. 501** for children of divorced or separated parents, attach **Form 8332** or similar statement to your return. But see **Exception** below.

If your divorce decree or separation agreement went into effect after 1984, you may attach certain pages from the decree or agreement instead of Form 8332. To be able to do this, the decree or agreement must state:

1. You can claim the child as your dependent without regard to any condition, such as payment of support, **and**
2. The other parent will not claim the child as a dependent, **and**
3. The years for which the claim is released.

Attach the following pages from the decree or agreement:

- Cover page (include the other parent's SSN on that page), **and**
- The pages that include all of the information identified in 1 through 3 above, **and**
- Signature page with the other parent's signature and date of agreement.

Note. You must attach the required information even if you filed it with your return in an earlier year.

Exception. You do not have to attach Form 8332 or similar statement 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.

Other Dependent Children

Include 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 2002.

Income

Foreign-Source Income

You must report unearned income, such as interest, dividends, and pensions, from sources outside the United States unless exempt by law or a tax treaty. You must also report earned income, such as wages and tips, from sources outside the United States.

(Continued on page 23)

If you worked abroad, you may be able to exclude part or all of your earned income. For details, see **Pub. 54** and **Form 2555** or **2555-EZ**.

Community Property States

Community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. If you and your spouse lived in a community property state, you must usually follow state law to determine what is community income and what is separate income. For details, see **Pub. 555**.

Rounding Off to Whole Dollars

To round off cents to the nearest whole dollar on your forms and schedules, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. 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.

Line 7

Wages, Salaries, Tips, etc.

Enter the total of your wages, salaries, tips, etc. If a joint return, also include your spouse's income. For most people, the amount to enter on this line should be shown in box 1 of their **Form(s) W-2**. But the following types of income must also be included in the total on line 7.

- **Wages received as a household employee** for which you did not receive a W-2 form because your employer paid you less than \$1,300 in 2002. Also, enter "HSH" and the amount not reported on a W-2 form on the dotted line next to line 7.

- **Tip income** you did not report to your employer. Also include **allocated tips** shown on your W-2 form(s) unless you can prove that you received less. Allocated tips should be shown in box 8 of your W-2 form(s). They are not included as income in box 1. See **Pub. 531** for more details.



You may owe social security and Medicare tax on unreported or allocated tips. See the instructions for line 57 on page 41.

- **Dependent care benefits**, which should be shown in box 10 of your W-2 form(s). But first complete **Form 2441** to see if you may exclude part or all of the benefits.

- **Employer-provided adoption benefits**, which should be shown in box 12 of

your W-2 form(s) with code **T**. But first complete **Form 8839** to see if you may exclude part or all of the benefits.

- **Scholarship and fellowship grants** not reported on a W-2 form. Also, enter "SCH" and the amount on the dotted line next to line 7. **Exception.** If you were a degree candidate, include on line 7 **only** the amounts you used for expenses other than tuition and course-related expenses. For example, amounts used for room, board, and travel must be reported on line 7.

- **Excess salary deferrals.** The amount deferred should be shown in box 12 of your W-2 form and the "Retirement plan" box in box 13 should be checked. If the total amount you (or your spouse if filing jointly) deferred for 2002 under **all** plans was more than \$11,000, include the excess on line 7. This limit is increased to \$14,000 for section 403(b) plans, if you qualify for the 15-year rule in **Pub. 571**.

If you were age 50 or older at the end of 2002, your employer may have allowed an additional deferral of up to \$1,000 (\$500 for section 401(k)(11) and 408(p) SIMPLE plans). This additional deferral amount is not subject to the overall limit on elective deferrals.

A higher limit may apply to participants in section 457(b) deferred compensation plans for the 3 years before retirement age. Contact your plan administrator for more information.



You may **not** deduct the amount deferred. It is not included as income in box 1 of your W-2 form.

- **Disability pensions** shown on **Form 1099-R** if you have not reached the minimum retirement age set by your employer. Disability pensions received after you reach that age and other payments shown on Form 1099-R (other than payments from an IRA* or a Coverdell education savings account (ESA)) are reported on lines 16a and 16b. Payments from an IRA are reported on lines 15a and 15b. Taxable distributions from a Coverdell ESA are reported on line 21.

- **Corrective distributions** shown on **Form 1099-R** of (a) excess salary deferrals plus earnings and (b) excess contributions plus earnings to a retirement plan. But do not include distributions from an IRA* or a Coverdell ESA on line 7. Instead, report distributions from an IRA on lines 15a and 15b and taxable distributions from a Coverdell ESA on line 21.

*This includes a Roth, SEP, or SIMPLE IRA.

Were You a Statutory Employee?

If you were, the "Statutory employee" box in box 13 of your W-2 form should be checked. Statutory employees include full-time life insurance salespeople, certain agent or commission drivers and traveling salespeople, and certain homeworkers. If you have related business expenses to deduct, report the amount shown in box 1 of your W-2 form on **Schedule C** or **C-EZ** along with your expenses.

Missing or Incorrect Form W-2?

Your employer is required to provide or send Form W-2 to you no later than January 31, 2003. If you do not receive it by early February, use TeleTax topic 154 (see page 13) to find out what to do. Even if you do not get a Form W-2, you must still report your earnings on line 7. If you lose your Form W-2 or it is incorrect, ask your employer for a new one.

Line 8a

Taxable Interest

Each payer should send you a **Form 1099-INT** or **Form 1099-OID**. Enter your total taxable interest income on line 8a. But you must fill in and attach **Schedule B** if the total is over \$1,500 or any of the other conditions listed at the beginning of the Schedule B instructions (see page B-1) apply to you.

Interest credited in 2002 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 2002 income. For details, see **Pub. 550**.



If you get a 2002 Form 1099-INT for U.S. savings bond interest that includes amounts you reported before 2002, see **Pub. 550**.

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 or other regulated investment company. **Do not** include interest earned on your IRA or Coverdell education savings account.

Line 9 Ordinary Dividends

Each payer should send you a **Form 1099-DIV**. Enter your total ordinary dividends on line 9. But you must fill in and attach **Schedule B** if the total is over \$1,500 or you received, as a nominee, ordinary dividends that actually belong to someone else.

Capital Gain Distributions

If you received any capital gain distributions, see the instructions for line 13 on page 25.

Nontaxable Distributions

Some distributions are nontaxable because they are a return of your cost (or other basis). They will not be taxed until you recover your cost (or other basis). You must reduce your cost (or other basis) by these distributions. After you get back all of your cost (or other basis), you must report these distributions as capital gains on **Schedule D**. For details, see **Pub. 550**.



Dividends on insurance policies are a partial return of the premiums you paid. **Do not** report them as dividends. Include them in income only if they exceed the total of all net premiums you paid for the contract.

Line 10

Taxable Refunds, Credits, or Offsets of State and Local Income Taxes



None of your refund is taxable if, in the year you paid the tax, you **did not** itemize deductions.

If you received a refund, credit, or offset of state or local income taxes in 2002, you may receive a **Form 1099-G**. If you chose to apply part or all of the refund to your 2002 estimated state or local income tax, the amount applied is treated as received in 2002. If the refund was for a tax you paid in 2001 and you itemized deductions for 2001, use the worksheet below to see if any of your refund is taxable.

Exception. See **Recoveries** in **Pub. 525** instead of using the worksheet below if **any** of the following apply.

- You received a refund in 2002 that is for a tax year other than 2001.
- You received a refund other than an income tax refund, such as a real property tax refund, in 2002 of an amount deducted or credit claimed in an earlier year.
- Your 2001 taxable income was less than zero.
- You made your last payment of 2001 estimated state or local income tax in 2002.
- You owed alternative minimum tax in 2001.
- You could not deduct the full amount of credits you were entitled to in 2001 because the total credits exceeded the amount shown on your 2001 Form 1040, line 42, minus any foreign tax credit shown on line 43 of that form.
- You could be claimed as a dependent by someone else in 2001.

Also, see **Tax Benefit Rule** in **Pub. 525** instead of using the worksheet below if **all three** of the following apply.

(Continued on page 25)

State and Local Income Tax Refund Worksheet—Line 10

Keep for Your Records



<p>1. Enter the income tax refund from Form(s) 1099-G (or similar statement). But do not enter more than the amount on your 2001 Schedule A (Form 1040), line 5</p>	1. <input style="width: 100%;" type="text"/>
<p>2. Enter your total allowable itemized deductions from your 2001 Schedule A (Form 1040), line 28</p>	2. <input style="width: 100%;" type="text"/>
<p>Note. If the filing status on your 2001 Form 1040 was married filing separately and your spouse itemized deductions in 2001, skip lines 3, 4, and 5, and enter the amount from line 2 on line 6.</p>	
<p>3. Enter the amount shown below for the filing status claimed on your 2001 Form 1040.</p> <ul style="list-style-type: none"> ● Single—\$4,550 ● Married filing jointly or qualifying widow(er)—\$7,600 ● Married filing separately—\$3,800 ● Head of household—\$6,650 	3. <input style="width: 100%;" type="text"/>
<p>4. Did you fill in line 35a on your 2001 Form 1040?</p> <p><input type="checkbox"/> No. Enter -0-.</p> <p><input type="checkbox"/> Yes. Multiply the number on line 35a of your 2001 Form 1040 by: \$900 if your 2001 filing status was married filing jointly or separately or qualifying widow(er); \$1,100 if your 2001 filing status was single or head of household</p>	4. <input style="width: 100%;" type="text"/>
<p>5. Add lines 3 and 4</p>	5. <input style="width: 100%;" type="text"/>
<p>6. Is the amount on line 5 less than the amount on line 2?</p> <p><input type="checkbox"/> No. None of your refund is taxable.</p> <p><input type="checkbox"/> Yes. Subtract line 5 from line 2</p>	6. <input style="width: 100%;" type="text"/>
<p>7. Taxable part of your refund. Enter the smaller of line 1 or line 6 here and on Form 1040, line 10</p>	7. <input style="width: 100%;" type="text"/>

1. You had to use the Itemized Deductions Worksheet in the 2001 Schedule A instructions because your 2001 adjusted gross income was over: \$132,950 (\$66,475 if married filing separately).

2. You could not deduct all of the amount on line 1 of the 2001 Itemized Deductions Worksheet.

3. The amount on line 8 of that 2001 worksheet would be more than the amount on line 4 of that worksheet if the amount on line 4 were reduced by 80% of the refund you received in 2002.

Line 11

Alimony Received

Enter amounts received as alimony or separate maintenance. You must let the person who made the payments know your social security number. If you do not, you may have to pay a \$50 penalty. For more details, use TeleTax topic 406 (see page 13) or see **Pub. 504**.

Line 12

Business Income or (Loss)

If you operated a business or practiced your profession as a sole proprietor, report your income and expenses on **Schedule C** or **C-EZ**.

Line 13

Capital Gain or (Loss)

If you had a capital gain or loss, including any **capital gain distributions** from a mutual fund, you **must** complete and attach **Schedule D**.

Exception. You do not have to file Schedule D if **all three** of the following apply.

1. The only amounts you have to report on Schedule D are capital gain distributions from box 2a of **Forms 1099-DIV** or substitute statements.

2. None of the Forms 1099-DIV or substitute statements have an amount in box 2b (28% rate gain), box 2c (qualified 5-year gain), box 2d (unrecaptured section 1250 gain), or box 2e (section 1202 gain).

3. You are not filing **Form 4952** (relating to investment interest expense deduction) or the amount on line 4e of that form is zero or blank.

If all three of the above apply, enter your total capital gain distributions on line 13 and

check the box on that line. Also, be sure you use the **Capital Gain Tax Worksheet** on page 36 to figure your tax. Your tax may be less if you use this worksheet.

Line 14

Other Gains or (Losses)

If you sold or exchanged assets used in a trade or business, see the Instructions for **Form 4797**.

Lines 15a and 15b

IRA Distributions

You should receive a **Form 1099-R** showing the amount of any distribution from your individual retirement arrangement (IRA). Unless otherwise noted in the line 15a and 15b instructions, an IRA includes a traditional IRA, Roth IRA, simplified employee pension (SEP) IRA, and a savings incentive match plan for employees (SIMPLE) IRA. Except as provided below, leave line 15a blank and enter the total distribution on line 15b.

Exception 1. Enter the total distribution on line 15a if you rolled over part or all of the distribution from one:

- IRA to another IRA of the same type (for example, from one traditional IRA to another traditional IRA) or
- SEP or SIMPLE IRA to a traditional IRA.

Also, put "Rollover" next to line 15b. If the total distribution was rolled over, enter zero on line 15b. If the total distribution was not rolled over, enter the part not rolled over on line 15b unless **Exception 2** applies to the part not rolled over.

If you rolled over the distribution (a) in 2003 or (b) from an IRA into a qualified plan (other than an IRA), attach a statement explaining what you did.

Exception 2. If **any** of the following apply, enter the total distribution on line 15a and see **Form 8606** and its instructions to figure the amount to enter on line 15b.

- You received a distribution from an IRA (other than a Roth IRA) and you made nondeductible contributions to any of your traditional or SEP IRAs for 2002 or an earlier year. If you made nondeductible contributions to these IRAs for 2002, also see **Pub. 590**.

- You received a distribution from a Roth IRA.

- You converted part or all of a traditional, SEP, or SIMPLE IRA to a Roth IRA in 2002.

- You had a 2001 or 2002 IRA contribution returned to you, with the related earnings or less any loss, by the due date (including extensions) of your tax return for that year.

- You made excess contributions to your IRA for an earlier year and had them returned to you in 2002.

- You recharacterized part or all of a contribution to a Roth IRA as a traditional IRA contribution, or vice versa.

Note. If you received more than one distribution, figure the taxable amount of each distribution and enter the total of the taxable amounts on line 15b. Enter the total amount of those distributions on line 15a.



You may have to pay an additional tax if (a) you received an early distribution from your IRA and the total was not rolled over or (b) you were born before July 2, 1931, and received less than the minimum required distribution from your traditional, SEP, and SIMPLE IRAs. See the instructions for line 58 on page 41 for details.

Lines 16a and 16b

Pensions and Annuities

You should receive a **Form 1099-R** showing the amount of your pension and annuity payments. See page 27 for details on roll-overs and lump-sum distributions. **Do not** include the following payments on lines 16a and 16b. Instead, report them on line 7.

- Disability pensions received before you reach the minimum retirement age set by your employer.

- Corrective distributions of excess salary deferrals or excess contributions to retirement plans.

(Continued on page 26)



Attach Form(s) 1099-R to Form 1040 if any Federal income tax was withheld.

Fully Taxable Pensions and Annuities

If your pension or annuity is fully taxable, enter it on line 16b; **do not** make an entry on line 16a. Your payments are fully taxable if **either** of the following applies.

- You did not contribute to the cost (see page 27) of your pension or annuity or

- You got your entire cost back tax free before 2002.

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

Partially Taxable Pensions and Annuities

Enter the total pension or annuity payments you received in 2002 on line 16a. If your

Form 1099-R does not show the taxable amount, you must use the General Rule explained in **Pub. 939** to figure the taxable part to enter on line 16b. But if your annuity starting date (defined on page 27) was **after** July 1, 1986, see page 27 to find out if you must use the Simplified Method to figure the taxable part.

You can ask the IRS to figure the taxable part for you for a \$90 fee. For details, see **Pub. 939**.

(Continued on page 27)

Simplified Method Worksheet—Lines 16a and 16b

Keep for Your Records

Before you begin: ✓ If you are the beneficiary of a deceased employee or former employee who died **before** August 21, 1996, see **Pub. 939** to find out if you are entitled to a death benefit exclusion of up to \$5,000. If you are, include the exclusion in the amount entered on line 2 below.



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 1040, line 16b. Enter the total pension or annuity payments received in 2002 on Form 1040, line 16a.

1. Enter the total pension or annuity payments received in 2002. Also, enter this amount on Form 1040, line 16a **1.**
2. Enter your cost in the plan at the annuity starting date **2.**
3. Enter the appropriate number from **Table 1** below. **But** if your annuity starting date was **after 1997 and** the payments are for your life and that of your beneficiary, enter the appropriate number from **Table 2** below **3.**
4. Divide line 2 by the number on line 3 **4.**
5. Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was **before** 1987, skip lines 6 and 7 and enter this amount on line 8. Otherwise, go to line 6 **5.**
6. Enter the amount, if any, recovered tax free in years after 1986 **6.**
7. Subtract line 6 from line 2 **7.**
8. Enter the **smaller** of line 5 or line 7. **8.**
9. **Taxable amount.** Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040, line 16b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R **9.**

Table 1 for Line 3 Above

AND your annuity starting date was—

IF the age at annuity starting date (see page 27) was . . .	before November 19, 1996, enter on line 3 . . .	after November 18, 1996, enter on line 3 . . .
55 or under	300	360
56–60	260	310
61–65	240	260
66–70	170	210
71 or older	120	160

Table 2 for Line 3 Above

IF the combined ages at annuity starting date (see page 27) were . . .	THEN enter on line 3 . . .
110 or under	410
111–120	360
121–130	310
131–140	260
141 or older	210

If your Form 1099-R shows a taxable amount, you may report that amount on line 16b. But you may be able to report a lower taxable amount by using the General Rule or the Simplified Method.

Annuity Starting Date

Your annuity starting date is the later of the first day of the first period for which you received a payment, or the date the plan's obligations became fixed.

Simplified Method

You **must** use the Simplified Method if (a) your annuity starting date (defined above) was **after** July 1, 1986, and you used this method last year to figure the taxable part or (b) your annuity starting date was **after** November 18, 1996, and **all three** of the following apply.

1. The payments are for (a) your life or (b) your life and that of your beneficiary.
2. The payments are from a qualified employee plan, a qualified employee annuity, or a tax-sheltered annuity.
3. On your annuity starting date, either you were under age 75 or the number of years of guaranteed payments was fewer than 5. See Pub. 575 for the definition of guaranteed payments.

If you must use the Simplified Method, complete the worksheet on page 26 to figure the taxable part of your pension or annuity. For more details on the Simplified Method, see Pub. 575 or **Pub. 721** for U.S. Civil Service retirement.



If you received U.S. Civil Service retirement benefits and you chose the alternative annuity option, see Pub. 721 to figure the taxable part of your annuity. **Do not** use the worksheet on page 26.

Age (or Combined Ages) 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. **But** if your annuity starting date was after 1997 and the payments are for your life and that of your beneficiary, use your combined ages on the 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.

Cost

Your cost is generally your net investment in the plan as of the annuity starting date.

It does not include pre-tax contributions. Your net investment should be shown in box 9b of Form 1099-R for the first year you received payments from the plan.

Rollovers

A rollover is a tax-free distribution of cash or other assets from one retirement plan that is contributed to another plan. Use lines 16a and 16b to report a rollover, including a direct rollover, from one qualified employer's plan to another or to an IRA or SEP.

Enter on line 16a the total distribution before income tax or other deductions were withheld. This amount should be shown in box 1 of **Form 1099-R**. From the total on line 16a, subtract any contributions (usually shown in box 5) that were taxable to you when made. From that result, subtract the amount that was rolled over. Enter the remaining amount, even if zero, on line 16b. Also, put "Rollover" next to line 16b.

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. You may owe an additional tax if you received an early distribution from a qualified retirement plan and the total amount was not rolled over. For details, see the instructions for line 58 on page 41.

Enter the total distribution on line 16a and the taxable part on line 16b.



You may be able to pay less tax on the distribution if you were born before January 2, 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 January 2, 1936. For details, see Form 4972.

Line 19

Unemployment Compensation

You should receive a **Form 1099-G** showing the total unemployment compensation paid to you in 2002.

If you received an overpayment of unemployment compensation in 2002 and you repaid any of it in 2002, subtract the amount

you repaid from the total amount you received. Enter the result on line 19. Also, enter "Repaid" and the amount you repaid on the dotted line next to line 19. If, in 2002, you repaid unemployment compensation that you included in gross income in an earlier year, you may deduct the amount repaid on **Schedule A**, line 22. But if you repaid more than \$3,000, see **Repayments in Pub. 525** for details on how to report the repayment.

Lines 20a and 20b

Social Security Benefits

You should receive a **Form SSA-1099** showing in box 3 the total social security benefits paid to you. Box 4 will show the amount of any benefits you repaid in 2002. If you received railroad retirement benefits treated as social security, you should receive a **Form RRB-1099**.

Use the worksheet on page 28 to see if any of your benefits are taxable.

Exception. Do not use the worksheet on page 28 if **any** of the following apply.

- You made contributions to a traditional IRA for 2002 and you were covered by a retirement plan at work or through self-employment. 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 repaid any benefits in 2002 and your total repayments (box 4) were more than your total benefits for 2002 (box 3). **None** of your benefits are taxable for 2002. 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. For more details, see **Pub. 915**.
- You file **Form 2555, 2555-EZ, 4563, or 8815**, or you exclude employer-provided adoption benefits or income from sources within Puerto Rico. Instead, use the worksheet in Pub. 915.

Social Security Benefits Worksheet—Lines 20a and 20b

Keep for Your Records

Before you begin:

- ✓ Complete Form 1040, lines 21, 23, 24, and 27 through 33a, if they apply to you.
- ✓ Figure any amount to be entered on the dotted line next to line 34 (see page 33).
- ✓ If you are married filing separately and you **lived apart** from your spouse for all of 2002, enter “D” to the right of the word “benefits” on line 20a.
- ✓ Be sure you have read the **Exception** on page 27 to see if you can use this worksheet instead of a publication to find out if any of your benefits are taxable.



<p>1. Enter the total amount from box 5 of all your Forms SSA-1099 and RRB-1099 1. _____</p>		
<p>2. Enter one-half of line 1 2. _____</p>		
<p>3. Add the amounts on Form 1040, lines 7, 8a, 9 through 14, 15b, 16b, 17 through 19, and 21. Do not include amounts from box 5 of Forms SSA-1099 or RRB-1099 3. _____</p>		
<p>4. Enter the amount, if any, from Form 1040, line 8b 4. _____</p>		
<p>5. Add lines 2, 3, and 4 5. _____</p>		
<p>6. Add the amounts on Form 1040, lines 23, 24, and 27 through 33a, and any amount you entered on the dotted line next to line 34 6. _____</p>		
<p>7. Is the amount on line 6 less than the amount on line 5? <input type="checkbox"/> No. None of your social security benefits are taxable. <input type="checkbox"/> Yes. Subtract line 6 from line 5 7. _____</p>		
<p>8. Enter: \$25,000 if single, head of household, qualifying widow(er), or married filing separately and you lived apart from your spouse for all of 2002; \$32,000 if married filing jointly; -0- if married filing separately and you lived with your spouse at any time in 2002 8. _____</p>		
<p>9. Is the amount on line 8 less than the amount on line 7? <input type="checkbox"/> No. None of your social security benefits are taxable. You do not have to enter any amounts on lines 20a or 20b of Form 1040. But if you are married filing separately and you lived apart from your spouse for all of 2002, enter -0- on line 20b. Be sure you entered “D” to the right of the word “benefits” on line 20a. <input type="checkbox"/> Yes. Subtract line 8 from line 7 9. _____</p>		
<p>10. Enter: \$9,000 if single, head of household, qualifying widow(er), or married filing separately and you lived apart from your spouse for all of 2002; \$12,000 if married filing jointly; -0- if married filing separately and you lived with your spouse at any time in 2002 10. _____</p>		
<p>11. Subtract line 10 from line 9. If zero or less, enter -0- 11. _____</p>		
<p>12. Enter the smaller of line 9 or line 10. 12. _____</p>		
<p>13. Enter one-half of line 12 13. _____</p>		
<p>14. Enter the smaller of line 2 or line 13. 14. _____</p>		
<p>15. Multiply line 11 by 85% (.85). If line 11 is zero, enter -0- 15. _____</p>		
<p>16. Add lines 14 and 15. 16. _____</p>		
<p>17. Multiply line 1 by 85% (.85). 17. _____</p>		
<p>18. Taxable social security benefits. Enter the smaller of line 16 or line 17 18. _____</p> <ul style="list-style-type: none"> • Enter the amount from line 1 above on Form 1040, line 20a. • Enter the amount from line 18 above on Form 1040, line 20b. 		

TIP If part of your benefits are taxable for 2002 **and** they include benefits paid in 2002 that were for an earlier year, you may be able to reduce the taxable amount. See Pub. 915 for details.

Line 21

Other Income



Do not report on this line any income from **self-employment** or fees received as a notary public. Instead, you **must** use **Schedule C, C-EZ, or F**, even if you do not have any business expenses. Also, **do not** report on line 21 any nonemployee compensation shown on **Form 1099-MISC**. Instead, see the chart on page 20 to find out where to report that income.

Use line 21 to report any other income not reported on your return or other schedules. See examples below. List the type and amount of income. If necessary, show the required information on an attached statement. For more details, see **Miscellaneous Income** in **Pub. 525**.



Do not report any nontaxable income on line 21, such as child support; money or property that was inherited, willed to you, or received as a gift; or life insurance proceeds received because of a person's death.

Examples of **income to report** on line 21 are:

- Taxable distributions from a Coverdell education savings account (ESA). Distributions from a Coverdell ESA may be taxable if they are more than the qualified education expenses of the designated beneficiary in 2002. See **Pub. 970**.



You may have to pay an additional tax if you received a taxable distribution from a Coverdell ESA. See the Instructions for Form 5329.

- Prizes and awards.
- Gambling winnings, including lotteries, raffles, a lump-sum payment from the sale of a right to receive future lottery payments, etc. For details on gambling losses, see the instructions for **Schedule A**, line 27, page A-6.
- Jury duty fees. Also, see the instructions for line 34 on page 33.
- Alaska Permanent Fund dividends.
- Qualified tuition program earnings. However, you may be able to exclude part or all of the earnings from income if (a) the qualified tuition program was established and maintained by a state (or agency or instrumentality of the state) and (b) any part

of the distribution was used to pay qualified higher education expenses. See **Pub. 970**.



You may have to pay an additional tax if you received qualified tuition program earnings that are included on line 21. See the Instructions for Form 5329.

- Reimbursements or other amounts received for items deducted in an earlier year, such as medical expenses, real estate taxes, or home mortgage interest. See **Recoveries** in **Pub. 525** for details on how to figure the amount to report.

- Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property. Also, see the instructions for line 34 on page 33.

- Income from an activity not engaged in for profit. See **Pub. 535**.

- Loss on certain corrective distributions of excess deferrals. See **Retirement Plan Contributions** in **Pub. 525**.

Adjusted Gross Income

Line 23

Educator Expenses

If you were an eligible educator in 2002, you may deduct up to \$250 of qualified expenses you paid in 2002. If you and your spouse are filing jointly and both of you were eligible educators, the maximum deduction is \$500. However, neither spouse may deduct more than \$250 of his or her qualified expenses. An **eligible educator** is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide in a school for at least 900 hours during a school year.

Qualified expenses include ordinary and necessary expenses paid in connection with books, supplies, equipment (including computer equipment, software, and services), and other materials used in the classroom. An ordinary expense is one that is common and accepted in your educational field. A necessary expense is one that is helpful and appropriate for your profession as an educator. An expense does not have to be required to be considered necessary.

Qualified expenses **do not** include expenses for home schooling or for nonathletic supplies for courses in health or physical

education. You must reduce your qualified expenses by the following amounts.

- Excludable U.S. series EE and I savings bond interest from **Form 8815**.
- Nontaxable qualified state tuition program earnings.
- Nontaxable earnings from Coverdell education savings accounts.
- Any reimbursements you received for these expenses that were not reported to you in box 1 of your Form W-2.

Line 24

IRA Deduction



If you made any nondeductible contributions to a traditional individual retirement arrangement (IRA) for 2002, you **must** report them on **Form 8606**.

If you made contributions to a traditional IRA for 2002, you may be able to take an IRA deduction. But you, or your spouse if filing a joint return, must have had earned income to do so. For IRA purposes, earned income includes certain alimony received. See **Pub. 590** for details. A statement should be sent to you by June 2, 2003, that shows all contributions to your traditional IRA for 2002.

Use the worksheet on page 30 to figure the amount, if any, of your IRA deduction. **But read the following list before you fill in the worksheet.**

- If you were age 70½ or older at the end of 2002, you **cannot** deduct any contributions made to your traditional IRA for 2002 or treat them as nondeductible contributions.
- You **cannot** deduct contributions to a Roth IRA.



If you made contributions to both a traditional IRA and a Roth IRA for 2002, **do not** use the worksheet on page 30. Instead, use the worksheet in **Pub. 590** to figure the amount, if any, of your IRA deduction.

- You **cannot** deduct elective deferrals to a 401(k) plan, section 457 plan, SIMPLE plan, or the Federal Thrift Savings Plan. These amounts are not included as income in box 1 of your W-2 form.
- If you made contributions to your IRA in 2002 that you deducted for 2001, **do not** include them in the worksheet.
- If you received a distribution from a nonqualified deferred compensation plan or

nongovernmental section 457 plan that is included in box 1 of your W-2 form, **do not** include that distribution on line 8 of the worksheet. The distribution should be shown in box 11 of your W-2 form. If it is not, contact your employer for the amount of the distribution.

• You must file a joint return to deduct contributions to your spouse's IRA. Enter

the total IRA deduction for you and your spouse on line 24.

• Do not include rollover contributions in figuring your deduction. Instead, see the instructions for lines 15a and 15b on page 25.

• Do not include trustees' fees that were billed separately and paid by you for your

IRA. These fees can be deducted only as an itemized deduction on **Schedule A**.

• If the total of your IRA deduction on line 24 plus any nondeductible contribution to your traditional IRAs shown on Form 8606 is less than your total traditional IRA contributions for 2002, see Pub. 590 for special rules.

IRA Deduction Worksheet—Line 24

Keep for Your Records

Before you begin:

- ✓ Complete Form 1040, lines 27 through 33a, if they apply to you.
- ✓ Figure any amount to be entered on the dotted line next to line 34 (see page 33).
- ✓ Be sure you have read the list beginning on page 29.



	Your IRA	Spouse's IRA
1a. Were you covered by a retirement plan (see page 31)?	1a. <input type="checkbox"/> Yes <input type="checkbox"/> No	
1b. If married filing jointly, was your spouse covered by a retirement plan?		1b. <input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Next. If you checked "No" on line 1a, and, if married filing jointly, "No" on line 1b, skip lines 2–6, enter \$3,000 (\$3,500 if age 50 or older at the end of 2002) on line 7a (and 7b if applicable), and go to line 8. Otherwise, go to line 2.</p>		
2. Enter the amount shown below that applies to you.		
<ul style="list-style-type: none"> • Single, head of household, or married filing separately and you lived apart from your spouse for all of 2002, enter \$44,000 • Qualifying widow(er), enter \$64,000 • Married filing jointly, enter \$64,000 in both columns. But if you checked "No" on either line 1a or 1b, enter \$160,000 for the person who was not covered by a plan • Married filing separately and you lived with your spouse at any time in 2002, enter \$10,000 	2a. _____	2b. _____
3. Enter the amount from Form 1040, line 22 3. _____		
4. Add amounts on Form 1040, line 23, lines 27 through 33a, and any amount you entered on the dotted line next to line 34 4. _____		
5. Subtract line 4 from line 3. Enter the result in both columns	5a. _____	5b. _____
6. Is the amount on line 5 less than the amount on line 2?		
<input type="checkbox"/> No. None of your IRA contributions are deductible. For details on nondeductible IRA contributions, see Form 8606.		
<input type="checkbox"/> Yes. Subtract line 5 from line 2 in each column. If the result is \$10,000 or more, enter \$3,000 (\$3,500 if age 50 or older at the end of 2002) on line 7 for that column and go to line 8	6a. _____	6b. _____
7. Multiply lines 6a and 6b by 30% (.30) (or by 35% (.35) in the column for the IRA of an individual who is age 50 or older at the end of 2002). If the result is not a multiple of \$10, increase it to the next multiple of \$10 (for example, increase \$490.30 to \$500). If the result is \$200 or more, enter the result. But if it is less than \$200, enter \$200	7a. _____	7b. _____
8. Enter your wages, and your spouse's if filing jointly, and other earned income from Form 1040, minus any deductions on Form 1040, lines 29 and 31. Do not reduce wages by any loss from self-employment 8. _____		
<p> CAUTION If married filing jointly and line 8 is less than \$6,000 (\$6,500 if one spouse is 50 or older at the end of 2002; \$7,000 if both spouses are 50 or older at the end of 2002), stop here and see Pub. 590 to figure your IRA deduction.</p>		
9. Enter traditional IRA contributions made, or that will be made by April 15, 2003, for 2002 to your IRA on line 9a and to your spouse's IRA on line 9b	9a. _____	9b. _____
10. On line 10a, enter the smallest of line 7a, 8, or 9a. On line 10b, enter the smallest of line 7b, 8, or 9b. This is the most you can deduct. Add the amounts on lines 10a and 10b and enter the total on Form 1040, line 24. Or, if you want, you may deduct a smaller amount and treat the rest as a nondeductible contribution (see Form 8606)	10a. _____	10b. _____



By April 1 of the year after the year in which you turn age 70½, you must start taking minimum required distributions from your traditional IRA. If you do not, you may have to pay a 50% additional tax on the amount that should have been distributed. For details, including how to figure the minimum required distribution, see Pub. 590.

Were You Covered by a Retirement Plan?

If you were covered by a retirement plan (qualified pension, profit-sharing (including 401(k)), annuity, SEP, SIMPLE, etc.) at work or through self-employment, your IRA deduction may be reduced or eliminated. But you can still make contributions to an IRA even if you cannot deduct them. In any case, the income earned on your IRA contributions is not taxed until it is paid to you.

The “Retirement plan” box in box 13 of your W-2 form should be checked if you were covered by a plan at work even if you were not vested in the plan. You are also covered by a plan if you were self-employed and had a SEP, SIMPLE, or qualified retirement plan.

If you were covered by a retirement plan and you file **Form 2555, 2555-EZ, or 8815**, or you exclude employer-provided adoption benefits, see Pub. 590 to figure the amount, if any, of your IRA deduction.

Married Persons Filing Separately. If you were not covered by a retirement plan but your spouse was, **you** are considered covered by a plan unless you **lived apart** from your spouse for all of 2002.

**Line 25
Student Loan Interest
Deduction**

You may take this deduction **only** if **all four** of the following apply.

1. You paid interest in 2002 on a qualified student loan (see below).
2. Your filing status is any status **except** married filing separately.
3. Your modified adjusted gross income (AGI) is less than: \$65,000 if single, head of household, or qualifying widow(er); \$130,000 if married filing jointly. Use lines 2 through 4 of the worksheet below to figure your modified AGI.
4. You are not claimed as a dependent on someone’s (such as your parent’s) 2002 tax return.

Use the worksheet below to figure your student loan interest deduction.

Exception. Use **Pub. 970** instead of the worksheet below to figure your student loan interest deduction if you file **Form 2555**,

2555-EZ, or 4563, or you exclude income from sources within Puerto Rico.

Qualified Student Loan. This is any loan you took out to pay the qualified higher education expenses for yourself, your spouse, or anyone who was your dependent when the loan was taken out. The person for whom the expenses were paid must have been an eligible student (defined on page 32). However, a loan is not a qualified student loan if (a) any of the proceeds were used for other purposes or (b) the loan was from either a related person or a person who borrowed the proceeds under a qualified employer plan or a contract purchased under such a plan. To find out who is a related person, see Pub. 970.

Qualified higher education expenses generally include tuition, fees, room and board, and related expenses such as books and supplies. The expenses must be for education in a degree, certificate, or similar program at an eligible educational institution. An eligible educational institution includes most colleges, universities, and certain vocational schools. You must reduce the expenses by the following benefits.

- Employer-provided educational assistance benefits that are not included in box 1 of your W-2 form(s).

(Continued on page 32)

Student Loan Interest Deduction Worksheet—Line 25

Keep for Your Records

Before you begin:

- ✓ Complete Form 1040, lines 27 through 33a, if they apply to you.
- ✓ Figure any amount to be entered on the dotted line next to line 34 (see page 33).
- ✓ See the instructions for line 25 that begin on this page.
- ✓ Be sure you have read the **Exception** above to see if you can use this worksheet instead of Pub. 970 to figure your deduction.



<p>1. Enter the total interest you paid in 2002 on qualified student loans (defined above). Do not enter more than \$2,500</p> <p>2. Enter the amount from Form 1040, line 22</p> <p>3. Enter the total of the amounts from Form 1040, line 23, line 24, lines 27 through 33a, plus any amount you entered on the dotted line next to line 34</p> <p>4. Subtract line 3 from line 2</p> <p>5. Enter the amount shown below for your filing status.</p> <p style="margin-left: 20px;"> <input type="checkbox"/> Single, head of household, or qualifying widow(er)—\$50,000 <input type="checkbox"/> Married filing jointly—\$100,000 </p> <p>6. Is the amount on line 4 more than the amount on line 5? <input type="checkbox"/> No. Skip lines 6 and 7, enter -0- on line 8, and go to line 9. <input type="checkbox"/> Yes. Subtract line 5 from line 4</p> <p>7. Divide line 6 by \$15,000 (\$30,000 if married filing jointly). Enter the result as a decimal (rounded to at least three places). If the result is 1.000 or more, enter 1.000</p> <p>8. Multiply line 1 by line 7</p> <p>9. Student loan interest deduction. Subtract line 8 from line 1. Enter the result here and on Form 1040, line 25. Do not include this amount in figuring any other deduction on your return (such as on Schedule A, C, E, etc.)</p>	<p>1. <input style="width: 100px; height: 20px;" type="text"/></p> <p>2. <input style="width: 100px; height: 20px;" type="text"/></p> <p>3. <input style="width: 100px; height: 20px;" type="text"/></p> <p>4. <input style="width: 100px; height: 20px;" type="text"/></p> <p>5. <input style="width: 100px; height: 20px;" type="text"/></p> <p>6. <input style="width: 100px; height: 20px;" type="text"/></p> <p>7. <input style="width: 100px; height: 20px;" type="text"/></p> <p>8. <input style="width: 100px; height: 20px;" type="text"/></p> <p>9. <input style="width: 100px; height: 20px;" type="text"/></p>
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- Excludable U.S. series EE and I savings bond interest from **Form 8815**.
- Nontaxable qualified state tuition program earnings.
- Nontaxable earnings from Coverdell education savings accounts.
- Any scholarship, educational assistance allowance, or other payment (but **not** gifts, inheritances, etc.) excluded from income.

For more details on these expenses, see Pub. 970.

An **eligible student** is a person who:

- Was enrolled in a degree, certificate, or other program (including a program of study abroad that was approved for credit by the institution at which the student was enrolled) leading to a recognized educational credential at an eligible educational institution and
- Carried at least half the normal full-time workload for the course of study he or she was pursuing.

Line 26

Tuition and Fees Deduction

You may take this deduction **only** if **all five** of the following apply.

1. You paid qualified tuition and fees (see this page) in 2002 for yourself, your spouse, or your dependent(s).
2. Your filing status is any status **except** married filing separately.
3. Your modified adjusted gross income (AGI) is not more than: \$65,000 if single, head of household, or qualifying widow(er); \$130,000 if married filing jointly. Use lines 1 through 3 of the worksheet below to figure your modified AGI.

4. You cannot be claimed as a dependent on someone's (such as your parent's) 2002 tax return.

5. You are not claiming an education credit on line 48 for the same student.

Use the worksheet below to figure your tuition and fees deduction.

Exception. Use **Pub. 970** instead of the worksheet below to figure your tuition and fees deduction if you file **Form 2555, 2555-EZ, or 4563**, or you exclude income from sources within Puerto Rico.

Qualified Tuition and Fees. These are amounts paid in 2002 for tuition and fees **required** for the student's enrollment or attendance at an **eligible educational institution** during 2002. Tuition and fees paid in 2002 for an academic period that **begins** in the first 3 months of 2003 can also be used in figuring your deduction. Amounts paid include those paid by credit card or with borrowed funds. An **eligible educational institution** includes most colleges, universities, and certain vocational schools.

Qualified tuition and fees **do not** include any of the following:

- Amounts paid for room and board, insurance, medical expenses (including student health fees), transportation, or other similar personal, living, or family expenses.
- Amounts paid for course-related books, supplies, equipment, and nonacademic activities, except for fees required to be paid to the institution as a condition of enrollment or attendance.
- Amounts paid for any course involving sports, games, or hobbies, unless such course is part of the student's degree program.

Qualified tuition and fees must be reduced by the following benefits.

- Excludable U.S. series EE and I savings bond interest from **Form 8815**.

• Nontaxable qualified state tuition program earnings.

• Nontaxable earnings from Coverdell education savings accounts.

• Any scholarship, educational assistance allowance, or other payment (but **not** gifts, inheritances, etc.) excluded from income.

For more details, use TeleTax topic 457 (see page 13) or see Pub. 970.

Line 27

Archer MSA Deduction

If you made a contribution to an Archer MSA for 2002, you may be able to take this deduction. See **Form 8853**.

Line 28

Moving Expenses

If you moved in connection with your job or business or started a new job, you may be able to take this deduction. But your new workplace must be at least 50 miles farther from your old home than your old home was from your old workplace. If you had no former workplace, your new workplace must be at least 50 miles from your old home. Use TeleTax topic 455 (see page 13) or see **Form 3903**.



Line 29

One-Half of Self-Employment Tax

If you were self-employed and owe self-employment tax, fill in **Schedule SE** to figure the amount of your deduction.

Tuition and Fees Deduction Worksheet—Line 26

Keep for Your Records

Before you begin:		<ul style="list-style-type: none"> ✓ Complete Form 1040, lines 27 through 33a, if they apply to you. ✓ Figure any amount to be entered on the dotted line next to line 34 (see page 33). ✓ See the instructions for line 26 above. ✓ Be sure you have read the Exception above to see if you can use this worksheet instead of Pub. 970 to figure your deduction. 	
1.	Enter the amount from Form 1040, line 22	1.	<input type="text"/>
2.	Enter the total of the amounts from Form 1040, lines 23 through 25, lines 27 through 33a, plus any amount you entered on the dotted line next to line 34	2.	<input type="text"/>
3.	Subtract line 2 from line 1. If the result is more than \$65,000 (\$130,000 if married filing jointly),  You cannot take the deduction for tuition and fees	3.	<input type="text"/>
4.	Tuition and fees deduction. Enter the total qualified tuition and fees (defined above) you paid in 2002. Do not enter more than \$3,000. Also, enter this amount on Form 1040, line 26. Do not include this amount in figuring any other deduction on your return (such as on Schedule A, C, E, etc.).	4.	<input type="text"/>

Line 30

Self-Employed Health Insurance Deduction

You may be able to deduct part of the amount paid for health insurance for yourself, your spouse, and dependents if **either** of the following applies.

- You were self-employed and had a net profit for the year or
- You received wages in 2002 from an S corporation in which you were a more-than-2% shareholder. Health insurance benefits paid for you may be shown in box 14 of your W-2 form.

The insurance plan must be established under your business. But if you were also eligible to participate in any subsidized health plan maintained by your or your spouse's employer for any month or part of a month in 2002, amounts paid for health insurance coverage for that month cannot be used to figure the deduction. For example, if you were eligible to participate in a subsidized health plan maintained by your spouse's employer from September 30 through December 31, you cannot use amounts paid for health insurance coverage for September through December to figure your deduction. For more details, see **Pub. 535**.

If you qualify to take the deduction, use the worksheet below to figure the amount you can deduct.

Exception. Use Pub. 535 instead of the worksheet below to find out how to figure your deduction if **any** of the following apply.

- You had more than one source of income subject to self-employment tax.

- You file **Form 2555** or **2555-EZ**.
- You are using amounts paid for qualified long-term care insurance to figure the deduction.

Line 31

Self-Employed SEP, SIMPLE, and Qualified Plans

If you were self-employed or a partner, you may be able to take this deduction. See **Pub. 560** or, if you were a minister, **Pub. 517**.

Line 32

Penalty on Early Withdrawal of Savings

The **Form 1099-INT** or **Form 1099-OID** you received will show the amount of any penalty you were charged.

Lines 33a and 33b

Alimony Paid

If you made payments to or for your spouse or former spouse under a divorce or separation instrument, you may be able to take this deduction. Use TeleTax topic 452 (see page 13) or see **Pub. 504**.

Line 34

Include in the total on line 34 any of the following adjustments. To find out if you can take the deduction, see the form or publication indicated.

On the dotted line next to line 34, enter the amount of your deduction and identify it as indicated.

- Deduction for clean-fuel vehicles (see **Pub. 535**). Identify as "Clean-Fuel."
- Performing-arts-related expenses (see **Form 2106** or **2106-EZ**). Identify as "QPA."
- Jury duty pay given to your employer (see **Pub. 525**). Identify as "Jury Pay."
- Deductible expenses related to income reported on line 21 from the rental of personal property engaged in for profit. Identify as "PPR."
- Reforestation amortization (see **Pub. 535**). Identify as "RFST."
- Repayment of supplemental unemployment benefits under the Trade Act of 1974 (see **Pub. 525**). Identify as "Sub-Pay TRA."
- Contributions to section 501(c)(18) pension plans (see **Pub. 525**). Identify as "501(c)(18)."
- Contributions by certain chaplains to section 403(b) plans (see **Pub. 517**). Identify as "403(b)."
- Employee business expenses of fee-basis state or local government officials (see **Form 2106** or **2106-EZ**). Identify as "FBO."

Line 35

If line 35 is less than zero, you may have a net operating loss that you can carry to another tax year. See **Form 1045** and its instructions for details.

Self-Employed Health Insurance Deduction Worksheet—Line 30

Keep for Your Records

Before you begin:

- ✓ Complete Form 1040, line 31, if it applies to you.
- ✓ If you are claiming the health insurance credit for eligible recipients (see page 16), complete Form 8885.
- ✓ Be sure you have read the **Exception** above to see if you can use this worksheet instead of Pub. 535 to figure your deduction.



1. Enter the total amount paid in 2002 for health insurance coverage established under your business for 2002 for you, your spouse, and dependents. But do not include amounts for any month you were eligible to participate in an employer-sponsored health plan or any amount on Form 8885, line 11	1.	<input type="text"/>
2. Multiply line 1 by 70% (.70)	2.	<input type="text"/>
3. Enter your net profit and any other earned income* from the business under which the insurance plan is established, minus any deductions you claim on Form 1040, lines 29 and 31	3.	<input type="text"/>
4. Self-employed health insurance deduction. Enter the smaller of line 2 or line 3 here and on Form 1040, line 30. Do not include this amount in figuring any medical expense deduction on Schedule A (Form 1040)	4.	<input type="text"/>

* **Earned income** includes net earnings and gains from the sale, transfer, or licensing of property you created. It does not include capital gain income. If you were a more-than-2% shareholder in the S corporation under which the insurance plan is established, earned income is your wages from that corporation.

Tax and Credits

Line 37a

If you were age 65 or older or blind at the end of 2002, check the appropriate box(es) on line 37a. If you were married and checked the box on line 6b of Form 1040 and your spouse was age 65 or older or blind at the end of 2002, also check the appropriate box(es) for your spouse. Be sure to enter the total number of boxes checked.

Age

If you were born on January 1, 1938, you are considered to be age 65 at the end of 2002.

Blindness

If you were partially blind as of December 31, 2002, you must get a statement certified by your eye doctor or registered optometrist that:

- You cannot 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, you can get a statement certified by your eye doctor or registered optometrist to this effect instead.

You must keep the statement for your records.

Line 37b

If your spouse itemizes deductions on a separate return or if you were a dual-status alien, check the box on line 37b. But if you were a dual-status alien and you file a joint return with your spouse who was a U.S. citizen or resident at the end of 2002 and you and your spouse agree to be taxed on your combined worldwide income, **do not** check the box.

Line 38

Itemized Deductions or Standard Deduction

In most cases, your Federal income tax will be less if you take the **larger** of:

- Your itemized deductions or
- Your standard deduction.



If you checked the box on **line 37b**, your standard deduction is zero.

Itemized Deductions

To figure your itemized deductions, fill in **Schedule A**.

Standard Deduction

Most people can find their standard deduction by looking at the amounts listed under "All others" to the left of line 38 of Form 1040. But if you, or your spouse if filing jointly, can be claimed as a dependent on someone's 2002 return or you checked **any** box on **line 37a**, use the worksheet below or the chart on page 35, whichever applies, to figure your standard deduction. Also, if you checked the box on line 37b, your standard deduction is zero, even if you were age 65 or older or blind.

Electing To Itemize for State Tax or Other Purposes

If you itemize even though your itemized deductions are less than your standard deduction, enter "IE" on the dotted line next to line 38.

Standard Deduction Worksheet for Dependents—Line 38

Keep for Your Records

Use this worksheet only if someone can claim you, or your spouse if filing jointly, as a dependent.	
1. Add \$250 to your earned income* . Enter the total	1. _____
2. Minimum standard deduction	2. 750.00
3. Enter the larger of line 1 or line 2	3. _____
4. Enter the amount shown below for your filing status.	4. _____
<ul style="list-style-type: none"> • Single—\$4,700 • Married filing separately—\$3,925 • Married filing jointly or qualifying widow(er)—\$7,850 • Head of household—\$6,900 	}
5. Standard deduction.	5c. _____
a. Enter the smaller of line 3 or line 4. If under age 65 and not blind, stop here and enter this amount on Form 1040, line 38. Otherwise , go to line 5b	5a. _____
b. If age 65 or older or blind, multiply the number on Form 1040, line 37a, by: \$1,150 if single or head of household; \$900 if married filing jointly or separately, or qualifying widow(er)	5b. _____
c. Add lines 5a and 5b. Enter the total here and on Form 1040, line 38	5c. _____
<p><i>*Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income. Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 18, minus the amount, if any, on line 29.</i></p>	

Standard Deduction Chart for People Age 65 or Older or Blind—Line 38

Do not use this chart if someone can claim you, or your spouse if filing jointly, as a dependent. Instead use the worksheet on page 34.

Enter the number from the box on line 37a of Form 1040



Do not use the number of exemptions from line 6d.

IF your filing status is . . .	AND the number in the box above is . . .	THEN your standard deduction is . . .
Single	1	\$5,850
	2	7,000
Married filing jointly or Qualifying widow(er)	1	\$8,750
	2	9,650
	3	10,550
	4	11,450
Married filing separately	1	\$4,825
	2	5,725
	3	6,625
	4	7,525
Head of household	1	\$8,050
	2	9,200

Deduction for Exemptions Worksheet—Line 40

Keep for Your Records



1. Is the amount on Form 1040, line 36, more than the amount shown on line 4 below for your filing status?

No. Multiply \$3,000 by the total number of exemptions claimed on Form 1040, line 6d, and enter the result on line 40.

Yes. *Continue*

2. Multiply \$3,000 by the total number of exemptions claimed on Form 1040, line 6d 2.

3. Enter the amount from Form 1040, line 36 3.

4. Enter the amount shown below for your filing status.

- Single—\$137,300
- Married filing jointly or qualifying widow(er)—\$206,000
- Married filing separately—\$103,000
- Head of household—\$171,650

} 4.

5. Subtract line 4 from line 3. If the result is more than \$122,500 (\$61,250 if married filing separately), You **cannot** take a deduction for exemptions 5.

6. Divide line 5 by \$2,500 (\$1,250 if married filing separately). If the result is not a whole number, increase it to the next higher whole number (for example, increase 0.0004 to 1) 6.

7. Multiply line 6 by 2% (.02) and enter the result as a decimal 7.

8. Multiply line 2 by line 7 8.

9. **Deduction for exemptions.** Subtract line 8 from line 2. Enter the result here and on Form 1040, line 40 9.

Line 42

Tax

Do you want the IRS to figure your tax for you?

Yes. See **Pub. 967** for details, including who is eligible and what to do. If you have paid too much, we will send you a refund. If you did not pay enough, we will send you a bill.

No. Use one of the following methods to figure your tax. Also include in the total on line 42 any of the following taxes.

- Tax from **Forms 8814** and **4972**. Be sure to check the appropriate box(es).
- Tax from recapture of an education credit. You may owe this tax if (a) you claimed an education credit in an earlier year and (b) you, your spouse if filing jointly, or your dependent received in 2002 either tax-free educational assistance or a refund of qualified expenses. See **Form 8863** for more details. If you owe this tax, enter the amount and "ECR" on the dotted line next to line 42.

Tax Table or Tax Rate Schedules. If your taxable income is less than \$100,000, you **must** use the Tax Table, which starts on page 63, to figure your tax. Be sure you use the correct column. If your taxable income is \$100,000 or more, use the Tax Rate Schedules on page 75.

Exception. Do not use the Tax Table or Tax Rate Schedules to figure your tax if **either 1 or 2** below applies.

1. You are required to figure your tax using **Form 8615, Schedule D**, or the **Capital Gain Tax Worksheet** below.

2. You use **Schedule J** (for farm income) to figure your tax.

Form 8615. Form 8615 must generally be used to figure the tax for any child who was under age 14 at the end of 2002, and who had more than \$1,500 of investment income, such as taxable interest, ordinary dividends, or capital gains (including capital gain distributions). But if neither of the child's parents was alive on December 31, 2002, do not use Form 8615 to figure the child's tax.



A child born on January 1, 1989, is considered to be age 14 at the end of 2002. **Do not** use Form 8615 for such a child.

Schedule D. If you had a net capital gain on Schedule D (both lines 16 and 17 of Schedule D are gains) and the amount on Form 1040, line 41, is more than zero, use Part IV of Schedule D to figure your tax.

Capital Gain Tax Worksheet. If you received capital gain distributions but you are not required to file Schedule D, use the worksheet below to figure your tax.

Schedule J. If you had income from farming, your tax may be less if you choose to figure it using income averaging on Schedule J.

Capital Gain Tax Worksheet—Line 42

Keep for Your Records

Before you begin:

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



1. Enter the amount from Form 1040, line 41	1.		
2. Enter the amount from Form 1040, line 13	2.		
3. Subtract line 2 from line 1. If zero or less, enter -0-	3.		
4. Figure the tax on the amount on line 3. Use the Tax Table or Tax Rate Schedules, whichever applies	4.		
5. Enter the smaller of:			
• The amount on line 1 or			
• \$27,950 if single; \$46,700 if married filing jointly or qualifying widow(er); \$23,350 if married filing separately; or \$37,450 if head of household.	5.		
6. Is the amount on line 3 equal to or more than the amount on line 5?			
<input type="checkbox"/> Yes. Leave lines 6 through 8 blank; go to line 9 and check the "No" box.			
<input type="checkbox"/> No. Enter the amount from line 3	6.		
7. Subtract line 6 from line 5	7.		
8. Multiply line 7 by 10% (.10)	8.		
9. Are the amounts on lines 2 and 7 the same?			
<input type="checkbox"/> Yes. Leave lines 9 through 12 blank; go to line 13.			
<input type="checkbox"/> No. Enter the smaller of line 1 or line 2	9.		
10. Enter the amount, if any, from line 7	10.		
11. Subtract line 10 from line 9. If zero or less, enter -0-	11.		
12. Multiply line 11 by 20% (.20)	12.		
13. Add lines 4, 8, and 12	13.		
14. Figure the tax on the amount on line 1. Use the Tax Table or Tax Rate Schedules, whichever applies	14.		
15. Tax on all taxable income (including capital gain distributions). Enter the smaller of line 13 or line 14 here and on Form 1040, line 42	15.		

Line 43

Alternative Minimum Tax

Use the worksheet below to see if you should fill in **Form 6251**.

Exception. Fill in Form 6251 instead of using the worksheet below if you claimed or received **any** of the following items.

- Accelerated depreciation.
- Stock by exercising an incentive stock option and you did not dispose of the stock in the same year.

- Tax-exempt interest from private activity bonds.
- Intangible drilling, circulation, research, experimental, or mining costs.
- Amortization of pollution-control facilities or depletion.
- Income or (loss) from tax-shelter farm activities or passive activities.
- Percentage-of-completion income from long-term contracts.
- Interest paid on a home mortgage **not** used to buy, build, or substantially improve your home.

- Investment interest expense reported on **Form 4952**.
- Net operating loss deduction.
- Alternative minimum tax adjustments from an estate, trust, electing large partnership, or cooperative.
- Section 1202 exclusion.



Form 6251 should be filled in for a child who was under age 14 at the end of 2002 if the child's adjusted gross income from Form 1040, line 36, exceeds the child's earned income by more than \$5,500.

Worksheet To See if You Should Fill in Form 6251—Line 43

Keep for Your Records

Before you begin:

- ✓ Be sure you have read the **Exception** above to see if you must fill in Form 6251 instead of using this worksheet.
- ✓ If you are claiming the foreign tax credit (see the instructions for Form 1040, line 45, on page 38), enter that credit on line 45.



1. Are you filing **Schedule A**?

Yes. Enter the amount from Form 1040, line 39.

No. Enter the amount from Form 1040, line 36, and go to line 4. **1.**

2. Enter the **smaller** of the amount on Schedule A, line 4, or 2.5% (.025) of the amount on Form 1040, line 36. **2.**

3. Add lines 9 and 26 of Schedule A and enter the total. **3.**

4. Add lines 1 through 3 above. **4.**

5. Enter the amount shown below for your filing status.

- Single or head of household—\$35,750
 - Married filing jointly or qualifying widow(er)—\$49,000
 - Married filing separately—\$24,500
- **5.**

6. Is the amount on line 4 more than the amount on line 5?

No. You do not need to fill in Form 6251.

Yes. Subtract line 5 from line 4 **6.**

7. Enter the amount shown below for your filing status.

- Single or head of household—\$112,500
 - Married filing jointly or qualifying widow(er)—\$150,000
 - Married filing separately—\$75,000
- **7.**

8. Is the amount on line 4 more than the amount on line 7?

No. Enter the amount from line 6 on line 10 and go to line 11.

Yes. Subtract line 7 from line 4 **8.**

9. Multiply line 8 by 25% (.25) and enter the result but do not enter more than line 5 above **9.**

10. Add lines 6 and 9 **10.**

11. Is the amount on line 10 more than \$175,000 (\$87,500 if married filing separately)?

Yes. Fill in Form 6251 to see if you owe the alternative minimum tax.

No. Multiply line 10 by 26% (.26) **11.**

12. Enter the amount from Form 1040, line 42, minus the total of any tax from Form 4972 and any amount on Form 1040, line 45. **12.**

Next. Is the amount on line 11 more than the amount on line 12?

Yes. Fill in Form 6251 to see if you owe the alternative minimum tax.

No. You do not need to fill in Form 6251.

Line 45**Foreign Tax Credit**

If you paid income tax to a foreign country, you may be able to take this credit. Generally, you must complete and attach **Form 1116** to do so.

Exception. You do not have to complete Form 1116 to take this credit if **all five** of the following apply.

1. All of your gross foreign-source income is from interest and dividends and all of that income and the foreign tax paid on it is reported to you on **Form 1099-INT** or **Form 1099-DIV** (or substitute statement).

2. If you have dividend income from shares of stock, you held those shares for at least 16 days.

3. You are not filing **Form 4563** or excluding income from sources within Puerto Rico.

4. The total of your foreign taxes is not more than \$300 (not more than \$600 if married filing jointly).

5. All of your foreign taxes were:

- Legally owed and not eligible for a refund and
- Paid to countries that are recognized by the United States and do not support terrorism.

For more details on these requirements, see the Instructions for Form 1116.

Do you meet all five requirements above?

Yes. Enter on line 45 the **smaller** of your total foreign taxes or the amount on Form 1040, line 42.

No. See Form 1116 to find out if you can take the credit and, if you can, if you have to file Form 1116.

Line 46**Credit for Child and Dependent Care Expenses**

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. For details, use TeleTax topic 602 (see page 13) or see **Form 2441**.

Line 47**Credit for the Elderly or the Disabled**

You may be able to take this credit if by the end of 2002 **(a)** you were age 65 or older or **(b)** you retired on **permanent and total disability** and you had taxable disability income. But you usually **cannot** take the credit if the amount on Form 1040, line 36, is \$17,500 or more (\$20,000 or more if married filing jointly and only one spouse is eligible for the credit; \$25,000 or more if married filing jointly and both spouses are eligible; \$12,500 or more if married filing separately). See **Schedule R** and its instructions for details.

Credit Figured by the IRS. If you can take this credit and you want us to figure it for you, see the Instructions for Schedule R.

Line 48**Education Credits**

If you (or your dependent) paid qualified expenses in 2002 for yourself, your spouse, or your dependent to enroll in or attend an eligible educational institution, you may be able to take an education credit. See **Form 8863** for details. However, you **cannot** take an education credit if **any** of the following apply.

- You are claimed as a dependent on someone's (such as your parent's) 2002 tax return.
- Your filing status is married filing separately.
- The amount on Form 1040, line 36, is \$51,000 or more (\$102,000 or more if married filing jointly).
- You are taking a deduction for tuition and fees on Form 1040, line 26, for the same student.
- You (or your spouse) were a nonresident alien for any part of 2002 unless your filing status is married filing jointly.

Line 49**Retirement Savings Contributions Credit**

You may be able to take this credit if you, or your spouse if filing jointly, made:

- Contributions to a traditional or Roth IRA.
- Elective deferrals to a 401(k), 403(b), 457, SEP, or SIMPLE plan.
- Voluntary contributions to a qualified retirement plan.
- Voluntary contributions to a 501(c)(18) plan.

However, you **cannot** take the credit if **any** of the following apply.

- The amount on Form 1040, line 36, is more than \$25,000 (\$37,500 if head of household; \$50,000 if married filing jointly).
- You were under age 18 at the end of 2002.
- You are claimed as a dependent on someone's (such as your parent's) 2002 tax return.

- You were a **student** (defined below).

You were a **student** if during any 5 months of 2002 you:

- Were enrolled as a full-time student at a school or
- Took a full-time, on-farm training course 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, correspondence schools, or night schools.

For more details, use TeleTax topic 610 (see page 13) or see **Form 8880**.

Line 50—Child Tax Credit

What Is the Child Tax Credit?

This credit is for people who have a qualifying child as defined in the instructions for line 6c, column (4), on page 22. It is in addition to the credit for child and dependent care expenses on Form 1040, line 46, and the earned income credit on Form 1040, line 64.

Three Steps To Take the Child Tax Credit!


- Step 1.** Make sure you have a qualifying child for the child tax credit. See the instructions for line 6c, column (4), on page 22.
- Step 2.** Make sure you checked the box in column (4) of line 6c on Form 1040 for each qualifying child.
- Step 3.** Answer the questions on this page to see if you may use the worksheet on page 40 to figure your credit or if you must use Pub. 972, Child Tax Credit. If you need Pub. 972, see page 9.


Questions

Who Must Use Pub. 972





- Are you excluding income from Puerto Rico **or** are you filing any of the following forms?
 - Form 2555 or 2555-EZ (relating to foreign earned income)
 - Form 4563 (exclusion of income for residents of American Samoa)

No. *Continue* 

Yes.  You must use Pub. 972 to figure your credit.

- Is the amount on Form 1040, line 36, more than the amount shown below for your filing status?
 - Married filing jointly – \$110,000
 - Single, head of household, or qualifying widow(er) – \$75,000
 - Married filing separately – \$55,000

No. *Continue* 

Yes.  You must use Pub. 972 to figure your credit.

- Are you claiming any of the following credits?
 - Adoption credit, Form 8839 (see the instructions for Form 1040, line 51, on page 41)
 - Mortgage interest credit, Form 8396 (see the instructions for Form 1040, line 52, on page 41)
 - District of Columbia first-time homebuyer credit, Form 8859

No. Use the worksheet on page 40 to figure your child tax credit.

Yes. You must use Pub. 972 to figure your child tax credit. You will also need the form(s) listed above for any credit(s) you are claiming.

Child Tax Credit Worksheet—Line 50

Keep for Your Records



- To be a qualifying child for the child tax credit, the child must be **under age 17** at the end of 2002 and meet the other requirements listed in the instructions for line 6c, column (4), on page 22.
- **Do not** use this worksheet if you answered “Yes” to question 1, 2, or 3 on page 39. Instead, use Pub. 972.



1. Number of qualifying children: _____ × \$600. Enter the result. 1

2. Enter the amount from Form 1040, line 44. 2

3. Add the amounts from Form 1040:

Line 45 _____

Line 46 + _____

Line 47 + _____

Line 48 + _____

Line 49 + _____ Enter the total. 3

4. Are the amounts on lines 2 and 3 the same?

Yes.

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

No. Subtract line 3 from line 2. 4

5. Is the amount on line 1 more than the amount on line 4?

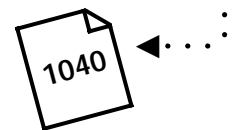
Yes. Enter the amount from line 4. Also, you may be able to take the **additional child tax credit**. See the **TIP** below.

This is your child tax credit.

No. Enter the amount from line 1.

5

Enter this amount on Form 1040, line 50.



You may be able to take the **additional child tax credit** on Form 1040, line 66, if you answered “Yes” on line 4 or line 5 above.

- First, complete your Form 1040 through line 65.
- Then, use Form 8812 to figure any additional child tax credit.

Line 51**Adoption Credit**

You may be able to take this credit if you paid expenses to adopt a child. See **Form 8839** for details.

Line 52

Include in the total on line 52 any of the following credits and check the appropriate box(es). To find out if you can take the credit, see the form indicated.

- Mortgage interest credit. If a state or local government gave you a mortgage credit certificate, see **Form 8396**.
- District of Columbia first-time home-buyer credit. See **Form 8859**.

Line 53**Other Credits**

Include in the total on line 53 any of the following credits and check the appropriate box(es). If box **c** is checked, also enter the form number, if applicable. To find out if you can take the credit, see the form or publication indicated.

- Credit for prior year minimum tax. If you paid alternative minimum tax in a prior year, see **Form 8801**.
- Qualified electric vehicle credit. If you placed a new electric vehicle in service in 2002, see **Form 8834**.
- General business credit. This credit consists of a number of credits that usually apply only to individuals who are partners, shareholders in an S corporation, self-employed, or who have rental property. See **Form 3800** or **Pub. 334**.
- Empowerment zone and renewal community employment credit. See **Form 8844**.
- New York Liberty Zone business employee credit. See **Form 8884**.
- Nonconventional source fuel credit. If you sold fuel produced from a nonconventional source, see Internal Revenue Code section 29 to find out if you can take this credit. Attach a schedule showing how you figured the credit. Check box **c** and enter "FNS" on the line to the right of box **c**.
- Qualified zone academy bond credit. This credit applies only to S corporation shareholders. See **Form 8860**.

Other Taxes

Line 57**Social Security and Medicare Tax on Tip Income Not Reported to Employer**

If you received tips of \$20 or more in any month and you did not report the full amount to your employer, you must pay the social security and Medicare or railroad retirement (RRTA) tax on the unreported tips. You must also pay this tax if your W-2 form(s) shows allocated tips that you are including in your income on Form 1040, line 7.

To figure the tax, use **Form 4137**. To pay the RRTA tax, contact your employer. Your employer will figure and collect the tax.



You may be charged a penalty equal to 50% of the social security and Medicare tax due on tips you received but did not report to your employer.

Line 58**Tax on Qualified Plans, Including IRAs, and Other Tax-Favored Accounts**

If **any** of the following apply, see **Form 5329** and its instructions to find out if you owe this tax and if you must file Form 5329.

1. You received any early distributions from (a) an IRA or other qualified retirement plan, (b) an annuity, or (c) a modified endowment contract entered into after June 20, 1988.
2. Excess contributions were made to your IRAs, Coverdell education savings accounts (ESAs), or Archer MSAs.
3. You received taxable distributions from Coverdell ESAs or qualified tuition programs.
4. You were born before July 2, 1931, and did not take the minimum required distribution from your IRA or other qualified retirement plan.

Exception. If **only** item **1** applies to you and distribution code 1 is correctly shown in box 7 of your **Form 1099-R**, you do not have to file Form 5329. Instead, multiply the taxable amount of the distribution by 10% (.10) and enter the result on line 58. The taxable amount of the distribution is the part of the distribution you reported on line 15b or line 16b of Form 1040 or on

Form 4972. Also, put "No" under the heading "Other Taxes" to the left of line 58 to indicate that you do not have to file Form 5329. But if distribution code 1 is incorrectly shown in box 7 of Form 1099-R, you must file Form 5329.

Line 59**Advance Earned Income Credit Payments**

Enter the total amount of advance earned income credit (EIC) payments you received. These payments are shown in box 9 of your W-2 form(s).

Line 60**Household Employment Taxes**

If **any** of the following apply, see **Schedule H** and its instructions to find out if you owe these taxes.

1. You paid **any one** household employee (defined below) cash wages of \$1,300 or more in 2002. Cash wages include wages paid by checks, money orders, etc.
2. You withheld Federal income tax during 2002 at the request of any household employee.
3. You paid **total** cash wages of \$1,000 or more in **any** calendar **quarter** of 2001 or 2002 to household employees.



For item **1**, **do not** count amounts paid to an employee who was under age 18 at any time in 2002 and was a student.

Household Employee. Any person who does household work is a household employee if you can control what will be done and how it will be done. Household work includes work done in or around your home by babysitters, nannies, health aides, maids, yard workers, and similar domestic workers.

Line 61**Total Tax**

Include in the total on line 61 any of the following taxes. To find out if you owe the tax, see the form or publication indicated. On the dotted line next to line 61, enter the amount of the tax and identify it as indicated.

(Continued on page 42)

Recapture of the Following Credits.

- Investment credit (see **Form 4255**). Identify as “ICR.”
- Low-income housing credit (see **Form 8611**). Identify as “LIHCR.”
- Qualified electric vehicle credit (see **Pub. 535**). Identify as “QEVCR.”
- Indian employment credit. Identify as “IECR.”
- New markets credit (see **Form 8874**). Identify as “NMCR.”

Recapture of Federal Mortgage Subsidy. If you sold your home in 2002 and it was financed (in whole or in part) from the proceeds of any tax-exempt qualified mortgage bond or you claimed the mortgage interest credit, see **Form 8828**. Identify as “FMSR.”

Section 72(m)(5) Excess Benefits Tax (see **Pub. 560**). Identify as “Sec. 72(m)(5).”

Uncollected Social Security and Medicare or RRTA Tax on Tips or Group-Term Life Insurance. This tax should be shown in box 12 of your Form W-2 with codes **A** and **B** or **M** and **N**. Identify as “UT.”

Golden Parachute Payments. If you received an excess parachute payment (EPP), you must pay a 20% tax on it. This tax should be shown in box 12 of your W-2 form with code **K**. If you received a **Form 1099-MISC**, the tax is 20% of the EPP shown in box 13. Identify as “EPP.”

Tax on Accumulation Distribution of Trusts. Enter the amount from **Form 4970** and identify as “ADT.”

Payments

Line 62**Federal Income Tax Withheld**

Add the amounts shown as Federal income tax withheld on your **Forms W-2, W-2G, and 1099-R**. Enter the total on line 62. The amount withheld should be shown in box 2 of Form W-2 or W-2G, and in box 4 of Form 1099-R. If line 62 includes amounts withheld as shown on Form 1099-R, attach the Form 1099-R to the front of your return.

If you received a 2002 Form 1099 showing Federal income tax withheld on dividends, interest income, unemployment compensation, social security benefits, or other income you received, include the amount withheld in the total on line 62. This should be shown in box 4 of the 1099 form or box 6 of **Form SSA-1099**.

Line 63

2002 Estimated Tax Payments

Enter any estimated Federal income tax payments you made using **Form 1040-ES** for 2002. Include any overpayment from your 2001 return that you applied to your 2002 estimated tax.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, you can divide the amount paid in any way you choose as long as you both agree. If you cannot agree, you must divide the payments in proportion to each spouse's individual tax as shown on your separate returns for 2002. For an example of how to do this, see **Pub. 505**. 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 return, add the amounts you each paid. Follow these instructions even if your spouse died in 2002 or in 2003 before filing a 2002 return.

Divorced Taxpayers

If you got divorced in 2002 and you made joint estimated tax payments with your former spouse, put your former spouse's SSN in the space provided on the front of Form 1040. If you were divorced and remarried in 2002, put your present spouse's SSN in the space provided on the front of Form 1040. Also, under the heading “Payments” to the left of line 63, put 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 1040. On the statement, explain all the payments you and your spouse made in 2002 and the name(s) and SSN(s) under which you made them.

Line 64 Earned Income Credit (EIC)

What Is the EIC?

The EIC is a credit for certain people who work. The credit may give you a refund even if you do not owe any tax.

To Take the EIC:

- Follow the steps below.
- Complete the worksheet that applies to you **or** let the IRS figure the credit for you.
- If you have a qualifying child, complete and attach Schedule EIC.



If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. You may also have to pay penalties.

Step 1 All Filers

- If, in 2002:
 - 2 children lived with you, is the amount on Form 1040, line 36, less than \$33,178 (\$34,178 if married filing jointly)?
 - 1 child lived with you, is the amount on Form 1040, line 36, less than \$29,201 (\$30,201 if married filing jointly)?
 - No children lived with you, is the amount on Form 1040, line 36, less than \$11,060 (\$12,060 if married filing jointly)?

Yes. *Continue* → No. You cannot take the credit.
- Do you, and your spouse if filing a joint return, have a social security number that allows you to work or is valid for EIC purposes (see page 46)?

Yes. *Continue* → No. You cannot take the credit. Put "No" on the dotted line next to line 64.
- Is your filing status married filing separately?

Yes. You cannot take the credit. No. *Continue* →
- Are you filing Form 2555 or 2555-EZ (relating to foreign earned income)?

Yes. You cannot take the credit. No. *Continue* →
- Were you a nonresident alien for any part of 2002?

Yes. *See Nonresident Aliens on page 46.* No. *Go to Step 2.*

Step 2 Investment Income

- Add the amounts from Form 1040:

Line 8a	+	
Line 8b	+	
Line 9	+	
Line 13*	+	

Investment Income =

*Do not include if line 13 is a loss.

- Is your investment income more than \$2,550?

Yes. *Continue* → No. *Skip the next question; go to Step 3.*
- Are you filing Form 4797 (relating to sales of business property)?

Yes. *See Form 4797 Filers on page 45.* No. You cannot take the credit.

Step 3 Who Must Use Pub. 596

Some people must use Pub. 596, Earned Income Credit, to see if they can take the credit. To see if you must use Pub. 596, answer the following questions.

- Are you filing Schedule E?

No. *Continue* → Yes. →
- Are you reporting income or a loss from the rental of personal property not used in a trade or business?

No. *Continue* → Yes. →
- Are you reporting income on Form 1040, line 21, from Form 8814 (relating to election to report child's interest and dividends)?

No. *Continue* → Yes. →
- Did a child live with you in 2002?

Yes. *Go to Step 4 on page 44.* No. *Go to Step 5 on page 44.*

You must use Pub. 596 to see if you can take the credit.



To get Pub. 596, see page 9.

Continued from page 43

Step 4 Qualifying Child**A qualifying child is a child who is...**

Your son, daughter, adopted child, stepchild, or grandchild
or

Your brother, sister, stepbrother, stepsister, or a descendant of your brother, sister, stepbrother, or stepsister (for example, your niece or nephew), whom you cared for as your own child
or

A foster child (any child placed with you by an authorized placement agency whom you cared for as your own child)

AND**was at the end of 2002...**

Under age 19
or

Under age 24 and a student (see page 46)
or

Any age and permanently and totally disabled (see page 46)



AND**who...**

Lived with you in the United States for more than half of 2002.

If the child did not live with you for the required time, see Exception to "Time Lived With You" Condition on page 45.

Note. If the child was married, see page 46.

1. Look at the qualifying child conditions above. Could you, or your spouse if filing a joint return, be a qualifying child of another person in 2002?

Yes.  You cannot take the credit. Put "No" on the dotted line next to line 64.
 No. Continue 

2. Do you have at least one child who meets the above conditions to be your qualifying child?



Yes. Go to question 3.
 No. Skip the next two questions; go to Step 5, question 2.

3. Does the child meet the conditions to be a qualifying child of any other person (other than your spouse if filing a joint return) for 2002?



Yes. See *Qualifying Child of More Than One Person* on page 46.
 No. This child is your qualifying child. The child must have a valid social security number as defined on page 46 unless the child was born and died in 2002. Skip Step 5; go to Step 6 on page 45.

Step 5 Filers Without a Qualifying Child



1. Look at the qualifying child conditions in Step 4. Could you, or your spouse if filing a joint return, be a qualifying child of another person in 2002?

Yes.  You cannot take the credit. Put "No" on the dotted line next to line 64.
 No. Continue 


2. Can you, or your spouse if filing a joint return, be claimed as a dependent on someone else's 2002 tax return?

Yes.  You cannot take the credit.
 No. Continue 

3. Were you, or your spouse if filing a joint return, at least age 25 but under age 65 at the end of 2002?

Yes. Continue 
 No.  You cannot take the credit. Put "No" on the dotted line next to line 64.

4. Was your home, and your spouse's if filing a joint return, in the United States for more than half of 2002? Members of the military stationed outside the United States, see page 46 before you answer.

Yes. Go to Step 6 on page 45.
 No.  You cannot take the credit. Put "No" on the dotted line next to line 64.

Continued from page 44

Step 6 Earned Income

1. Are you filing Schedule SE because you were a member of the clergy or you had church employee income of \$108.28 or more?

- Yes.** See Clergy or Church Employees, whichever applies, on this page. **No.** Continue →

2. Figure earned income:

Form 1040, line 7 _____

Subtract, if included on line 7, any:

- Taxable scholarship or fellowship grant not reported on a W-2 form
- Amount paid to an inmate in a penal institution for work (put "PRI" and the amount subtracted on the dotted line next to line 7 of Form 1040)
- Amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (put "DFC" and the amount subtracted on the dotted line next to line 7 of Form 1040). This amount may be shown in box 11 of your W-2 form. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity.


Earned Income =

3. Were you self-employed, or are you filing Schedule SE because you were a member of the clergy or you had church employee income, or are you filing Schedule C or C-EZ as a statutory employee?

- Yes.** Skip question 4 and Step 7; go to Worksheet B on page 48. **No.** Continue →

4. If you have:

- 2 or more qualifying children, is your earned income less than \$33,178 (\$34,178 if married filing jointly)?
- 1 qualifying child, is your earned income less than \$29,201 (\$30,201 if married filing jointly)?
- No qualifying children, is your earned income less than \$11,060 (\$12,060 if married filing jointly)?

- Yes.** Go to Step 7. **No.**  You cannot take the credit.

Step 7 How To Figure the Credit

1. Do you want the IRS to figure the credit for you?

- Yes.** See Credit Figured by the IRS on this page. **No.** Go to Worksheet A on page 47.

Definitions and Special Rules (listed in alphabetical order)

Adopted Child. Any child placed with you by an authorized placement agency for legal adoption. An authorized placement agency includes any person authorized by state law to place children for legal adoption. The adoption does not have to be final.

Church Employees. Determine how much of the amount on Form 1040, line 7, was also reported on Schedule SE, line 5a. Subtract that amount from the amount on Form 1040, line 7, and enter the result in the first space of Step 6, line 2. Be sure to answer "Yes" on line 3 of Step 6.

Clergy. The following instructions apply to ministers, members of religious orders who have not taken a vow of poverty, and Christian Science practitioners. If you are filing Schedule SE and the amount on line 2 of that schedule includes an amount that was also reported on Form 1040, line 7:

1. Put "Clergy" on the dotted line next to line 64 of Form 1040.
2. Determine how much of the amount on Form 1040, line 7, was also reported on Schedule SE, line 2.
3. Subtract that amount from the amount on Form 1040, line 7. Enter the result in the first space of Step 6, line 2.
4. Be sure to answer "Yes" on line 3 of Step 6.

Credit Figured by the IRS. To have the IRS figure the credit for you:

1. Put "EIC" on the dotted line next to line 64 of Form 1040.
2. If you have a qualifying child, complete and attach Schedule EIC. If your EIC for a year after 1996 was reduced or disallowed, see Form 8862, Who Must File on page 46.

Exception to "Time Lived With You" Condition. A child is considered to have lived with you for all of 2002 if the child was born or died in 2002 and your home was this child's home for the entire time he or she was alive in 2002. Temporary absences, such as for school, vacation, medical care, or detention in a juvenile facility, count as time lived at home. If your child is presumed to have been kidnapped by someone who is not a family member, see Pub. 596 to find out if that child is a qualifying child for the EIC. To get Pub. 596, see page 9. If you were in the military stationed outside the United States, see Members of the Military on page 46.

Form 4797 Filers. If the amount on Form 1040, line 13, includes an amount from Form 4797, you must use Pub. 596 to see if you can take the EIC. To get Pub. 596, see page 9. Otherwise, stop; you cannot take the EIC.

(Continued on page 46)

Continued from page 45

Form 8862, Who Must File. You must file Form 8862 if your EIC for a year after 1996 was reduced or disallowed for any reason other than a math or clerical error. But do not file Form 8862 if, after your EIC was reduced or disallowed in an earlier year:

- You filed Form 8862 (or other documents) and your EIC was then allowed and
- Your EIC has not been reduced or disallowed again for any reason other than a math or clerical error.

Also, do not file Form 8862 or take the credit if it was determined that your error was due to reckless or intentional disregard of the EIC rules or fraud.

Grandchild. Any descendant of your son, daughter, adopted child, or stepchild. For example, a grandchild includes your great-grandchild, great-great-grandchild, etc.

Married Child. A child who was married at the end of 2002 is a qualifying child only if (a) you can claim him or her as your dependent on Form 1040, line 6c, or (b) this child's other parent claims him or her as a dependent under the rules in Pub. 501 for children of divorced or separated parents.

Members of the Military. If you were on extended active duty outside the United States, your home is considered to be in the United States during that duty period. Extended active duty is military duty ordered for an indefinite period or for a period of more than 90 days. Once you begin serving extended active duty, you are considered to be on extended active duty even if you serve fewer than 90 days.

Nonresident Aliens. If your filing status is married filing jointly, go to Step 2 on page 43. Otherwise, stop; you cannot take the EIC.

Permanently and Totally Disabled Child. A child who cannot engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition:

- Has lasted or can be expected to last continuously for at least a year or
- Can lead to death.

Qualifying Child of More Than One Person. If the child meets the conditions to be a qualifying child of more than one person, only one person can take the EIC based on that child. The other person(s) cannot take the EIC for people without a qualifying child, but may take the EIC based on a different qualifying child. If you and the other person(s) cannot agree who will take the EIC, then the following rules apply.

- If only one of the persons is the child's parent, the child will be treated as the qualifying child of the parent.
- If both persons are the child's parents, the child will be treated as the qualifying child of the parent with whom

the child lived for the longer period of time during 2002. If the child lived with each parent for the same amount of time, the child will be treated as the qualifying child of the parent who had the **higher** adjusted gross income (AGI) for 2002.

- If none of the persons is the child's parent, the child will be treated as the qualifying child of the person who had the highest AGI for 2002.

The child must have a valid social security number as defined below unless the child was born and died in 2002. If you do not have a qualifying child, stop; you cannot take the EIC. Put "No" on the dotted line next to line 64. If you have a qualifying child, skip Step 5; go to Step 6 on page 45.

Example. You and your 5-year-old daughter moved in with your mother in April 2002. 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. If you and your mother cannot agree on who will treat your daughter as a qualifying child, the rules above apply. Under these rules, you are entitled to treat your daughter as a qualifying child because you are the child's parent. Your mother would not be entitled to claim any EIC unless she has a different qualifying child.

Social Security Number (SSN). For purposes of taking the EIC, a valid SSN is a number issued by the Social Security Administration unless "Not Valid for Employment" is printed on the social security card and the number was issued solely to apply for or receive a Federally funded benefit.

To find out how to get an SSN, see page 21. If you will not have an SSN by April 15, 2003, see What if You Cannot File on Time? on page 17.

Student. A child who during any 5 months of 2002:

- Was enrolled as a full-time student at a school or
- Took a full-time, on-farm training course 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, correspondence schools, or night schools.

Welfare Benefits, Effect of Credit on. Any refund you receive as a result of taking the EIC will not be used to determine if you are eligible for the following programs or how much you can receive from them. But if the refund you receive because of the EIC is not spent within a certain period of time, it may count as an asset (or resource) and affect your eligibility.

- Temporary Assistance for Needy Families (TANF).
- Medicaid and supplemental security income (SSI).
- Food stamps and low-income housing.

Worksheet **A**—Earned Income Credit (EIC)—Line 64

Keep for Your Records

Before you begin: ✓ Be sure you are using the correct worksheet. **Do not** use this worksheet if you were self-employed, or you are filing Schedule SE because you were a member of the clergy or you had church employee income, or you are filing Schedule C or C-EZ as a statutory employee. Instead, use Worksheet B that begins on page 48.



Part 1

All Filers Using Worksheet A

1. Enter your earned income from Step 6 on page 45.

1	
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2. Look up the amount on line 1 above in the EIC Table on pages 50–55 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here.

2	
---	--

If line 2 is zero, You cannot take the credit. Put “No” on the dotted line next to line 64.

3. Enter the amount from Form 1040, line 36.

3	
---	--

4. Are the amounts on lines 3 and 1 the same?

Yes. Skip line 5; enter the amount from line 2 on line 6.

No. Go to line 5.

Part 2

Filers Who Answered “No” on Line 4

5. If you have:

- No qualifying children, is the amount on line 3 less than \$6,150 (\$7,150 if married filing jointly)?
- 1 or more qualifying children, is the amount on line 3 less than \$13,550 (\$14,550 if married filing jointly)?

Yes. Leave line 5 blank; enter the amount from line 2 on line 6.

No. Look up the amount on line 3 in the EIC Table on pages 50–55 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here.

Look at the amounts on lines 5 and 2. Then, enter the **smaller** amount on line 6.

5	
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Part 3

Your Earned Income Credit

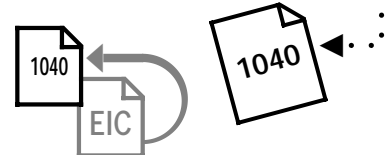
6. **This is your earned income credit.**

6	
---	--

Enter this amount on Form 1040, line 64.

Reminder—

✓ If you have a qualifying child, complete and attach Schedule EIC.



If your EIC for a year after 1996 was reduced or disallowed, see page 46 to find out if you must file Form 8862 to take the credit for 2002.

Worksheet **B**—Earned Income Credit (EIC)—Line 64

Keep for Your Records

Use this worksheet if you were self-employed, or you are filing Schedule SE because you were a member of the clergy or you had church employee income, or you are filing Schedule C or C-EZ as a statutory employee.



- ✓ Complete the parts below (Parts 1 through 3) that apply to you. Then, continue to Part 4.
- ✓ If you are married filing a joint return, include your spouse's amounts, if any, with yours to figure the amounts to enter in Parts 1 through 3.

Part 1 Self-Employed, Members of the Clergy, and People With Church Employee Income Filing Schedule SE	1a. Enter the amount from Schedule SE, Section A, line 3, or Section B, line 3, whichever applies.	1a	
	b. Enter any amount from Schedule SE, Section B, line 4b, and line 5a.	+ 1b	
	c. Combine lines 1a and 1b.	= 1c	
	d. Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies.	- 1d	
	e. Subtract line 1d from 1c.	= 1e	

Part 2 Self-Employed NOT Required To File Schedule SE <small>For example, your net earnings from self-employment were less than \$400.</small>	2. Do not include on these lines any statutory employee income or any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361.	
	a. Enter any net farm profit or (loss) from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), line 15a*.	2a
	b. Enter any net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box 9*.	+ 2b
c. Combine lines 2a and 2b.	= 2c	
<small>*If you have any Schedule K-1 amounts, complete the appropriate line(s) of Schedule SE, Section A. Put your name and social security number on Schedule SE and attach it to your return.</small>		

Part 3 Statutory Employees Filing Schedule C or C-EZ	3. Enter the amount from Schedule C, line 1, or Schedule C-EZ, line 1, that you are filing as a statutory employee.	3	
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Part 4 All Filers Using Worksheet B <small>Note. If line 4b includes income on which you should have paid self-employment tax but did not, we may reduce your credit by the amount of self-employment tax not paid.</small>	4a. Enter your earned income from Step 6 on page 45.	4a	
	b. Combine lines 1e, 2c, 3, and 4a. This is your total earned income.	4b	
If line 4b is zero or less, You cannot take the credit. Put "No" on the dotted line next to line 64.			
5. If you have: <ul style="list-style-type: none"> • 2 or more qualifying children, is line 4b less than \$33,178 (\$34,178 if married filing jointly)? • 1 qualifying child, is line 4b less than \$29,201 (\$30,201 if married filing jointly)? • No qualifying children, is line 4b less than \$11,060 (\$12,060 if married filing jointly)? 			
<input type="checkbox"/> Yes. If you want the IRS to figure your credit, see page 45. If you want to figure the credit yourself, enter the amount from line 4b on line 6 (page 49).			
<input type="checkbox"/> No. You cannot take the credit. Put "No" on the dotted line next to line 64.			

(Continued on page 49)

Worksheet **B**—Continued from page 48

Keep for Your Records


Part 5**All Filers Using Worksheet B**

6. Enter your total earned income from Part 4, line 4b, on page 48.

6

7. Look up the amount on line 6 above in the EIC Table on pages 50–55 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here.

7

If line 7 is zero,  You cannot take the credit. Put "No" on the dotted line next to line 64.

8. Enter the amount from Form 1040, line 36.

8

9. Are the amounts on lines 8 and 6 the same?

- Yes.** Skip line 10; enter the amount from line 7 on line 11.
- No.** Go to line 10.

Part 6**Filers Who Answered "No" on Line 9**

10. If you have:

- No qualifying children, is the amount on line 8 less than \$6,150 (\$7,150 if married filing jointly)?
- 1 or more qualifying children, is the amount on line 8 less than \$13,550 (\$14,550 if married filing jointly)?

Yes. Leave line 10 blank; enter the amount from line 7 on line 11.

No. Look up the amount on line 8 in the EIC Table on pages 50–55 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here.

Look at the amounts on lines 10 and 7. Then, enter the **smaller** amount on line 11.

10

Part 7**Your Earned Income Credit**

11. **This is your earned income credit.**

11

Reminder—

- ✓ If you have a qualifying child, complete and attach Schedule EIC.



Enter this amount on Form 1040, line 64.



If your EIC for a year after 1996 was reduced or disallowed, see page 46 to find out if you must file Form 8862 to take the credit for 2002.

2002 Earned Income Credit (EIC) Table

Caution. This is not a tax table.

1. To find your credit, read down the "At least - But less than" columns and find the line that includes the amount you were told to look up from your EIC Worksheet.

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

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

If the amount you are looking up from the worksheet is—	And your filing status is—		
	Single, head of household, or qualifying widow(er) and you have—	No children One child Two children	
At least But less than	Your credit is—		
2,400 2,450	186	825	970
2,450 2,500	189	842	990

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

(Continued on page 51)

2002 Earned Income Credit (EIC) Table—Continued

(Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
4,800	4,850	369	1,641	1,930	369	1,641	1,930	7,600	7,650	263	2,506	3,050	339	2,506	3,050
4,850	4,900	373	1,658	1,950	373	1,658	1,950	7,650	7,700	259	2,506	3,070	335	2,506	3,070
4,900	4,950	376	1,675	1,970	376	1,675	1,970	7,700	7,750	255	2,506	3,090	332	2,506	3,090
4,950	5,000	376	1,692	1,990	376	1,692	1,990	7,750	7,800	251	2,506	3,110	328	2,506	3,110
5,000	5,050	376	1,709	2,010	376	1,709	2,010	7,800	7,850	247	2,506	3,130	324	2,506	3,130
5,050	5,100	376	1,726	2,030	376	1,726	2,030	7,850	7,900	244	2,506	3,150	320	2,506	3,150
5,100	5,150	376	1,743	2,050	376	1,743	2,050	7,900	7,950	240	2,506	3,170	316	2,506	3,170
5,150	5,200	376	1,760	2,070	376	1,760	2,070	7,950	8,000	236	2,506	3,190	313	2,506	3,190
5,200	5,250	376	1,777	2,090	376	1,777	2,090	8,000	8,050	232	2,506	3,210	309	2,506	3,210
5,250	5,300	376	1,794	2,110	376	1,794	2,110	8,050	8,100	228	2,506	3,230	305	2,506	3,230
5,300	5,350	376	1,811	2,130	376	1,811	2,130	8,100	8,150	225	2,506	3,250	301	2,506	3,250
5,350	5,400	376	1,828	2,150	376	1,828	2,150	8,150	8,200	221	2,506	3,270	297	2,506	3,270
5,400	5,450	376	1,845	2,170	376	1,845	2,170	8,200	8,250	217	2,506	3,290	293	2,506	3,290
5,450	5,500	376	1,862	2,190	376	1,862	2,190	8,250	8,300	213	2,506	3,310	290	2,506	3,310
5,500	5,550	376	1,879	2,210	376	1,879	2,210	8,300	8,350	209	2,506	3,330	286	2,506	3,330
5,550	5,600	376	1,896	2,230	376	1,896	2,230	8,350	8,400	205	2,506	3,350	282	2,506	3,350
5,600	5,650	376	1,913	2,250	376	1,913	2,250	8,400	8,450	202	2,506	3,370	278	2,506	3,370
5,650	5,700	376	1,930	2,270	376	1,930	2,270	8,450	8,500	198	2,506	3,390	274	2,506	3,390
5,700	5,750	376	1,947	2,290	376	1,947	2,290	8,500	8,550	194	2,506	3,410	270	2,506	3,410
5,750	5,800	376	1,964	2,310	376	1,964	2,310	8,550	8,600	190	2,506	3,430	267	2,506	3,430
5,800	5,850	376	1,981	2,330	376	1,981	2,330	8,600	8,650	186	2,506	3,450	263	2,506	3,450
5,850	5,900	376	1,998	2,350	376	1,998	2,350	8,650	8,700	182	2,506	3,470	259	2,506	3,470
5,900	5,950	376	2,015	2,370	376	2,015	2,370	8,700	8,750	179	2,506	3,490	255	2,506	3,490
5,950	6,000	376	2,032	2,390	376	2,032	2,390	8,750	8,800	175	2,506	3,510	251	2,506	3,510
6,000	6,050	376	2,049	2,410	376	2,049	2,410	8,800	8,850	171	2,506	3,530	247	2,506	3,530
6,050	6,100	376	2,066	2,430	376	2,066	2,430	8,850	8,900	167	2,506	3,550	244	2,506	3,550
6,100	6,150	376	2,083	2,450	376	2,083	2,450	8,900	8,950	163	2,506	3,570	240	2,506	3,570
6,150	6,200	374	2,100	2,470	376	2,100	2,470	8,950	9,000	160	2,506	3,590	236	2,506	3,590
6,200	6,250	370	2,117	2,490	376	2,117	2,490	9,000	9,050	156	2,506	3,610	232	2,506	3,610
6,250	6,300	366	2,134	2,510	376	2,134	2,510	9,050	9,100	152	2,506	3,630	228	2,506	3,630
6,300	6,350	362	2,151	2,530	376	2,151	2,530	9,100	9,150	148	2,506	3,650	225	2,506	3,650
6,350	6,400	358	2,168	2,550	376	2,168	2,550	9,150	9,200	144	2,506	3,670	221	2,506	3,670
6,400	6,450	355	2,185	2,570	376	2,185	2,570	9,200	9,250	140	2,506	3,690	217	2,506	3,690
6,450	6,500	351	2,202	2,590	376	2,202	2,590	9,250	9,300	137	2,506	3,710	213	2,506	3,710
6,500	6,550	347	2,219	2,610	376	2,219	2,610	9,300	9,350	133	2,506	3,730	209	2,506	3,730
6,550	6,600	343	2,236	2,630	376	2,236	2,630	9,350	9,400	129	2,506	3,750	205	2,506	3,750
6,600	6,650	339	2,253	2,650	376	2,253	2,650	9,400	9,450	125	2,506	3,770	202	2,506	3,770
6,650	6,700	335	2,270	2,670	376	2,270	2,670	9,450	9,500	121	2,506	3,790	198	2,506	3,790
6,700	6,750	332	2,287	2,690	376	2,287	2,690	9,500	9,550	117	2,506	3,810	194	2,506	3,810
6,750	6,800	328	2,304	2,710	376	2,304	2,710	9,550	9,600	114	2,506	3,830	190	2,506	3,830
6,800	6,850	324	2,321	2,730	376	2,321	2,730	9,600	9,650	110	2,506	3,850	186	2,506	3,850
6,850	6,900	320	2,338	2,750	376	2,338	2,750	9,650	9,700	106	2,506	3,870	182	2,506	3,870
6,900	6,950	316	2,355	2,770	376	2,355	2,770	9,700	9,750	102	2,506	3,890	179	2,506	3,890
6,950	7,000	313	2,372	2,790	376	2,372	2,790	9,750	9,800	98	2,506	3,910	175	2,506	3,910
7,000	7,050	309	2,389	2,810	376	2,389	2,810	9,800	9,850	94	2,506	3,930	171	2,506	3,930
7,050	7,100	305	2,406	2,830	376	2,406	2,830	9,850	9,900	91	2,506	3,950	167	2,506	3,950
7,100	7,150	301	2,423	2,850	376	2,423	2,850	9,900	9,950	87	2,506	3,970	163	2,506	3,970
7,150	7,200	297	2,440	2,870	374	2,440	2,870	9,950	10,000	83	2,506	3,990	160	2,506	3,990
7,200	7,250	293	2,457	2,890	370	2,457	2,890	10,000	10,050	79	2,506	4,010	156	2,506	4,010
7,250	7,300	290	2,474	2,910	366	2,474	2,910	10,050	10,100	75	2,506	4,030	152	2,506	4,030
7,300	7,350	286	2,491	2,930	362	2,491	2,930	10,100	10,150	72	2,506	4,050	148	2,506	4,050
7,350	7,400	282	2,506	2,950	358	2,506	2,950	10,150	10,200	68	2,506	4,070	144	2,506	4,070
7,400	7,450	278	2,506	2,970	355	2,506	2,970	10,200	10,250	64	2,506	4,090	140	2,506	4,090
7,450	7,500	274	2,506	2,990	351	2,506	2,990	10,250	10,300	60	2,506	4,110	137	2,506	4,110
7,500	7,550	270	2,506	3,010	347	2,506	3,010	10,300	10,350	56	2,506	4,130	133	2,506	4,130
7,550	7,600	267	2,506	3,030	343	2,506	3,030	10,350	10,400	52	2,506	4,140	129	2,506	4,140

(Continued on page 52)

2002 Earned Income Credit (EIC) Table—Continued

(Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
10,400	10,450	49	2,506	4,140	125	2,506	4,140	14,600	14,650	0	2,329	3,907	0	2,489	4,118
10,450	10,500	45	2,506	4,140	121	2,506	4,140	14,650	14,700	0	2,321	3,897	0	2,481	4,107
10,500	10,550	41	2,506	4,140	117	2,506	4,140	14,700	14,750	0	2,313	3,886	0	2,473	4,097
10,550	10,600	37	2,506	4,140	114	2,506	4,140	14,750	14,800	0	2,305	3,876	0	2,465	4,086
10,600	10,650	33	2,506	4,140	110	2,506	4,140	14,800	14,850	0	2,297	3,865	0	2,457	4,076
10,650	10,700	29	2,506	4,140	106	2,506	4,140	14,850	14,900	0	2,289	3,855	0	2,449	4,065
10,700	10,750	26	2,506	4,140	102	2,506	4,140	14,900	14,950	0	2,281	3,844	0	2,441	4,055
10,750	10,800	22	2,506	4,140	98	2,506	4,140	14,950	15,000	0	2,273	3,834	0	2,433	4,044
10,800	10,850	18	2,506	4,140	94	2,506	4,140	15,000	15,050	0	2,265	3,823	0	2,425	4,034
10,850	10,900	14	2,506	4,140	91	2,506	4,140	15,050	15,100	0	2,257	3,813	0	2,417	4,023
10,900	10,950	10	2,506	4,140	87	2,506	4,140	15,100	15,150	0	2,249	3,802	0	2,409	4,013
10,950	11,000	7	2,506	4,140	83	2,506	4,140	15,150	15,200	0	2,241	3,791	0	2,401	4,002
11,000	11,050	3	2,506	4,140	79	2,506	4,140	15,200	15,250	0	2,233	3,781	0	2,393	3,992
11,050	11,100	*	2,506	4,140	75	2,506	4,140	15,250	15,300	0	2,225	3,770	0	2,385	3,981
11,100	11,150	0	2,506	4,140	72	2,506	4,140	15,300	15,350	0	2,217	3,760	0	2,377	3,970
11,150	11,200	0	2,506	4,140	68	2,506	4,140	15,350	15,400	0	2,209	3,749	0	2,369	3,960
11,200	11,250	0	2,506	4,140	64	2,506	4,140	15,400	15,450	0	2,201	3,739	0	2,361	3,949
11,250	11,300	0	2,506	4,140	60	2,506	4,140	15,450	15,500	0	2,193	3,728	0	2,353	3,939
11,300	11,350	0	2,506	4,140	56	2,506	4,140	15,500	15,550	0	2,185	3,718	0	2,345	3,928
11,350	11,400	0	2,506	4,140	52	2,506	4,140	15,550	15,600	0	2,177	3,707	0	2,337	3,918
11,400	11,450	0	2,506	4,140	49	2,506	4,140	15,600	15,650	0	2,169	3,697	0	2,329	3,907
11,450	11,500	0	2,506	4,140	45	2,506	4,140	15,650	15,700	0	2,161	3,686	0	2,321	3,897
11,500	11,550	0	2,506	4,140	41	2,506	4,140	15,700	15,750	0	2,153	3,676	0	2,313	3,886
11,550	11,600	0	2,506	4,140	37	2,506	4,140	15,750	15,800	0	2,145	3,665	0	2,305	3,876
11,600	11,650	0	2,506	4,140	33	2,506	4,140	15,800	15,850	0	2,137	3,655	0	2,297	3,865
11,650	11,700	0	2,506	4,140	29	2,506	4,140	15,850	15,900	0	2,129	3,644	0	2,289	3,855
11,700	11,750	0	2,506	4,140	26	2,506	4,140	15,900	15,950	0	2,121	3,634	0	2,281	3,844
11,750	11,800	0	2,506	4,140	22	2,506	4,140	15,950	16,000	0	2,113	3,623	0	2,273	3,834
11,800	11,850	0	2,506	4,140	18	2,506	4,140	16,000	16,050	0	2,106	3,612	0	2,265	3,823
11,850	11,900	0	2,506	4,140	14	2,506	4,140	16,050	16,100	0	2,098	3,602	0	2,257	3,813
11,900	11,950	0	2,506	4,140	10	2,506	4,140	16,100	16,150	0	2,090	3,591	0	2,249	3,802
11,950	12,000	0	2,506	4,140	7	2,506	4,140	16,150	16,200	0	2,082	3,581	0	2,241	3,791
12,000	12,050	0	2,506	4,140	3	2,506	4,140	16,200	16,250	0	2,074	3,570	0	2,233	3,781
12,050	12,100	0	2,506	4,140	*	2,506	4,140	16,250	16,300	0	2,066	3,560	0	2,225	3,770
12,100	13,550	0	2,506	4,140	0	2,506	4,140	16,300	16,350	0	2,058	3,549	0	2,217	3,760
13,550	13,600	0	2,497	4,128	0	2,506	4,140	16,350	16,400	0	2,050	3,539	0	2,209	3,749
13,600	13,650	0	2,489	4,118	0	2,506	4,140	16,400	16,450	0	2,042	3,528	0	2,201	3,739
13,650	13,700	0	2,481	4,107	0	2,506	4,140	16,450	16,500	0	2,034	3,518	0	2,193	3,728
13,700	13,750	0	2,473	4,097	0	2,506	4,140	16,500	16,550	0	2,026	3,507	0	2,185	3,718
13,750	13,800	0	2,465	4,086	0	2,506	4,140	16,550	16,600	0	2,018	3,497	0	2,177	3,707
13,800	13,850	0	2,457	4,076	0	2,506	4,140	16,600	16,650	0	2,010	3,486	0	2,169	3,697
13,850	13,900	0	2,449	4,065	0	2,506	4,140	16,650	16,700	0	2,002	3,476	0	2,161	3,686
13,900	13,950	0	2,441	4,055	0	2,506	4,140	16,700	16,750	0	1,994	3,465	0	2,153	3,676
13,950	14,000	0	2,433	4,044	0	2,506	4,140	16,750	16,800	0	1,986	3,454	0	2,145	3,665
14,000	14,050	0	2,425	4,034	0	2,506	4,140	16,800	16,850	0	1,978	3,444	0	2,137	3,655
14,050	14,100	0	2,417	4,023	0	2,506	4,140	16,850	16,900	0	1,970	3,433	0	2,129	3,644
14,100	14,150	0	2,409	4,013	0	2,506	4,140	16,900	16,950	0	1,962	3,423	0	2,121	3,634
14,150	14,200	0	2,401	4,002	0	2,506	4,140	16,950	17,000	0	1,954	3,412	0	2,113	3,623
14,200	14,250	0	2,393	3,992	0	2,506	4,140	17,000	17,050	0	1,946	3,402	0	2,106	3,612
14,250	14,300	0	2,385	3,981	0	2,506	4,140	17,050	17,100	0	1,938	3,391	0	2,098	3,602
14,300	14,350	0	2,377	3,970	0	2,506	4,140	17,100	17,150	0	1,930	3,381	0	2,090	3,591
14,350	14,400	0	2,369	3,960	0	2,506	4,140	17,150	17,200	0	1,922	3,370	0	2,082	3,581
14,400	14,450	0	2,361	3,949	0	2,506	4,140	17,200	17,250	0	1,914	3,360	0	2,074	3,570
14,450	14,500	0	2,353	3,939	0	2,506	4,140	17,250	17,300	0	1,906	3,349	0	2,066	3,560
14,500	14,550	0	2,345	3,928	0	2,506	4,140	17,300	17,350	0	1,898	3,339	0	2,058	3,549
14,550	14,600	0	2,337	3,918	0	2,497	4,128	17,350	17,400	0	1,890	3,328	0	2,050	3,539

*If the amount you are looking up from the worksheet is at least \$11,050 (\$12,050 if married filing jointly) but less than \$11,060 (\$12,060 if married filing jointly), your credit is \$1. Otherwise, you cannot take the credit.

(Continued on page 53)

2002 Earned Income Credit (EIC) Table—Continued

(Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
17,400	17,450	0	1,882	3,318	0	2,042	3,528	20,200	20,250	0	1,434	2,728	0	1,594	2,939
17,450	17,500	0	1,874	3,307	0	2,034	3,518	20,250	20,300	0	1,426	2,717	0	1,586	2,928
17,500	17,550	0	1,866	3,297	0	2,026	3,507	20,300	20,350	0	1,418	2,707	0	1,578	2,917
17,550	17,600	0	1,858	3,286	0	2,018	3,497	20,350	20,400	0	1,410	2,696	0	1,570	2,907
17,600	17,650	0	1,850	3,275	0	2,010	3,486	20,400	20,450	0	1,402	2,686	0	1,562	2,896
17,650	17,700	0	1,842	3,265	0	2,002	3,476	20,450	20,500	0	1,394	2,675	0	1,554	2,886
17,700	17,750	0	1,834	3,254	0	1,994	3,465	20,500	20,550	0	1,386	2,665	0	1,546	2,875
17,750	17,800	0	1,826	3,244	0	1,986	3,454	20,550	20,600	0	1,378	2,654	0	1,538	2,865
17,800	17,850	0	1,818	3,233	0	1,978	3,444	20,600	20,650	0	1,370	2,644	0	1,530	2,854
17,850	17,900	0	1,810	3,223	0	1,970	3,433	20,650	20,700	0	1,362	2,633	0	1,522	2,844
17,900	17,950	0	1,802	3,212	0	1,962	3,423	20,700	20,750	0	1,354	2,623	0	1,514	2,833
17,950	18,000	0	1,794	3,202	0	1,954	3,412	20,750	20,800	0	1,346	2,612	0	1,506	2,823
18,000	18,050	0	1,786	3,191	0	1,946	3,402	20,800	20,850	0	1,338	2,602	0	1,498	2,812
18,050	18,100	0	1,778	3,181	0	1,938	3,391	20,850	20,900	0	1,330	2,591	0	1,490	2,802
18,100	18,150	0	1,770	3,170	0	1,930	3,381	20,900	20,950	0	1,322	2,581	0	1,482	2,791
18,150	18,200	0	1,762	3,160	0	1,922	3,370	20,950	21,000	0	1,314	2,570	0	1,474	2,781
18,200	18,250	0	1,754	3,149	0	1,914	3,360	21,000	21,050	0	1,307	2,559	0	1,466	2,770
18,250	18,300	0	1,746	3,139	0	1,906	3,349	21,050	21,100	0	1,299	2,549	0	1,458	2,760
18,300	18,350	0	1,738	3,128	0	1,898	3,339	21,100	21,150	0	1,291	2,538	0	1,450	2,749
18,350	18,400	0	1,730	3,118	0	1,890	3,328	21,150	21,200	0	1,283	2,528	0	1,442	2,738
18,400	18,450	0	1,722	3,107	0	1,882	3,318	21,200	21,250	0	1,275	2,517	0	1,434	2,728
18,450	18,500	0	1,714	3,096	0	1,874	3,307	21,250	21,300	0	1,267	2,507	0	1,426	2,717
18,500	18,550	0	1,706	3,086	0	1,866	3,297	21,300	21,350	0	1,259	2,496	0	1,418	2,707
18,550	18,600	0	1,698	3,075	0	1,858	3,286	21,350	21,400	0	1,251	2,486	0	1,410	2,696
18,600	18,650	0	1,690	3,065	0	1,850	3,275	21,400	21,450	0	1,243	2,475	0	1,402	2,686
18,650	18,700	0	1,682	3,054	0	1,842	3,265	21,450	21,500	0	1,235	2,465	0	1,394	2,675
18,700	18,750	0	1,674	3,044	0	1,834	3,254	21,500	21,550	0	1,227	2,454	0	1,386	2,665
18,750	18,800	0	1,666	3,033	0	1,826	3,244	21,550	21,600	0	1,219	2,444	0	1,378	2,654
18,800	18,850	0	1,658	3,023	0	1,818	3,233	21,600	21,650	0	1,211	2,433	0	1,370	2,644
18,850	18,900	0	1,650	3,012	0	1,810	3,223	21,650	21,700	0	1,203	2,423	0	1,362	2,633
18,900	18,950	0	1,642	3,002	0	1,802	3,212	21,700	21,750	0	1,195	2,412	0	1,354	2,623
18,950	19,000	0	1,634	2,991	0	1,794	3,202	21,750	21,800	0	1,187	2,401	0	1,346	2,612
19,000	19,050	0	1,626	2,981	0	1,786	3,191	21,800	21,850	0	1,179	2,391	0	1,338	2,602
19,050	19,100	0	1,618	2,970	0	1,778	3,181	21,850	21,900	0	1,171	2,380	0	1,330	2,591
19,100	19,150	0	1,610	2,960	0	1,770	3,170	21,900	21,950	0	1,163	2,370	0	1,322	2,581
19,150	19,200	0	1,602	2,949	0	1,762	3,160	21,950	22,000	0	1,155	2,359	0	1,314	2,570
19,200	19,250	0	1,594	2,939	0	1,754	3,149	22,000	22,050	0	1,147	2,349	0	1,307	2,559
19,250	19,300	0	1,586	2,928	0	1,746	3,139	22,050	22,100	0	1,139	2,338	0	1,299	2,549
19,300	19,350	0	1,578	2,917	0	1,738	3,128	22,100	22,150	0	1,131	2,328	0	1,291	2,538
19,350	19,400	0	1,570	2,907	0	1,730	3,118	22,150	22,200	0	1,123	2,317	0	1,283	2,528
19,400	19,450	0	1,562	2,896	0	1,722	3,107	22,200	22,250	0	1,115	2,307	0	1,275	2,517
19,450	19,500	0	1,554	2,886	0	1,714	3,096	22,250	22,300	0	1,107	2,296	0	1,267	2,507
19,500	19,550	0	1,546	2,875	0	1,706	3,086	22,300	22,350	0	1,099	2,286	0	1,259	2,496
19,550	19,600	0	1,538	2,865	0	1,698	3,075	22,350	22,400	0	1,091	2,275	0	1,251	2,486
19,600	19,650	0	1,530	2,854	0	1,690	3,065	22,400	22,450	0	1,083	2,265	0	1,243	2,475
19,650	19,700	0	1,522	2,844	0	1,682	3,054	22,450	22,500	0	1,075	2,254	0	1,235	2,465
19,700	19,750	0	1,514	2,833	0	1,674	3,044	22,500	22,550	0	1,067	2,244	0	1,227	2,454
19,750	19,800	0	1,506	2,823	0	1,666	3,033	22,550	22,600	0	1,059	2,233	0	1,219	2,444
19,800	19,850	0	1,498	2,812	0	1,658	3,023	22,600	22,650	0	1,051	2,222	0	1,211	2,433
19,850	19,900	0	1,490	2,802	0	1,650	3,012	22,650	22,700	0	1,043	2,212	0	1,203	2,423
19,900	19,950	0	1,482	2,791	0	1,642	3,002	22,700	22,750	0	1,035	2,201	0	1,195	2,412
19,950	20,000	0	1,474	2,781	0	1,634	2,991	22,750	22,800	0	1,027	2,191	0	1,187	2,401
20,000	20,050	0	1,466	2,770	0	1,626	2,981	22,800	22,850	0	1,019	2,180	0	1,179	2,391
20,050	20,100	0	1,458	2,760	0	1,618	2,970	22,850	22,900	0	1,011	2,170	0	1,171	2,380
20,100	20,150	0	1,450	2,749	0	1,610	2,960	22,900	22,950	0	1,003	2,159	0	1,163	2,370
20,150	20,200	0	1,442	2,738	0	1,602	2,949	22,950	23,000	0	995	2,149	0	1,155	2,359

(Continued on page 54)

2002 Earned Income Credit (EIC) Table—Continued

(Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
23,000	23,050	0	987	2,138	0	1,147	2,349	25,800	25,850	0	539	1,549	0	699	1,759
23,050	23,100	0	979	2,128	0	1,139	2,338	25,850	25,900	0	531	1,538	0	691	1,749
23,100	23,150	0	971	2,117	0	1,131	2,328	25,900	25,950	0	523	1,528	0	683	1,738
23,150	23,200	0	963	2,107	0	1,123	2,317	25,950	26,000	0	515	1,517	0	675	1,728
23,200	23,250	0	955	2,096	0	1,115	2,307	26,000	26,050	0	508	1,506	0	667	1,717
23,250	23,300	0	947	2,086	0	1,107	2,296	26,050	26,100	0	500	1,496	0	659	1,707
23,300	23,350	0	939	2,075	0	1,099	2,286	26,100	26,150	0	492	1,485	0	651	1,696
23,350	23,400	0	931	2,065	0	1,091	2,275	26,150	26,200	0	484	1,475	0	643	1,685
23,400	23,450	0	923	2,054	0	1,083	2,265	26,200	26,250	0	476	1,464	0	635	1,675
23,450	23,500	0	915	2,043	0	1,075	2,254	26,250	26,300	0	468	1,454	0	627	1,664
23,500	23,550	0	907	2,033	0	1,067	2,244	26,300	26,350	0	460	1,443	0	619	1,654
23,550	23,600	0	899	2,022	0	1,059	2,233	26,350	26,400	0	452	1,433	0	611	1,643
23,600	23,650	0	891	2,012	0	1,051	2,222	26,400	26,450	0	444	1,422	0	603	1,633
23,650	23,700	0	883	2,001	0	1,043	2,212	26,450	26,500	0	436	1,412	0	595	1,622
23,700	23,750	0	875	1,991	0	1,035	2,201	26,500	26,550	0	428	1,401	0	587	1,612
23,750	23,800	0	867	1,980	0	1,027	2,191	26,550	26,600	0	420	1,391	0	579	1,601
23,800	23,850	0	859	1,970	0	1,019	2,180	26,600	26,650	0	412	1,380	0	571	1,591
23,850	23,900	0	851	1,959	0	1,011	2,170	26,650	26,700	0	404	1,370	0	563	1,580
23,900	23,950	0	843	1,949	0	1,003	2,159	26,700	26,750	0	396	1,359	0	555	1,570
23,950	24,000	0	835	1,938	0	995	2,149	26,750	26,800	0	388	1,348	0	547	1,559
24,000	24,050	0	827	1,928	0	987	2,138	26,800	26,850	0	380	1,338	0	539	1,549
24,050	24,100	0	819	1,917	0	979	2,128	26,850	26,900	0	372	1,327	0	531	1,538
24,100	24,150	0	811	1,907	0	971	2,117	26,900	26,950	0	364	1,317	0	523	1,528
24,150	24,200	0	803	1,896	0	963	2,107	26,950	27,000	0	356	1,306	0	515	1,517
24,200	24,250	0	795	1,886	0	955	2,096	27,000	27,050	0	348	1,296	0	508	1,506
24,250	24,300	0	787	1,875	0	947	2,086	27,050	27,100	0	340	1,285	0	500	1,496
24,300	24,350	0	779	1,864	0	939	2,075	27,100	27,150	0	332	1,275	0	492	1,485
24,350	24,400	0	771	1,854	0	931	2,065	27,150	27,200	0	324	1,264	0	484	1,475
24,400	24,450	0	763	1,843	0	923	2,054	27,200	27,250	0	316	1,254	0	476	1,464
24,450	24,500	0	755	1,833	0	915	2,043	27,250	27,300	0	308	1,243	0	468	1,454
24,500	24,550	0	747	1,822	0	907	2,033	27,300	27,350	0	300	1,233	0	460	1,443
24,550	24,600	0	739	1,812	0	899	2,022	27,350	27,400	0	292	1,222	0	452	1,433
24,600	24,650	0	731	1,801	0	891	2,012	27,400	27,450	0	284	1,212	0	444	1,422
24,650	24,700	0	723	1,791	0	883	2,001	27,450	27,500	0	276	1,201	0	436	1,412
24,700	24,750	0	715	1,780	0	875	1,991	27,500	27,550	0	268	1,191	0	428	1,401
24,750	24,800	0	707	1,770	0	867	1,980	27,550	27,600	0	260	1,180	0	420	1,391
24,800	24,850	0	699	1,759	0	859	1,970	27,600	27,650	0	252	1,169	0	412	1,380
24,850	24,900	0	691	1,749	0	851	1,959	27,650	27,700	0	244	1,159	0	404	1,370
24,900	24,950	0	683	1,738	0	843	1,949	27,700	27,750	0	236	1,148	0	396	1,359
24,950	25,000	0	675	1,728	0	835	1,938	27,750	27,800	0	228	1,138	0	388	1,348
25,000	25,050	0	667	1,717	0	827	1,928	27,800	27,850	0	220	1,127	0	380	1,338
25,050	25,100	0	659	1,707	0	819	1,917	27,850	27,900	0	212	1,117	0	372	1,327
25,100	25,150	0	651	1,696	0	811	1,907	27,900	27,950	0	204	1,106	0	364	1,317
25,150	25,200	0	643	1,685	0	803	1,896	27,950	28,000	0	196	1,096	0	356	1,306
25,200	25,250	0	635	1,675	0	795	1,886	28,000	28,050	0	188	1,085	0	348	1,296
25,250	25,300	0	627	1,664	0	787	1,875	28,050	28,100	0	180	1,075	0	340	1,285
25,300	25,350	0	619	1,654	0	779	1,864	28,100	28,150	0	172	1,064	0	332	1,275
25,350	25,400	0	611	1,643	0	771	1,854	28,150	28,200	0	164	1,054	0	324	1,264
25,400	25,450	0	603	1,633	0	763	1,843	28,200	28,250	0	156	1,043	0	316	1,254
25,450	25,500	0	595	1,622	0	755	1,833	28,250	28,300	0	148	1,033	0	308	1,243
25,500	25,550	0	587	1,612	0	747	1,822	28,300	28,350	0	140	1,022	0	300	1,233
25,550	25,600	0	579	1,601	0	739	1,812	28,350	28,400	0	132	1,012	0	292	1,222
25,600	25,650	0	571	1,591	0	731	1,801	28,400	28,450	0	124	1,001	0	284	1,212
25,650	25,700	0	563	1,580	0	723	1,791	28,450	28,500	0	116	990	0	276	1,201
25,700	25,750	0	555	1,570	0	715	1,780	28,500	28,550	0	108	980	0	268	1,191
25,750	25,800	0	547	1,559	0	707	1,770	28,550	28,600	0	100	969	0	260	1,180

2002 Earned Income Credit (EIC) Table—Continued

(Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
28,600	28,650	0	92	959	0	252	1,169	31,400	31,450	0	0	369	0	0	580
28,650	28,700	0	84	948	0	244	1,159	31,450	31,500	0	0	359	0	0	569
28,700	28,750	0	76	938	0	236	1,148	31,500	31,550	0	0	348	0	0	559
28,750	28,800	0	68	927	0	228	1,138	31,550	31,600	0	0	338	0	0	548
28,800	28,850	0	60	917	0	220	1,127	31,600	31,650	0	0	327	0	0	538
28,850	28,900	0	52	906	0	212	1,117	31,650	31,700	0	0	317	0	0	527
28,900	28,950	0	44	896	0	204	1,106	31,700	31,750	0	0	306	0	0	517
28,950	29,000	0	36	885	0	196	1,096	31,750	31,800	0	0	295	0	0	506
29,000	29,050	0	28	875	0	188	1,085	31,800	31,850	0	0	285	0	0	496
29,050	29,100	0	20	864	0	180	1,075	31,850	31,900	0	0	274	0	0	485
29,100	29,150	0	12	854	0	172	1,064	31,900	31,950	0	0	264	0	0	475
29,150	29,200	0	4	843	0	164	1,054	31,950	32,000	0	0	253	0	0	464
29,200	29,250	0	**	833	0	156	1,043	32,000	32,050	0	0	243	0	0	453
29,250	29,300	0	0	822	0	148	1,033	32,050	32,100	0	0	232	0	0	443
29,300	29,350	0	0	811	0	140	1,022	32,100	32,150	0	0	222	0	0	432
29,350	29,400	0	0	801	0	132	1,012	32,150	32,200	0	0	211	0	0	422
29,400	29,450	0	0	790	0	124	1,001	32,200	32,250	0	0	201	0	0	411
29,450	29,500	0	0	780	0	116	990	32,250	32,300	0	0	190	0	0	401
29,500	29,550	0	0	769	0	108	980	32,300	32,350	0	0	180	0	0	390
29,550	29,600	0	0	759	0	100	969	32,350	32,400	0	0	169	0	0	380
29,600	29,650	0	0	748	0	92	959	32,400	32,450	0	0	159	0	0	369
29,650	29,700	0	0	738	0	84	948	32,450	32,500	0	0	148	0	0	359
29,700	29,750	0	0	727	0	76	938	32,500	32,550	0	0	138	0	0	348
29,750	29,800	0	0	717	0	68	927	32,550	32,600	0	0	127	0	0	338
29,800	29,850	0	0	706	0	60	917	32,600	32,650	0	0	116	0	0	327
29,850	29,900	0	0	696	0	52	906	32,650	32,700	0	0	106	0	0	317
29,900	29,950	0	0	685	0	44	896	32,700	32,750	0	0	95	0	0	306
29,950	30,000	0	0	675	0	36	885	32,750	32,800	0	0	85	0	0	295
30,000	30,050	0	0	664	0	28	875	32,800	32,850	0	0	74	0	0	285
30,050	30,100	0	0	654	0	20	864	32,850	32,900	0	0	64	0	0	274
30,100	30,150	0	0	643	0	12	854	32,900	32,950	0	0	53	0	0	264
30,150	30,200	0	0	632	0	4	843	32,950	33,000	0	0	43	0	0	253
30,200	30,250	0	0	622	0	**	833	33,000	33,050	0	0	32	0	0	243
30,250	30,300	0	0	611	0	0	822	33,050	33,100	0	0	22	0	0	232
30,300	30,350	0	0	601	0	0	811	33,100	33,150	0	0	11	0	0	222
30,350	30,400	0	0	590	0	0	801	33,150	33,200	0	0	***	0	0	211
30,400	30,450	0	0	580	0	0	790	33,200	33,250	0	0	0	0	0	201
30,450	30,500	0	0	569	0	0	780	33,250	33,300	0	0	0	0	0	190
30,500	30,550	0	0	559	0	0	769	33,300	33,350	0	0	0	0	0	180
30,550	30,600	0	0	548	0	0	759	33,350	33,400	0	0	0	0	0	169
30,600	30,650	0	0	538	0	0	748	33,400	33,450	0	0	0	0	0	159
30,650	30,700	0	0	527	0	0	738	33,450	33,500	0	0	0	0	0	148
30,700	30,750	0	0	517	0	0	727	33,500	33,550	0	0	0	0	0	138
30,750	30,800	0	0	506	0	0	717	33,550	33,600	0	0	0	0	0	127
30,800	30,850	0	0	496	0	0	706	33,600	33,650	0	0	0	0	0	116
30,850	30,900	0	0	485	0	0	696	33,650	33,700	0	0	0	0	0	106
30,900	30,950	0	0	475	0	0	685	33,700	33,750	0	0	0	0	0	95
30,950	31,000	0	0	464	0	0	675	33,750	33,800	0	0	0	0	0	85
31,000	31,050	0	0	453	0	0	664	33,800	33,850	0	0	0	0	0	74
31,050	31,100	0	0	443	0	0	654	33,850	33,900	0	0	0	0	0	64
31,100	31,150	0	0	432	0	0	643	33,900	33,950	0	0	0	0	0	53
31,150	31,200	0	0	422	0	0	632	33,950	34,000	0	0	0	0	0	43
31,200	31,250	0	0	411	0	0	622	34,000	34,050	0	0	0	0	0	32
31,250	31,300	0	0	401	0	0	611	34,050	34,100	0	0	0	0	0	22
31,300	31,350	0	0	390	0	0	601	34,100	34,150	0	0	0	0	0	11
31,350	31,400	0	0	380	0	0	590	34,150	34,178	0	0	0	0	0	3
								34,178 or more		0	0	0	0	0	0

**If the amount you are looking up from the worksheet is at least \$29,200 (\$30,200 if married filing jointly) but less than \$29,201 (\$30,201 if married filing jointly), your credit is \$1. Otherwise, you cannot take the credit.

***If the amount you are looking up from the worksheet is at least \$33,150 but less than \$33,178, your credit is \$3. Otherwise, you cannot take the credit.

Line 65**Excess Social Security and Tier 1 RRTA Tax Withheld**

If you, or your spouse if filing a joint return, had more than one employer for 2002 and total wages of more than \$84,900, too much social security or tier 1 railroad retirement (RRTA) tax may have been withheld. You can take a credit on this line for the amount withheld in excess of \$5,263.80. But if any one employer withheld more than \$5,263.80, you must ask that employer to refund the excess to you. You cannot claim it on your return. Figure this amount separately for you and your spouse.

You cannot claim a refund for excess tier 2 RRTA tax on Form 1040. Instead, use **Form 843**.

For more details, see **Pub. 505**.

Line 66**Additional Child Tax Credit****What Is the Additional Child Tax Credit?**

This credit is for certain people who have at least one qualifying child as defined in the instructions for line 6c, column (4), on page 22. The additional child tax credit may give you a refund even if you do not owe any tax.

Two Steps To Take the Additional Child Tax Credit!

Step 1. Be sure you figured the amount, if any, of your child tax credit. See the instructions for line 50 that begin on page 39.

Step 2. Read the **TIP** at the end of your Child Tax Credit Worksheet. Use Form 8812 to see if you can take the additional child tax credit, but only if you meet the condition given in that **TIP**.

Line 67**Amount Paid With Request for Extension To File**

If you filed **Form 4868** to get an automatic extension of time to file Form 1040, enter any amount you paid with that form or by electronic funds withdrawal or credit card. If you paid by credit card, do not include on line 67 the convenience fee you were charged. Also, include any amounts paid with **Form 2688** or **2350**.

Line 68**Other Payments**

Check the box(es) on line 68 to report any credit from **Form 2439**, **4136**, or **8885**.

Refund**Line 70****Amount Overpaid**

If line 70 is under \$1, we will send a refund only on written request.

If you want to check the status of your refund, please wait at least 4 weeks (3 weeks if you filed electronically) from the date you filed your return to do so. See page 13 for details.



If the amount you overpaid is large, you may want to decrease the amount of income tax withheld from your pay by filing a new **Form W-4**. See **Income Tax Withholding and Estimated Tax Payments for 2003** on page 59.

Refund Offset

If you owe past-due Federal tax, state income tax, child support, spousal support, or certain Federal nontax debts, such as student loans, all or part of the overpayment on line 70 may be used (offset) to pay the past-due amount. Offsets for Federal taxes are made by the IRS. All other offsets are made by the Treasury Department's Financial Management Service (FMS). You will receive a notice from FMS showing the amount of the offset and the agency receiving it. To find out if you may have an offset or if you have any questions about it, contact the agency(ies) you owe the debt to.

Injured Spouse Claim

If you file a joint return and your spouse has not paid past-due Federal tax, state income tax, child support, spousal support, or a Federal nontax debt, such as a student loan, part or all of the overpayment on line 70 may be used (offset) to pay the past-due amount. But **your** part of the overpayment may be refunded to you after the offset occurs if certain conditions apply and you complete **Form 8379**. For details, use TeleTax topic 203 (see page 13) or see Form 8379.

Lines 71b Through 71d**Direct Deposit of Refund**

Complete lines 71b through 71d if you want us to directly deposit the amount shown on line 71a into your checking or savings account at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) instead of sending you a check.

Why Use Direct Deposit?

- You get your refund fast—even faster if you *e-file!*
- Payment is more secure—there is no check to get lost.
- More convenient. No trip to the bank to deposit your check.
- Saves tax dollars. A refund by direct deposit costs less than a check.



You can check with your financial institution to make sure your deposit will be accepted and to get the correct routing and account numbers. The IRS is not responsible for a lost refund if you enter the wrong account information.

If you file a joint return and fill in lines 71b through 71d, you are appointing your spouse as an agent to receive the refund. This appointment cannot be changed later.

Line 71b

The routing number **must** be **nine** digits. The first two digits must be 01 through 12 or 21 through 32. Otherwise, the direct deposit will be rejected and a check sent instead. On the sample check on page 57, the routing number is 250250025.

Your check may state that it is payable through a financial institution different from the one at which you have your checking account. If so, **do not** use the routing number on that check. Instead, contact your financial institution for the correct routing number to enter on line 71b.

Line 71d

The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check on page 57, the account number is 20202086. Be sure **not** to include the check number.

(Continued on page 57)



Some financial institutions will not allow a joint refund to be deposited into an individual account. If the direct deposit is rejected, a check will be sent instead. The IRS is not responsible if a financial institution rejects a direct deposit.

Line 72

Applied to Your 2003 Estimated Tax

Enter on line 72 the amount, if any, of the overpayment on line 70 you want applied to your 2003 estimated tax. We will apply this amount to your account unless you attach a statement requesting us to apply it to your spouse's account. Include your spouse's social security number in the attached statement.



This election to apply part or all of the amount overpaid to your 2003 estimated tax cannot be changed later.

Amount You Owe

Line 73

Amount You Owe



You do not have to pay if line 73 is under \$1.

Include any estimated tax penalty from line 74 in the amount you enter on line 73.

Sample Check—Lines 71b Through 71d

JEFFREY MAPLE
SUZANNE MAPLE
123 Pear Lane
Anyplace, VA 20000

PAY TO THE ORDER OF _____ \$ 1234.00
DOLLARS

ANYPLACE BANK
Anyplace, VA 20000

Routing number (line 71b): 250250025
Account number (line 71d): 202020186

For _____

1:250250025:202020186:1234

Do not include the check number.

Note. The routing and account numbers may be in different places on your check.

You can pay by check, money order, or credit card. **Do not** include any estimated tax payment for 2003 in your check, money order, or amount you charge. Instead, make the estimated tax payment separately.

To Pay by Check or Money Order. Make your check or money order payable to the “United States Treasury” for the full amount due. **Do not** send cash. **Do not** attach the payment to your return. Write “2002 Form 1040” and your name, address, daytime phone number, and social security number (SSN) on your payment. If you are filing a joint return, enter the SSN shown first on your tax return.

To help process your payment, enter the amount on the right side of the check like this: \$ XXX.XX. Do not use dashes or lines (for example, do not enter “\$ XXX-” or “\$ XXX ^{XX}/₁₀₀”).

Then, please complete **Form 1040-V** following the instructions on that form and enclose it in the envelope with your tax return and payment. Although you do not have to use Form 1040-V, doing so allows us to process your payment more accurately and efficiently.

To Pay by Credit Card. You may use your American Express® Card, Discover® Card, MasterCard® card, or Visa® card. To pay by credit card, call toll free or visit the web site of either service provider listed on this page and follow the instructions. A convenience fee will be charged by the service provider based on the amount you are paying. Fees may vary between the providers. You will be told what the fee is during the transaction and you will have the option to either continue or cancel the transaction. You can also find out what the fee will be by calling the provider's toll-free automated customer service number or visiting the

provider's web site shown below. **If you pay by credit card** before filing your return, please enter on page 1 of Form 1040 in the upper left corner the confirmation number you were given at the end of the transaction and the amount you charged (not including the convenience fee).

Official Payments Corporation
1-800-2PAY-TAXSM (1-800-272-9829)
1-877-754-4413 (Customer Service)
www.officialpayments.com

Link2Gov Corporation
1-888-PAY-1040SM (1-888-729-1040)
1-888-658-5465 (Customer Service)
www.PAY1040.com



You may need to (a) increase the amount of income tax withheld from your pay by filing a new **Form W-4** or (b) make estimated

tax payments for 2003. See **Income Tax Withholding and Estimated Tax Payments for 2003** on page 59.

What if You Cannot Pay?

If you cannot pay the full amount shown on line 73 when you file, you may ask to make monthly **installment payments**. You may have up to 60 months to pay. However, you will be charged interest and may be charged a late payment penalty on the tax not paid by April 15, 2003, even if your request to pay in installments is granted. You must also pay a fee. To limit the interest and penalty charges, pay as much of the tax as possible when you file. But before requesting an installment agreement, you should consider other less costly alternatives, such as a bank loan.

To ask for an installment agreement, use **Form 9465**. 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.

Line 74

Estimated Tax Penalty

You may owe this penalty if:

- Line 73 is at least \$1,000 and it is more than 10% of the tax shown on your return or
- You did not pay enough estimated tax by any of the due dates. This is true even if you are due a refund.

For most people, the “tax shown on your return” is the amount on line 61 minus the total of any amounts shown on lines 64 and

66 and Forms 8828, 4137, 4136, 5329 (Parts III, IV, V, VI, and VII only), and 8885. When figuring the amount on line 61, include the amount on line 60 only if line 62 is more than zero **or** you would owe the penalty even if you did not include those taxes. But if you entered an amount on Schedule H, line 7, include the total of that amount plus the amount on Form 1040, line 60.

Exception. You will not owe the penalty if your 2001 tax return was for a tax year of 12 full months **and either** of the following applies.

1. You had no tax liability for 2001 and you were a U.S. citizen or resident for all of 2001 **or**

2. The total of lines 62, 63, and 65 on your 2002 return is at least as much as the tax liability shown on your 2001 return. Your estimated tax payments for 2002 must have been made on time and for the required amount.



If your 2001 adjusted gross income was over \$150,000 (over \$75,000 if your 2002 filing status is married filing separately), item 2 above applies only if the total of lines 62, 63, and 65 on your 2002 return is at least 112% of the tax liability shown on your 2001 return. This rule does not apply to farmers and fishermen.

Figuring the Penalty

If the **Exception** above does not apply and you choose to figure the penalty yourself, see **Form 2210** (or **2210-F** for farmers and fishermen) to find out if you owe the penalty. If you do, you can use the form to figure the amount.

Enter the penalty on line 74. Add the penalty to any tax due and enter the total on line 73. If you are due a refund, subtract the penalty from the overpayment you show on line 70. **Do not** file Form 2210 with your return unless Form 2210 indicates that you must do so. Instead, keep it for your records.



Because Form 2210 is complicated, if you want to, you can leave line 74 blank and the IRS will figure the penalty and send you a bill. We will not charge you interest on the penalty if you pay by the date specified on the bill. In certain situations, you may be able to lower your penalty, but only by filing Form 2210. For details, see the Instructions for Form 2210.

Third Party Designee

If you want to allow a friend, family member, or any other person you choose to discuss your 2002 tax return with the IRS, check the “Yes” box in the “Third Party Designee” area of your return. Also, enter the designee’s name, phone number, and any five numbers the designee chooses as his or her personal identification number (PIN). **But** if you want to allow the paid preparer who signed your return to discuss it with the IRS, just enter “Preparer” in the space for the designee’s name. You do not have to provide the other information requested.

If you check the “Yes” box, you, and your spouse if filing a joint return, are authorizing the IRS to call the designee to answer any questions that may arise during the processing of your return. You are also authorizing the designee to:

- Give the IRS any information that is missing from your return,
- Call the IRS for information about the processing of your return or the status of your refund or payment(s), and
- Respond to certain IRS notices that you have shared with the designee about math errors, offsets, and return preparation. The notices will not be sent to the designee.

You are not authorizing the designee to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the IRS. If you want to expand the designee’s authorization, see **Pub. 947**.

The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (without regard to extensions) for filing your 2003 tax return. This is April 15, 2004, for most people.

Sign Your Return

Form 1040 is not considered a valid return unless you sign it. If you are filing a joint return, your spouse must also sign. If your spouse cannot sign the return, see **Pub. 501**. If you have someone prepare your return, you are still responsible for the correctness of the return. If you are filing a joint return as a surviving spouse, see **Death of a Taxpayer** on page 60.

Child’s Return

If your child cannot sign the return, either parent may sign the child’s name in the

space provided. Then, add “By (your signature), parent for minor child.”

Daytime Phone Number

Providing your daytime phone number may help speed the processing of your return. We may have questions about items on your return, such as the earned income credit, credit for child and dependent care expenses, etc. By answering our questions over the phone, we may be able to continue processing your return without mailing you a letter. If you are filing a joint return, you may enter either your or your spouse’s daytime phone number.

Paid Preparer Must Sign Your Return

Generally, anyone you pay to prepare your return must sign it by hand in the space provided. Signature stamps or labels cannot be used. The preparer must give you a copy of the return for your records. Someone who prepares your return but does not charge you should not sign your return.

Assemble Your Return

Assemble any schedules and forms behind Form 1040 in order of the “Attachment Sequence No.” shown in the upper right corner of the schedule or form. If you have supporting statements, arrange them in the same order as the schedules or forms they support and attach them last. **Do not** attach correspondence or other items unless required to do so. Attach a copy of Forms W-2, W-2G, and 2439 to the front of Form 1040. Also attach Form(s) 1099-R to the front of Form 1040 if tax was withheld.

General Information

How To Avoid Common Mistakes

Mistakes may delay your refund or result in notices being sent to you.

1. Make sure you entered the correct name and social security number (SSN) for each dependent you claim on line 6c. Also, make sure you check the box in column (4) of line 6c for each dependent under age 17 who is also a qualifying child for the child tax credit.

2. Check your math, especially for the child tax credit, earned income credit (EIC), taxable social security benefits, total income, itemized deductions or standard deduction, deduction for exemptions, taxable income, total tax, Federal income tax withheld, and refund or amount you owe.

3. Be sure you use the correct method to figure your tax. See the instructions for line 42 on page 36.

4. Be sure to enter your SSN in the space provided on page 1 of Form 1040. If you are married filing a joint or separate return, also enter your spouse's SSN. Be sure to enter your SSN in the space next to your name.

5. Make sure your name and address are correct on the peel-off label. If not, enter the correct information. If you did not get a peel-off label, enter your (and your spouse's) name in the same order as shown on your last return.

6. If you are taking the standard deduction and you checked any box on line 37a or you (or your spouse if filing jointly) can be claimed as a dependent on someone else's 2002 return, see page 34 to be sure you entered the correct amount on line 38.

7. If you received capital gain distributions but were not required to file Schedule D, make sure you check the box on line 13.

8. If you are taking the EIC, be sure you used the correct column of the EIC Table for your filing status and the number of children you have.

9. Remember to **sign** and date Form 1040 and enter your occupation.

10. Attach your W-2 form(s) and other required forms and schedules. Put all forms and schedules in the proper order. See **Assemble Your Return** on page 58.

11. If you owe tax and are paying by check or money order, be sure to include all the required information on your payment. See the instructions for line 73 on page 57 for details.

What Are Your Rights as a Taxpayer?

You have the right to be treated fairly, professionally, promptly, and courteously by IRS 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, see **Pub. 1**.

Innocent Spouse Relief

You may qualify for relief from liability for tax on a joint return if (a) there is an understatement of tax because your spouse omitted income or claimed false deductions or credits, (b) you are divorced, separated, or no longer living with your spouse, or (c) given all the facts and circumstances, it would not be fair to hold you liable. See **Form 8857** or **Pub. 971** for more details.

Income Tax Withholding and Estimated Tax Payments for 2003

If the amount you owe or the amount you overpaid is large, you may want to file a new **Form W-4** with your employer to change the amount of income tax withheld from your 2003 pay. For details on how to complete Form W-4, see **Pub. 919**.

In general, you do not have to make estimated tax payments if you expect that your 2003 Form 1040 will show a tax refund or a tax balance due the IRS of less than \$1,000. If your total estimated tax (including any household employment taxes or alternative minimum tax) for 2003 is \$1,000 or more, see **Form 1040-ES**. It has a worksheet you can use to see if you have to make estimated tax payments. For more details, see **Pub. 505**.

Do Both the Name and SSN on Your Tax Forms Agree With Your Social Security Card?

If not, certain deductions and credits may be reduced or disallowed, your refund may be delayed, and you may not receive credit for your social security earnings. If your Form W-2, Form 1099, or other tax docu-

ment shows an incorrect SSN 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 SSN on your social security card is incorrect, call the Social Security Administration at 1-800-772-1213.

How Do You Make a Gift To Reduce the Public Debt?

If you wish to do so, make a check payable to "Bureau of the Public Debt." You can send it to: Bureau of the Public Debt, Department G, P.O. Box 2188, Parkersburg, WV 26106-2188. Or you can enclose the check with your income tax return when you file. Do not add your gift to any tax you may owe. See page 57 for details on how to pay any tax you owe.



If you itemize your deductions for 2003, you may be able to deduct this gift.

Address Change

If you move after you file, always notify the IRS of your new address. To do this, use **Form 8822**.

How Long Should Records Be Kept?

Keep a copy of your tax return, worksheets you used, and records of all items appearing on it (such as Forms W-2 and 1099) 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, see **Pub. 552**.

Amended Return

File **Form 1040X** to change a return you already filed. 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. But you may have more time to file Form 1040X if you are physically or mentally unable to manage your financial affairs. See **Pub. 556** for details.

Need a Copy of Your Tax Return?

If you need a copy of your tax return, use **Form 4506**. If you want a free printed copy of your account, call us. See page 15 for the number.

Death of a Taxpayer

If a taxpayer died before filing a return for 2002, 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 deceased 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 must enter "**DECEASED**," the deceased taxpayer's name, and the date of death across the top of the return. If this information is not provided, it may delay the processing of the return.

If your spouse died in 2002 and you did not remarry in 2002, you can file a joint return. You can also file a joint return if your spouse died in 2003 before filing a return for 2002. A joint return should show your spouse's 2002 income before death and your income for all of 2002. Enter "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 surviving spouse or personal representative should promptly notify all payers of income, including financial institutions, of the taxpayer's death. This will ensure the proper reporting of income earned by the taxpayer's estate or heirs. A deceased taxpayer's social security number should not be used for tax years after the year of death, except for estate tax return purposes.

Claiming a Refund for a Deceased Taxpayer

If you are filing a joint return as a surviving spouse, you only need to file 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, use TeleTax topic 356 (see page 13) or see **Pub. 559**.

Parent of a Kidnapped Child

The parent of a child who is presumed by law enforcement authorities to have been kidnapped by someone who is not a family member may be able to take the child into account in determining his or her eligibility

for the head of household or qualifying widow(er) filing status, deduction for dependents, child tax credit, and the earned income credit (EIC). For details, use TeleTax topic 357 (see page 13) or see **Pub. 501** (**Pub. 596** for the EIC).

Other Ways To Get Help

Send or E-Mail Your Written Tax Questions to the IRS

You should get an answer in about 30 days. If you do not have the mailing address, call us. See page 15 for the number. Or e-mail your question to us through the IRS Web Site at www.irs.gov/help and click on **Tax Law Questions**. Do not send questions with your return.

Free Help With Your Return

Free help in preparing your return is available nationwide from IRS-trained volunteers. The Volunteer Income Tax Assistance (**VITA**) program is designed to help low-income taxpayers and the Tax Counseling for the Elderly (**TCE**) program is designed to assist taxpayers age 60 or older with their tax returns. Some locations offer free electronic filing and all volunteers will let you know about the credits and deductions you may be entitled to claim. For details, call us. See page 15 for the number. If you received a Federal income tax package in the mail, take it with you when you go for help. Also take a copy of your 2001 tax return (if available), all your Forms W-2 and 1099 for 2002, any other information about your 2002 income and expenses, and the social security number (or individual taxpayer identification number) for your spouse, your dependents, and yourself. **Or** to find the nearest AARP Tax-Aide site, visit AARP's Web Site at www.aarp.org/taxaide or call **1-888-227-7669**.

On-Line Services

If you subscribe to an on-line service, ask about on-line filing or tax information.

Large-Print Forms and Instructions

Pub. 1614 has large-print copies of Form 1040, Schedules A, B, D, E, EIC, and R, and Forms 1040-V and 8812, and their instructions. You can use the large-print forms and schedules as worksheets to figure your tax, but you cannot file them. You can get Pub. 1614 by phone or mail. See pages 9 and 61.

Help for People With Disabilities

Telephone help is available using TTY/TDD equipment. See page 15 for the number. Braille materials are available at libraries that have special services for people with disabilities.

Interest and Penalties

You do not have to figure the amount of any interest or penalties you may owe. Because figuring these amounts can be complicated, we will do it for you if you want. We will send you a bill for any amount due.

If you include interest or penalties (other than the estimated tax penalty) with your payment, identify and enter the amount in the bottom margin of Form 1040, page 2. **Do not** include interest or penalties (other than the estimated tax penalty) in the **amount you owe** on line 73.

Interest

We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. We will also charge you interest on penalties imposed for failure to file, negligence, fraud, substantial valuation misstatements, and substantial understatements of tax. Interest is charged on the penalty from the due date of the return (including extensions).

Penalties

Late Filing. If you do not file your return by the due date (including extensions), 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 can be as much as 25% (more in some cases) of the tax due. 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.

Late Payment of Tax. If you pay your taxes late, the penalty is usually ½ of 1% of the unpaid amount for each month or part of a month the tax is not paid. The penalty can be as much as 25% of the unpaid amount. It applies to any unpaid tax on the return. This penalty is in addition to interest charges on late payments.

Frivolous Return. 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.

Other. Other penalties can be imposed for negligence, substantial understatement of tax, and fraud. Criminal penalties may be imposed for willful failure to file, tax evasion, or making a false statement. See **Pub. 17** for details on some of these penalties.

Order Blank for Forms and Publications

The most frequently ordered forms and publications are listed on the order blank below. See pages 10 through 12 for the titles of the forms and publications. We will mail you two copies of each form and one copy of each publication you order. To help reduce waste, please order only the items you need to prepare your return.



For faster ways of getting the items you need, such as by computer or fax, see page 9.

How To Use the Order Blank

Circle the items you need on the order blank below. Use the blank spaces to order items not listed. If you need more space, attach a separate sheet of paper.

Print or type your name and address accurately in the space provided below. An accurate address will ensure delivery of your order. Cut the order blank on the dotted line. Enclose the order blank in your own envelope and send it to the IRS address shown below that applies to you. You should

receive your order within 10 days after we receive your request.

Do not send your tax return to any of the addresses listed on this page. Instead, see the back cover.



Where To Mail Your Order Blank for Free Forms and Publications

IF you live in the . . .	THEN mail to . . .	AT this address . . .
Western United States	Western Area Distribution Center	Rancho Cordova, CA 95743-0001
Central United States	Central Area Distribution Center	P.O. Box 8903 Bloomington, IL 61702-8903
Eastern United States or a foreign country	Eastern Area Distribution Center	P.O. Box 85074 Richmond, VA 23261-5074

▲ Cut here ▲

Order Blank

Fill in your name and address.

Name		
Postal mailing address		Apt./Suite/Room
City	State	ZIP code
Foreign country		International postal code
Daytime phone number ()		

The items in bold may be picked up at many IRS offices, post offices, and libraries. You may also download all these items from the Internet at www.irs.gov or place an electronic order for them.

Circle the forms and publications you need. The instructions for any form you order will be included.

1040	Schedule F (1040)	Schedule 3 (1040A)	2441	8812	Pub. 463	Pub. 527	Pub. 910
Schedules A&B (1040)	Schedule H (1040)	1040EZ	3903	8822	Pub. 501	Pub. 529	Pub. 926
Schedule C (1040)	Schedule J (1040)	1040-ES (2003)	4562	8829	Pub. 502	Pub. 535	Pub. 929
Schedule C-EZ (1040)	Schedule R (1040)	1040-V	4868	8863	Pub. 505	Pub. 550	Pub. 936
Schedule D (1040)	Schedule SE (1040)	1040X	5329	9465	Pub. 508	Pub. 554	Pub. 970
Schedule D-1 (1040)	1040A	2106	8283	Pub. 1	Pub. 521	Pub. 575	Pub. 972
Schedule E (1040)	Schedule 1 (1040A)	2106-EZ	8582	Pub. 17	Pub. 523	Pub. 590	
Schedule EIC (1040A or 1040)	Schedule 2 (1040A)	2210	8606	Pub. 334	Pub. 525	Pub. 596	

N

Disclosure, Privacy Act, and Paperwork Reduction Act Notice

The IRS Restructuring and Reform Act of 1998, the Privacy Act of 1974, and Paperwork Reduction Act of 1980 require that when we ask you for information we must first 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 it and whether your response is voluntary, required to obtain 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 tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001, 6011, and 6012(a) and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections. Code section 6109 requires that you provide your social security number or individual taxpayer identification number on what you file. This is 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. But you do not have to check the boxes for the Presidential Election Campaign Fund or for the third-party designee. You also do not have to provide your daytime phone number.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become

material in the administration of any Internal Revenue law.

We ask for tax return information to carry out the tax laws of the United States. We need it to figure and collect the right amount of tax.

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

Generally, tax returns and return information are confidential, as stated in Code section 6103. However, Code section 6103 allows or requires the Internal Revenue Service to disclose or give the information shown on your tax return to others as described in the Code. For example, we may disclose your tax information to the Department of Justice, to enforce the tax laws, both civil and criminal, and to cities, states, the District of Columbia, U.S. commonwealths or possessions, and certain foreign governments to carry out their tax laws. We may disclose your tax information to the Department of Treasury and contractors for tax administration purposes; and to other persons as necessary to obtain information which we cannot get in any other way in order to determine the amount of or to collect the tax you owe. We may disclose your tax information to the Comptroller General of the United States to permit the Comptroller General to review the Internal Revenue Service. We may disclose your tax information to Committees of Congress; Federal, state, and local child support agencies; and to

other Federal agencies for the purposes of determining entitlement for benefits or the eligibility for and the repayment of loans. We may also disclose this information to other countries under a tax treaty, or to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism.

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 can be easily understood. Often this is difficult to do because our tax laws 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.

We Welcome Comments on Forms

If you have comments concerning the accuracy of the time estimates shown below or suggestions for making these forms simpler, we would be happy to hear from you. You can e-mail us your suggestions and comments through the IRS Web Site (www.irs.gov/help) and click on **Help Comments, and Feedback**) or write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send your return to this address. Instead, see the back cover.

Estimated Preparation Time

The time needed to complete and file Form 1040, its schedules, and accompanying worksheets will vary depending on individual circumstances. The estimated average times are:

Form	Recordkeeping	Learning about the law or the form	Preparing the form	Copying, assembling, and sending the form to the IRS	Totals
Form 1040	2 hr., 46 min.	3 hr., 45 min.	6 hr., 5 min.	34 min.	13 hr., 10 min.
Sch. A	3 hr., 4 min.	39 min.	1 hr., 34 min.	20 min.	5 hr., 37 min.
Sch. B	33 min.	8 min.	25 min.	20 min.	1 hr., 26 min.
Sch. C	6 hr., 4 min.	1 hr., 41 min.	2 hr., 19 min.	31 min.	10 hr., 35 min.
Sch. C-EZ	45 min.	3 min.	35 min.	20 min.	1 hr., 43 min.
Sch. D	1 hr., 29 min.	2 hr., 54 min.	2 hr., 38 min.	34 min.	7 hr., 35 min.
Sch. D-1	13 min.	1 min.	11 min.	34 min.	59 min.
Sch. E	3 hr.	1 hr., 6 min.	1 hr., 24 min.	34 min.	6 hr., 4 min.
Sch. EIC	-----	1 min.	13 min.	20 min.	34 min.
Sch. F:					
Cash Method	3 hr., 29 min.	36 min.	1 hr., 27 min.	20 min.	5 hr., 52 min.
Accrual Method	3 hr., 36 min.	26 min.	1 hr., 25 min.	20 min.	5 hr., 47 min.
Sch. H	1 hr., 38 min.	30 min.	53 min.	34 min.	3 hr., 35 min.
Sch. J	19 min.	12 min.	1 hr., 56 min.	20 min.	2 hr., 47 min.
Sch. R	19 min.	15 min.	29 min.	34 min.	1 hr., 37 min.
Sch. SE:					
Short	13 min.	14 min.	13 min.	13 min.	53 min.
Long	26 min.	20 min.	35 min.	20 min.	1 hr., 41 min.

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* These items may not be included in this package. To reduce printing costs, we have sent you only the forms you may need based on what you filed last year.



Where Do You File?

If an envelope addressed to "Internal Revenue Service Center" came with this 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 shown that applies to you.



Envelopes without enough postage will be returned to you by the post office. Your envelope may need additional postage if it contains more than five pages or is oversized (for example, it is over 1/4" thick). Also, include your complete return address.

IF you live in...	THEN use this address if you:	
	Are not enclosing a check or money order...	Are enclosing a check or money order...
Florida, Georgia, Mississippi, North Carolina, South Carolina, West Virginia	Internal Revenue Service Center Atlanta, GA 39901-0002	Internal Revenue Service Center Atlanta, GA 39901-0102
New York (<i>New York City and counties of Nassau, Rockland, Suffolk, and Westchester</i>)	Internal Revenue Service Center Holtsville, NY 00501-0002	Internal Revenue Service Center Holtsville, NY 00501-0102
New York (<i>all other counties</i>), Maine, Massachusetts, Michigan, New Hampshire, Rhode Island, Vermont	Internal Revenue Service Center Andover, MA 05501-0002	Internal Revenue Service Center Andover, MA 05501-0102
Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Utah, Wisconsin	Internal Revenue Service Center Kansas City, MO 64999-0002	Internal Revenue Service Center Kansas City, MO 64999-0102
Connecticut, Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania	Internal Revenue Service Center Philadelphia, PA 19255-0002	Internal Revenue Service Center Philadelphia, PA 19255-0102
Colorado, Kentucky, Louisiana, Montana, New Mexico, Oklahoma, Texas, Wyoming	Internal Revenue Service Center Austin, TX 73301-0002	Internal Revenue Service Center Austin, TX 73301-0102
Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Washington	Internal Revenue Service Center Fresno, CA 93888-0002	Internal Revenue Service Center Fresno, CA 93888-0102
Alabama, Arkansas, Ohio, Tennessee, Virginia	Internal Revenue Service Center Memphis, TN 37501-0002	Internal Revenue Service Center Memphis, TN 37501-0102
All APO and FPO addresses, American Samoa, nonpermanent residents of Guam or the Virgin Islands*, Puerto Rico (<i>or if excluding income under Internal Revenue Code section 933</i>), dual-status aliens, a foreign country: U.S. citizens and those filing Form 2555, 2555-EZ, or 4563	Internal Revenue Service Center Philadelphia, PA 19255-0215 USA	Internal Revenue Service Center Philadelphia, PA 19255-0215 USA

* Permanent residents of Guam should use: Department of Revenue and Taxation, Government of Guam, P.O. Box 23607, GMF, GU 96921; permanent residents of the Virgin Islands should use: V.I. Bureau of Internal Revenue, 9601 Estate Thomas, Charlotte Amalie, St. Thomas, VI 00802.

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What's new for 2002 (page 16)
How to comment on forms (page 76)
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Help with unresolved tax issues (page 8)
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