



Publication 4
Cat. No. 46073X

Student's Guide to Federal Income Tax

For use in preparing
1996 Returns

Contents

Introduction	1
Where Do My Tax Dollars Go?	2
How Is My Tax Figured?	2
How Do I Pay My Tax?	3
How Does My Employer Decide How Much To Withhold?	3
What If My Withholding Does Not Match My Tax?.....	3
Can I Ask My Employer Not To Withhold Tax?.....	3
Must I File a Return?	4
What Kinds of Income Are Taxable?	4
Pay for Services Performed.....	4
Self-Employment Income.....	5
Investment Income	6
Taxable Scholarships and Fellowships.....	6
Other Income.....	7
What Can I Deduct on My Return?	7
What Can I Subtract From My Tax?	8
How Do I File a Return?	8
Putting Your Return Together	8
Alternative Filing Methods	9
What Tax Records Should I Keep?	9
When Will I Get My Refund?	9
Sample Tax Forms	9
Filled-in Form W-4	13
Filled-in Form 1040EZ	14
Filled-in Schedule C-EZ	15
How Can I Get More Information?	12

Introduction

This guide explains the federal income tax laws of particular interest to high school and college students. It will help you decide if income you are receiving (such as wages, tips, interest, or a scholarship or fellowship) is taxable. It will also help you decide if you should have tax taken out of your pay, and if you should file an income tax return.

The rules explained in this guide apply to students who are U.S. citizens and unmarried (single). If you are a foreign student studying in the United States, you should see Publication 519, *U.S. Tax Guide for Aliens*.

Useful Items

You may want to see:

Publication

- 501** Exemptions, Standard Deduction, and Filing Information
- 505** Tax Withholding and Estimated Tax
- 508** Educational Expenses
- 520** Scholarships and Fellowships

Form (and Instructions)

- 1040EZ** Income Tax Return for Single and Joint Filers With No Dependents
- Schedule C–EZ (Form 1040)** Net Profit From Business (Sole Proprietorship)

See *How Can I Get More Information?* near the end of this publication for information about getting these publications and forms.

Where Do My Tax Dollars Go?

We pay taxes to help our government raise income (called “revenue”) to meet its expenses. The revenue raised by the personal income tax, as well as by other federal taxes, such as employment taxes (including social security and Medicare taxes), excise taxes, and estate and gift taxes, is used to provide a wide variety of services to the public. Among these are our national defense, conservation of our natural resources, and aid to public education.

The social security tax pays for old age, survivor, and disability pension payments for you when you become eligible for them. The Medicare tax pays for basic Medicare insurance coverage. Both employees and employers pay these taxes.

How Is My Tax Figured?

You are responsible for reporting your income to the Internal Revenue Service (IRS) and figuring the tax due on it. You do this by filing an income tax return each year you meet the filing requirements. The IRS provides tax forms, instructions, and publications to help you. These forms, instructions, and publications are based on the tax laws passed by Congress that are contained in the Internal Revenue Code.

Taxable income. Wages, tips, and other fees you get for work you do all count as income for tax purposes. Investment income, such as interest on your savings account and dividends, also counts as income for tax purposes.

The law allows you to subtract certain amounts from your income before you figure the tax due on it. These include the **personal exemption** (if you are entitled to claim one) and the **standard deduction** (or itemized deductions if you can itemize). These amounts are explained later. What remains is your **taxable income**.

Tax rates. Your tax will be a percentage of your **taxable income**. There are five tax rates, 15%, 28%, 31%, 36%, and 39.6%. Assuming you are single and your taxable income is not more than \$24,000 for 1996, your tax is the amount of your taxable income times 15% (.15).

The 28% rate applies to taxable income over \$24,000 but not over \$58,150, and the higher rates apply to taxable income over \$58,150. The maximum tax rate on net capital gains is 28%.

Generally, if your taxable income is less than \$100,000, you do not compute the tax yourself. Instead, the math has been done for you in the Tax Table that is included in the instructions to the tax form.

You use the Tax Table unless one of the following is true:

- 1) Your taxable income is \$100,000 or more. In that case, use Tax Rate Schedule X.
- 2) Your taxable income is more than \$58,150 (for singles) and you have a net capital gain, or capital gain distributions that you report on line 13 of Form 1040. In that case, your tax may be less if you figure it using the Capital Gain Tax Worksheet in the Form 1040 instructions.

How Do I Pay My Tax?

Federal income tax is collected on a “pay-as-you-go” system. This means you must pay tax on the income you earn at the time you receive it. There are two ways to pay your tax as you go. You can have tax withheld from your wages and you can make estimated tax payments on income that is not subject to withholding.

Withholding on wages. Usually your employer “withholds” or takes out tax from your paychecks during the year and deposits it in a federal bank. By the end of the year, you should have paid all or almost all the income tax due on your income for the year. If you haven’t, you may owe more money and you could be subject to a penalty for failure to pay estimated tax. To avoid these results, you can have additional tax withheld during the year. That way, you probably will not have to pay more when you file your return.

Estimated tax payments. If you work for yourself, you won't have an employer to withhold tax from your self-employment income. Also, tax is not usually withheld from other kinds of income such as interest and dividends. Therefore, you may need to make estimated tax payments on these kinds of income.

Generally, the law requires you to pay estimated tax for 1997 if you expect to owe \$500 or more when you file your return, unless the amount you will have withheld is at least:

- 1) 90% of the tax to be shown on your 1997 income tax return, or
- 2) 100% of the tax shown on your 1996 income tax return.

If you need to make estimated tax payments, get **Form 1040-ES, *Estimated Tax for Individuals***. It has a worksheet and instructions that will help you estimate your income for the coming year and figure how much estimated tax you need to pay. Usually you divide the amount you need to pay for the year by four and make four equal payments of tax. These are due on April 15, 1997; June 16, 1997; September 15, 1997; and January 15, 1998. See Publication 505 for more information.

How Does My Employer Decide How Much To Withhold?

You give your employer the information your employer will use to figure how much of your pay to withhold for federal income tax. When you get a job, one of the first things your employer will do is ask you to complete **Form W-4, *Employee's Withholding Allowance Certificate***. The form and its worksheets will help you decide how many **withholding allowances** to claim. Each allowance you claim lowers the amount of tax withheld.

An example of a filled-in Form W-4 appears at the end of this publication.

Claiming withholding allowances. Generally, you should claim all the allowances you are entitled to. That way your withholding will come as close to your actual tax liability as possible. For many students, this will be just one allowance. You can claim zero allowances if you want more tax withheld.

TIP *If you work for more than one employer at a time, you will be asked to complete a Form W-4 by each employer. If, after reading the Form W-4 worksheet, you decide you are entitled to claim one allowance, claim one allowance at one job and zero allowances at your other job. Do not claim the same withholding allowances at both jobs because not enough tax will be withheld during the year.*

Additional amount. You probably want to have enough tax withheld so you won't have to make estimated tax payments as explained earlier. For example, if you have interest and dividend income, in addition to claiming zero

withholding allowances, you can ask your employer to withhold an additional amount from your pay so that enough tax will be withheld to cover that income. Otherwise, you may be charged an estimated tax penalty for not paying enough tax during the year.

You probably don't want to have too much withheld either; generally, no interest is paid on tax withheld during the year.

What If My Withholding Does Not Match My Tax?

Your withholding probably won't match your tax liability exactly. So when you report your income and figure the tax on your tax return after the end of the year, you will usually have underpaid or overpaid your tax. If you owe more, you pay the balance due when you file your return. If you paid too much, the IRS will send you a refund check after you file your return.

Can I Ask My Employer Not To Withhold Tax?

Do you have a part-time job but are not earning enough to be required to file a tax return? You can ask your employer not to withhold income tax for 1997 by claiming exemption from withholding, if **both** of the following are true:

- 1) For 1996 you had a right to a refund of all income tax withheld because you had no tax liability, and
- 2) For 1997 you expect a refund of all income tax withheld because you expect to have no tax liability.



Students are not automatically exempt from withholding. You can claim exemption only if both of the above statements are true.

Dependents. You ordinarily will owe tax and cannot claim exemption from withholding for 1997 if **all** the following are true:

- 1) Someone will be able to claim you as a dependent for 1997,
- 2) Your total income will be more than \$650, and
- 3) You will have any unearned (investment-type) income.

Claiming exemption. You claim exemption from withholding on **Form W-4**. Fill in the identifying information at the top of the form and skip lines 5 and 6. On line 7 write the word "EXEMPT." Then sign and date the form.

Generally, the exemption from withholding expires on February 15 of the year following the year for which you claim exemption. If you remain eligible and want to claim exemption from withholding for that following year, you generally must give your employer another Form W-4 by February 15 of that year.

If you claimed exemption from withholding, but no longer expect to be exempt from tax for that year, you have 10 days from the day that your expecting to be exempt became unreasonable to give your employer a new Form W-4. On that new Form W-4, claim the correct number of withholding allowances so your employer will withhold the right amount of tax.

Must I File a Return?

You are not required to file an income tax return for 1996 if your income for the year was \$650 or less. But if you were self-employed, see *Income from self-employment*, later.

If your income was more than \$650, whether you must file a tax return depends on:

- Whether your parent or someone else can claim you as a dependent on his or her tax return (regardless of whether or not that person actually claims you),
- How much income you received, and
- What kind of income you received.

Can you be claimed as a dependent? If more than half of your support for the year is provided by another person, you can generally be claimed as a dependent. That person will generally be your parent (or someone else who is related to you or is a member of your household).

Support. This includes amounts spent for food, lodging, clothing, education, medical and dental care, recreation, transportation, and similar necessities. To determine whether your parent can claim you as a dependent, do not include scholarships and fellowships in figuring support if you are a full-time student.

Filing requirements for dependents. If you can be claimed as a dependent, the following chart shows whether you must file a return for 1996.

You must file a return if— your investment income was:	AND	The total of that income plus your wages, tips, and other earned income* was:
\$1 or more		more than \$650 (if not blind)**
\$0		more than \$4,000 (if not blind)**

* Includes any part of a taxable scholarship or fellowship grant that you must include in your income, as explained later under *What Kinds of Income Are Taxable?*

** Plus \$1,000 if blind.

Under age 14. If you are under age 14 and certain conditions apply, your parent can elect to include your income on his or her return. If your parent makes this election, you do not have to file a return. See Part 2 of Publication 929, *Tax Rules for Children and Dependents*.

Not a dependent. If you cannot be claimed as a dependent by someone else, you must file a return for 1996 if your gross income for the year was \$6,550 or more.

Income from self-employment. Your total earnings from self-employment (gross business income *before* subtracting your business expenses) are counted in your gross income for purposes of the filing requirements discussed earlier.

Example. You earned \$700 from providing typing services on weekends. Your expenses totaled \$325. Your net earnings from self-employment were \$375 (\$700 – \$325). You must count the \$700 (rather than the \$375) in your income when figuring whether you are required to file a return.

Net earnings of \$400 or more. Even if you are not otherwise required to file a return, you must file one if your net earnings from self-employment were \$400 or more. This is because you must pay self-employment tax. See *Self-Employment Income*, later.

Example. During the summer, you earned \$500 from mowing lawns after subtracting the expenses you can deduct for that work. You must file a tax return and pay self-employment tax whether or not you are otherwise required to file.



If you are not required to file a return, and income tax was withheld from your pay because you did not claim exemption from withholding, you will be entitled to a refund of all the income tax withheld. But you must file a tax return to get it, even though you would not be required to file otherwise.

What Kinds of Income Are Taxable?

The following kinds of income often received by students are generally taxable:

- Pay for services performed
- Self-employment income
- Investment income
- Certain scholarships and fellowships

Pay for Services Performed

When figuring how much income to report, include everything you received as payment for your services. This usually means wages, salaries, and tips.

Wages and salaries. The amount of wages (including tips) or salaries you received during the year is shown in box 1 of **Form W-2, Wage and Tax Statement**. Your employer will give you Form W-2 soon after the end of the year.

Tips. All tips you get are subject to income tax. This includes tips customers give you directly, tips customers charge on credit cards that your employer gives you, and your share of tips split with other employees.



Keep a daily record or other proof of your tips. You can use **Form 4070A, Employee's Daily Record of Tips**. Your record must show your name and address, and your employer's name (and the establishment name, if different). It must also show, for each workday, cash and charge tips you received from customers and other employees, and tips you paid out to other employees under tip-split arrangements and the employees' names. Record this information on or near the date you receive the tip income.

Reporting tips to your employer. You may receive cash and charge tips of \$20 or more in a month while working for one employer. If you do, you must report the total amount of your tips to your employer, generally by the 10th day of the next month. Usually the report should cover one month. However, your employer may ask you to report tips more often.

You can use **Form 4070, Employee's Report of Tips to Employer**, for this report. If you do not use Form 4070, you can give your employer a statement. Make sure it shows your name, address, and social security number, your employer's name and address, the amount of tips, the period covered, your signature, and the date.



If your employer does not have Form 4070 or Form 4070A, call 1-800-829-3676. Ask for Publication 1244, *Employee's Daily Record of Tips and Report to Employer*. Publication 1244 includes both forms.

Withholding on tips. Your employer must withhold social security tax, Medicare tax, and any income tax due on the tips you report. Your employer usually deducts the withholding due on tips from your wages. If your wages are too small for your employer to withhold the taxes due on your tips, you may give your employer extra money to pay these taxes. Your employer will tell you how much is needed.

Form W-2. The tips you reported to your employer will be included with your wages in box 1 of Form W-2. Federal income tax, social security tax, and Medicare tax withheld on your wages and tips will be shown in boxes 2, 4, and 6.

If you worked for a large food and beverage establishment, your Form W-2 may show an amount in box 8, "Allocated tips." This is an additional amount allocated to you if tips you reported to your employer were less than the minimum amount expected to be earned by employees where you work. The allocated tips were determined

by your employer based on guidelines that take into consideration the receipts of the establishment and other factors.

If you do not have adequate records of your actual tips, you must include the allocated tips shown on your Form W-2 as additional tip income on your return.

If you have records, do not include the allocated tips on your return. Include additional tip income only if those records show you actually received more tips than the amount you reported to your employer.

Caution. If you did not report tips to your employer as required, you may be charged a penalty in addition to the tax you owe. If you have a reasonable cause for not reporting tips to your employer, you should attach a statement to your return explaining why you did not.

Reserve Officers' Training Corps (ROTC). Subsistence allowances paid to ROTC students participating in advanced training are not taxable. However, active duty pay, such as that received during summer advanced camp, is taxable.

Example. Jim Hunter is a member of the ROTC who is participating in the advanced course. He received a subsistence allowance of \$100 each month for 10 months and \$600 of active duty pay during summer advanced camp. He must include in his gross income only the \$600 active duty pay.

Self-Employment Income

Earnings you received from self-employment are subject to income tax. These earnings include income from babysitting and lawn mowing, unless you provided these services as an employee. They also include other income you received from work you did independently.

You are taxed on your **net earnings** (income you received minus any business expenses you are allowed to deduct). For information on what expenses can be deducted, see Publication 535, *Business Expenses*. Since you do not have an employer, you are responsible for keeping records to show how much money you received and how much you spent. The income and expenses are reported on Schedule C or C-EZ (Form 1040). An example of a filled-in Schedule C-EZ appears at the end of this publication.

Self-employment tax. If you had net earnings of \$400 or more from self-employment, you also will have to pay self-employment tax. This tax pays for your benefits under the social security system. Social security and Medicare benefits are available to individuals who are self-employed just as they are to wage earners who have social security tax and Medicare tax withheld from their wages by their employers. The self-employment tax is figured on **Schedule SE** (Form 1040). For more information on self-employment tax, see Publication 533, *Self-Employment Tax*.

Newspaper vendors. Newspaper carriers **under age 18** do not pay self-employment tax.

If you are a newspaper carrier who is **18 or older**, you must pay self-employment tax if:

- 1) You sell newspapers or magazines to the public,
- 2) Your income is the difference between the amount you are charged for them and the fixed price you sell them for, and
- 3) Your net earnings are \$400 or more.

 **TIP** *If you were self-employed, you can deduct half of your self-employment tax and part of your health insurance premiums. See the Form 1040 instructions for lines 25 and 26 for more information.*

Investment Income

This section explains whether you have to report income from bank accounts and certain other investments. Various types of investment income are treated differently. Some of the more common ones are discussed here.

Interest. Interest you get from checking and savings accounts and most other sources is taxable.

Bank accounts. Some credit unions, building and loan associations, savings and loan associations, mutual savings banks, and cooperative banks call what they pay you on your deposits “dividends.” However, for tax purposes, these payments are considered interest, and you should report them as interest.

U.S. Savings Bonds. Interest on U.S. Savings Bonds is taxable for federal income tax purposes, but is exempt from all state and local income taxes. The most common bonds are Series EE bonds. These are issued in several different denominations and cost one-half the amount shown on the face of the bond. For example, a \$100 bond costs \$50. The face value of the bond is paid only when the bond matures. The difference between what you paid for the bond and the amount you get when you cash it is taxable interest.

You can report all interest on these bonds when you cash them, or you can elect to report their increase in value as interest each year. Publication 550, *Investment Income and Expenses*, explains how to make this election.

Under certain circumstances, the interest on Series EE bonds issued after 1989 is exempt from tax if used for educational purposes. See Publication 550 for further information.

Other interest from the U.S. Government. Interest on U.S. Treasury bills, notes, etc., issued by an agency of the United States is taxable for federal income tax purposes, but is exempt from all state and local income taxes.

Tax-exempt bonds. Generally, interest from bonds issued by state and local governments is not taxable.

Interest statements. Your bank, savings and loan, or other payer of interest will send you a statement showing your interest if you earned at least \$10 for the

year. You should receive these statements sometime in January after the end of the tax year. Banks may use IRS’s official Form 1099–INT, *Interest Income*. However, they may instead include your total interest figure on their own statements they send you at the end of the year. Do not throw these statements away.

Dividends. Dividends are distributions of money, stock, or other property paid to you by a corporation. You may also get dividends through a partnership, an estate, a trust, or an association that is taxed as a corporation. Ordinary dividends, the most common type, are paid out of the corporation’s earnings. You must report these as income on your tax return.

Dividend statements. Regardless of whether you receive your dividends in cash or additional shares of stock, the payer of the dividends will send you a Form 1099–DIV, *Dividends and Distributions*, showing the amount of your dividends if you earned at least \$10 in dividends for the year.

Other investment income. If you received income from investments not discussed here, see Publication 550. Also, the payer of the income may be able to tell you whether the income is taxable or nontaxable.

Taxable Scholarships and Fellowships

If you received a scholarship or fellowship, all or part of it may be taxable, even if you didn’t receive a W–2 form. Generally, the entire amount is taxable if you are not a candidate for a degree.

If you are a candidate for a degree, you generally can exclude from income that part of the grant used for:

- **Tuition and fees** required for enrollment or attendance, or
- **Fees, books, supplies, and equipment** required for your courses.

You cannot exclude from income any part of the grant used for other purposes, such as room and board.

A **scholarship** generally is an amount paid for the benefit of a student at an educational institution to aid in the pursuit of studies. The student may be in either a graduate or an undergraduate program.

A **fellowship** grant generally is an amount paid for the benefit of an individual to aid in the pursuit of study or research.

Example 1. Tammy Graves receives a fellowship grant that provides \$6,000, not designated for any specific use. Tammy is a degree candidate. She spends \$5,500 for tuition and \$500 for her personal expenses. Tammy is required to include \$500 in income.

Example 2. Ursula Harris, a degree candidate, receives a \$2,000 scholarship, of which \$1,000 is specifically designated for tuition and \$1,000 is specifically designated for living expenses. Her tuition is \$1,600. She may exclude \$1,000 from income, but the other

\$1,000 designated for living expenses is taxable and must be included in income.

Payment for services. All payments you receive for past, present, or future services must be included in income. This is true even if the services are a condition of receiving the grant or are required of all candidates for the degree.

Example. Gary Thomas receives a scholarship of \$2,500 for the spring semester. As a condition of receiving the scholarship, he must serve as a part-time teaching assistant. Of the \$2,500 scholarship, \$1,000 represents payment for his services. Gary is a degree candidate, and his tuition is \$1,600. He can exclude \$1,500 from income as a qualified scholarship. The remaining \$1,000, representing payment for his services, is taxable.

Fulbright students and researchers. A Fulbright grant is generally treated as any other scholarship or fellowship in figuring how much of the grant can be excluded. If you receive a Fulbright grant for **lecturing or teaching**, it is payment for services and is subject to tax.

Pell Grants, Supplemental Educational Opportunity Grants, and Grants to States for State Student Incentives. These grants are nontaxable scholarships to the extent used for tuition and course-related expense during the grant period.

Reduced tuition. You may be entitled to reduced tuition because you or one of your parents is or was an employee of the school. If so, the amount of the reduction is not taxable as long as the tuition is **for education below the graduate level**. (But see *Graduate student exception*, next.) Also, the reduced tuition program must not favor any highly paid employee. The reduced tuition is taxable if it represents payment for your services.

Graduate student exception. Tax-free treatment for reduced tuition can also apply to a graduate student at an educational institution who performs teaching or research activities for that institution. The qualified tuition reduction must be for education furnished by that institution, and not represent payment for services.

Contest prizes. Scholarship prizes won in a contest are not scholarships or fellowships if you do not have to use the prizes for your education. If you can use the prize for any purpose, the entire amount is taxable.

Qualified state tuition program. Benefits received under a qualified state sponsored prepaid tuition or education savings program may be partly nontaxable. Part of the benefits may qualify as a nontaxable scholarship or fellowship (for example, matching-grant amounts paid under the program to a degree candidate). Other benefits are partly a nontaxable return of the contributions made to the program on your behalf (for example, by your parents). You must include in your income the part

of the benefits that is neither a nontaxable scholarship or fellowship nor a return of contributions. For more information, see Publication 525, *Taxable and Nontaxable Income*.

Other grants or assistance. If you are not sure whether your grant qualifies as a scholarship or fellowship, ask the person who made the grant.

Additional information. See Publication 520 for more information on how much of your scholarship or fellowship is taxable.

How To Report

If you file Form 1040EZ, include the taxable amount of your scholarship or fellowship on line 1. Enter "SCH" and any taxable amount **not** reported on a W-2 form in the space to the right of the words "W-2 form(s)" on line 1.

If you file Form 1040A or Form 1040, include the taxable amount on line 7. Enter "SCH" and any taxable amount **not** reported on a W-2 form in the space to the left of line 7 on Form 1040A, or on the dotted line next to line 7 on Form 1040.

Other Income

If you are not sure whether to include any item of income on your return, see Publication 525, *Taxable and Nontaxable Income*.

What Can I Deduct on My Return?

After you have totaled your income, you are allowed to subtract (deduct) certain amounts to arrive at taxable income before finding your tax.

Standard deduction. Most people are entitled to deduct a certain amount called the standard deduction. This amount is set by law and generally increases each year.

Dependent. If your parent or someone else can claim you as a dependent, your standard deduction is the greater of:

- 1) \$650, or
- 2) Your earned income for the year, but not more than \$4,000 (\$5,000 if blind).

Earned income for this purpose is income you received as pay for work you did, plus any part of a scholarship or fellowship grant that you must include in income.

Not a dependent. If no one can claim you as a dependent, you can subtract a standard deduction of \$4,000 (\$5,000 if blind).

Itemized deductions. You may have high medical bills, pay a lot of mortgage interest or state and local income taxes, or contribute large amounts to charity. If these expenses add up to more than the amount of the standard deduction, the law allows you to claim the higher total instead of the standard deduction. To do this, you must list (itemize) your deductible expenses on Schedule A (Form 1040). As a student, you probably do not have enough of these kinds of expenses to itemize. But keep this in mind for future years when you do.

Exemptions. Generally, you can subtract from income your own **personal exemption**. This amount is \$2,550 for 1996. It is set by law and generally increases each year. However, if you can be claimed as a dependent by your parents or others, you are not entitled to a personal exemption.

What Can I Subtract From My Tax?

After you have found your tax, you may be able to subtract certain amounts from it. These amounts are called **credits**. They reduce your tax “dollar for dollar.” If you are a student, you will probably not be eligible for a credit in 1996 unless you qualify for the earned income credit or the child and dependent care credit.

Earned income credit. If you qualify for the earned income credit, you may be able to get a refund from the IRS even if you had no tax withheld. See Publication 596, *Earned Income Credit*, to see if you can claim this credit.



You do not have to have a qualifying child to be able to claim the earned income credit in 1996. If you are at least 25 years old, have earned income of less than \$9,500, and cannot be claimed as a dependent by another person, you may be eligible.

Child and dependent care credit. If you have a child and you were employed in 1996, you may be eligible for the child and dependent care credit. See Publication 503, *Child and Dependent Care Expenses*, for more information.

How Do I File a Return?

Before filing your return, make sure you have all your wage and other income statements and the correct tax form and instructions.

Income statements. In January, each of your employers should give you a Form W-2. It will show the amount of wages you were paid during the past year and how

much tax (income, social security, and Medicare) was withheld. Your bank will send you Form 1099-INT or a similar statement showing the interest you earned during the past year.

If you don't receive Form W-2 by January 31, ask your employer for it. If you don't receive your Forms 1099-INT or other statements from your bank by January 31, call your bank and ask for them. If you still have not received these income statements by February 15, call the IRS telephone number for your area. The numbers are listed in the tax form instructions.

Tax return forms. You can probably use the shortest, simplest form, **Form 1040EZ**. You can get it from your local IRS office or from a post office or library. Or call 1-800-829-3676. After you have filed your first return, the IRS will send you blank tax forms near the end of each year.

If you cannot file Form 1040EZ, file one of the longer forms, Form 1040A or Form 1040, instead. You cannot file Form 1040EZ if your income includes more than \$400 of taxable interest or any income other than wages and tips, interest, and unemployment compensation. You cannot file Form 1040EZ or Form 1040A if you had income from self-employment, you are reporting any allocated tips, or you itemize deductions as explained earlier.

Due date of return. If you are required to file a tax return for 1996, you must file it with the IRS by April 15, 1997. You may request an extension to August 15, 1997, on Form 4868, *Application for Automatic Extension of Time To File U.S. Individual Income Tax Return*. An extension of time to file is not an extension of time to pay.

Penalties. There are penalties for filing your return late and for paying the tax late. And if you pay your taxes late, you will also be charged interest on the amount you owe.

Putting Your Return Together

After you have received all your wage and other income statements, and you have the correct tax form and instructions, you are ready to complete your return. Because you can probably use Form 1040EZ, completing Form 1040EZ is discussed here.

Form 1040EZ is only 12 lines long on the front of a single page. The booklet, *1996 Form 1040EZ Instructions*, contains instructions for each line. An example of a filled-in Form 1040EZ is in the back of this publication.

All you do is fill in your name, address, and social security number. Or, if you have an IRS label, attach it instead. Enter your total income for the year (from your Forms W-2 and 1099-INT). From that adjusted gross income amount you subtract the amount of your standard deduction and your personal exemption if you can claim one. Then you find the tax on the remaining amount (taxable income) in the table in Section 5 of the instructions for the form.

Compare the amount of tax shown in the table to the amount of your payments, including the tax your employer withheld. You can find the amount of tax withheld by your employer in box 2 of Form W-2. If any tax was withheld from your interest income, you can find that amount in box 4 of Form 1099-INT.

If your payments are more than your tax, the difference between the two amounts is your refund. If your tax is more than your payments, the difference is what you owe. If you owe more tax, you must send with your return a check or money order for the amount due.

Attach Copy B of all your Forms W-2 to your return. Do not attach Forms 1099-INT, but keep them for your records. Make a copy of your return before you mail it. Keep it in a safe place with the other copies of your Forms W-2 and your Forms 1099-INT.

Alternative Filing Methods



The IRS offers several filing alternatives to make filing your return easier.

Electronic filing. You may be able to have your return filed electronically. If you file a complete and accurate return electronically, your refund will usually be issued within 21 days. Check your telephone book for tax preparers and other companies offering this service.



TeleFile. TeleFile is a method of filing your taxes by phone. It is easy, fast, free, and available 24 hours a day. You do not send a tax form to the IRS. To use this method, you must have received a *TeleFile 1040EZ* tax package for 1996. This tax package cannot be ordered from the IRS, but will have been sent to you automatically, based on your 1995 tax return information, if you are eligible to use TeleFile.

Other alternatives. You can also file your return electronically with a computer, tax software, and modem, using a participating on-line service. For more information on electronic filing, call Tele-Tax and listen to topic 252. The Tele-Tax number for your area is listed in your tax forms package.

What Tax Records Should I Keep?



You should make and keep a copy of your completed tax return. Keep Copy C of all Forms W-2, your 1099 forms showing interest and other income, and a record of any other information you filed with the return. Keep these records for at least 3 years from the date the return was due or filed, or 2 years from the date you paid the tax, whichever is later.

When Will I Get My Refund?

If your return shows that IRS owes you a refund and you don't receive it within 6 weeks of filing (within 3 weeks after filing electronically or using TeleFile), you can call Tele-Tax to check the status of your refund. The Tele-Tax number for your area is listed in your tax forms package. Be sure to have ready your social security number, your filing status, and the exact whole-dollar amount of your refund.

Sample Tax Forms

Preparing the various tax forms may look difficult but really is not. If you follow the forms line by line and refer to the instructions when necessary, you should be able to complete the forms easily. On the next few pages are examples of Form W-4, Form 1040EZ, and Schedule C-EZ that you can use as a guide. And don't forget, if you have any questions, you can call the IRS.

Filled-in Form W-4

Rachel Smith is 19 years old and a sophomore at City College. Her parents pay most of her college costs, including living expenses, and claim her as a dependent on their tax return. In 1997, Rachel has a job as a cashier at the ABC Department Store to help her parents with the expenses.

Rachel estimates that she'll earn about \$720 during the school year and about \$2,920 during the summer. Also, she usually earns about \$50 a year in interest on checking and savings accounts at a local bank. Her total income will be about \$3,690.

On Rachel's first day of work, her boss gives her Form W-4 to fill in. Her completed Form W-4 is shown later.

Note: Because the 1997 Form W-4 was not available when this publication was being prepared for print, the 1996 Form W-4 is illustrated, and the following explanation refers to the lines, items and boxes on that form. However, if you complete a Form W-4 during 1997, use the 1997 form.

Rachel begins by reading the information and instructions above the Form W-4 certificate. She reads the information under "Exemption From Withholding" and the statement on line 7 of Form W-4. She had a right to a refund of all federal income tax withheld in 1996 because she had no tax liability. But she expects to have a tax liability for 1997 because her income will be more than \$650 and will include some unearned income (interest), and her parents can claim her as a dependent. Rachel cannot claim exempt status.

Because Rachel is not exempt from withholding, she completes the *Personal Allowances Worksheet*.

Line A. Since her parents can claim her as a dependent, Rachel cannot claim an allowance for herself. So she leaves line A blank.

Line B. Since she is single and has only one job, she can enter "1" on line B.

Line C–F Rachel leaves lines C and D blank because she has no spouse or dependents. She reads the information under "Head of Household" in the instructions at the top of the form. Rachel realizes that she cannot claim head of household filing status, so she also leaves line E blank. She leaves line F blank because she has no child or dependent care expenses.

Line G. She adds lines A through F and enters the total of her allowances (1) in the entry space for line G.

Rachel reads the bulleted items under line G and finds that neither the first nor the second item applies to her. Following the instruction for the third bulleted item, she enters the "1" from line G of the worksheet on line 5 of Form W-4.

Form W-4. She fills in the identifying information at the top of the form and marks the "Single" box to show her marital status in item 3. Rachel leaves line 6 blank because she does not want any additional amount (beyond what claiming "1" allowance will provide) withheld from her wages.

Since she cannot claim exemption from withholding, she also leaves line 7 blank.

Rachel signs and dates the form at the bottom. Boxes 8, 9, and 10 are left blank. These are for the employer's use if needed.

Filled-in Form 1040EZ

Pat Brown is single and has no dependents. She is 22 years old and a full-time student at State University, where she has a scholarship that covers her tuition and \$500 of her room and board each year. Her parents are able to claim her as a dependent.

In 1996, Pat worked in the community library during the summer. Her Form W-2 (not illustrated) shows she earned \$1,850 in wages and had \$140 in federal income tax withheld during 1996. She also received a Form 1099-INT showing she had \$277 in interest income. She files Form 1040EZ as explained below. Her completed Form 1040EZ is shown later.

Name and Address

Pat received a Form 1040EZ instruction booklet in the mail. In the instruction booklet is a peel-off label that shows her name, address, and social security number. When she has finished her return, she checks to make sure that the label is correct and attaches it to the top of her return where it says "label here."

Presidential Election Campaign Fund. Pat wants \$3 of her taxes to go to this fund, so she checks the "Yes" box. Checking "Yes" will not change her tax or reduce her refund.

Income

Pat has two items of income which must be combined and entered on line 1 of Form 1040EZ. The part of her scholarship that is for room and board (\$500) is taxable. She adds this amount to the wages (\$1,850) shown in box 1 of her Form W-2. She enters the total (\$2,350) on line 1. In the space to the right of "W-2 Form(s)," she writes "SCH \$500." On line 2, she enters her interest income of \$277. She adds her wages, taxable scholarship, and interest together to figure her adjusted gross income of \$2,627. She enters \$2,627 on line 4.

Standard Deduction and Personal Exemption

Since Pat can be claimed as a dependent by her parents, she checks the "Yes" box on line 5. She uses the worksheet on the back of her Form 1040EZ to figure the amount to enter on line 5. The information from her completed worksheet is shown below.

A. Enter the amount from line 1 on the front.	A. <u>\$2,350</u>
B. Minimum standard deduction.	B. <u>650</u>
C. Enter the LARGER of line A or line B here.	C. <u>\$2,350</u>
D. Maximum standard deduction. If single, enter \$4,000; if married, enter \$6,700.	D. <u>\$4,000</u>
E. Enter the SMALLER of line C or line D here. This is your standard deduction.	E. <u>\$2,350</u>
F. Exemption amount. • If single, enter 0. • If married and both you and your spouse can be claimed as dependents, enter 0. • If married and only one of you can be claimed as a dependent, enter \$2,550.	F. <u>-0-</u>
G. Add lines E and F. Enter the total here and on line 5 on the front.	G. <u>\$2,350</u>

Pat enters \$2,350 on line 5.

Note. If she could not be claimed as a dependent by her parents or someone else, she would have a standard deduction amount of \$4,000 and a personal exemption of \$2,550. In that case, she would have checked the “No” box and entered \$6,550 on line 5.

Payments and Tax

Pat subtracts line 5 (\$2,350) from line 4 (\$2,627) and enters the result of \$277 on line 6. This amount is her taxable income. She will figure her income tax on this amount.

Pat had \$140 of federal income tax withheld from her wages by her employer. She found this amount in box 2 of her 1996 Form W-2. She enters this amount on line 7 of Form 1040EZ.

Because she is under age 25 and her parents can claim her as a dependent, Pat is not eligible for the earned income credit. She leaves line 8 blank and prints “No” next to that line, under “Payments and tax.”

If she wanted the IRS to compute her tax for her, she would stop at this point. She would make sure lines 1 through 8 were completed accurately, then she would sign and date the return and enter her occupation.

Pat decides to compute her tax by herself. She adds the amounts on lines 7 and 8 and enters her total payments, \$140, on line 9.

She goes to the Tax Table in Section 5 of the Form 1040EZ instructions and reads down the income column until she finds the line that includes \$277, her taxable income shown on line 6 of her Form 1040EZ. She then reads across the line to the tax column for single persons to find her tax (\$43). She enters this amount of tax on line 10 of her Form 1040EZ.

Refund or Amount You Owe

Pat compares line 9 and line 10. Since line 9 is larger, she subtracts line 10 (\$43) from line 9 (\$140) to arrive at her refund of \$97. She enters this amount on line 11a. She does not want to have her refund directly deposited

into her bank account; therefore she leaves lines 11b, 11c, and 11d blank. She also leaves line 12 blank. She will receive a tax refund of \$97.

Note. If her employer had not withheld any federal income tax from her wages, Pat would have owed \$43 in income tax. She would have left line 11a blank and entered that amount on line 12. She would then have enclosed in the envelope with her return a check or money order for the full amount of \$43 payable to “Internal Revenue Service.” She would have written on the front of her check or money order:

- Her name,
- Her address,
- Her social security number,
- Her daytime telephone number, and
- “1996 Form 1040EZ.”

Sign Your Return

Pat checks her return to make sure that she entered the numbers clearly and correctly and that her math is correct.

Pat enters her occupation and she signs and dates her return at the bottom of the form. She attaches Copy B of her Form W-2 where indicated on the front of Form 1040EZ.

She makes a copy of her filled-in tax return for her records. Then she mails her return to the appropriate Internal Revenue Service Center as indicated on the back of the Form 1040EZ instructions.

Filled-in Schedule C-EZ

Stephen Burke is a high school student. During the summer of 1996, he mowed lawns for some of his neighbors. He used his father’s lawn mower and paid for gas and oil used in his business.

Stephen kept good records that showed he earned \$750, including tips, and spent \$40 on gas and oil. Because his income minus business expenses is at least \$400, he must file Form 1040 and either Schedule C or Schedule C-EZ, even if this was his only income. Since his *net* earnings from self-employment are at least \$400, Stephen must also complete Schedule SE to compute his self-employment tax. Form 1040 and Schedule SE are not shown here. Stephen chooses to file Schedule C-EZ. He enters his name and social security number at the top of Schedule C-EZ. He then fills in the required information in Parts I and II.

Part II, line 1. This is where income is reported. All the money he received (\$750) is shown on line 1.

Part II, line 2. This is where the expenses are reported. He lists the \$40 for gas and oil on line 2.

Part II, line 3. This shows the net profit from the business that is subject to tax. Stephen must include \$710 on Form 1040, line 12.

How Can I Get More Information?



You can get help from the IRS in several ways.

Free publications and forms. To order free publications and forms, call 1-800-TAX-FORM (1-800-829-3676). You can also write to the IRS Forms Distribution Center nearest you. Check your income tax package for the address. Your local library or post office also may have the items you need.

For a list of free tax publications, order Publication 910, *Guide to Free Tax Services*. It also contains an index of tax topics and related publications and describes other free tax information services available from IRS, including tax education and assistance programs.

If you have access to a personal computer and modem, you also can get many forms and publications electronically. See *Quick and Easy Access to Tax Help and Forms* in your income tax package for details. If space permitted, this information is at the end of this publication.

Tax questions. You can call the IRS with your tax questions. Check your income tax package or telephone book for the local number, or you can call 1-800-829-1040.

TTY/TDD equipment. If you have access to TTY/TDD equipment, you can call 1-800-829-4059 to ask tax questions or to order forms and publications. See your income tax package for the hours of operation.

Form W-4 (1996)

Want More Money in Your Paycheck?

If you expect to be able to take the earned income credit for 1996 and a child lives with you, you may be able to have part of the credit added to your take-home pay. For details, get Form W-5 from your employer.

Purpose. Complete Form W-4 so that your employer can withhold the correct amount of Federal income tax from your pay. Because your tax situation may change, you may want to refigure your withholding each year.

Exemption From Withholding. Read line 7 of the certificate below to see if you can claim exempt status. If exempt, only complete lines 1, 2, 3, 4, 7, and sign the form to validate it. No Federal income tax will be withheld from your pay. Your exemption expires February 18, 1997.

Note: You cannot claim exemption from withholding if (1) your income exceeds \$650

and includes unearned income (e.g., interest and dividends) and (2) another person can claim you as a dependent on their tax return.

Basic Instructions. If you are not exempt, complete the Personal Allowances Worksheet. Additional worksheets are on page 2 so you can adjust your withholding allowances based on itemized deductions, adjustments to income, or two-earner/two-job situations. Complete all worksheets that apply to your situation. The worksheets will help you figure the number of withholding allowances you are entitled to claim. However, you may claim fewer allowances than this.

Head of Household. Generally, you may claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals.

Nonwage Income. If you have a large amount of nonwage income, such as interest or dividends, you should consider making estimated tax payments using Form 1040-ES.

Otherwise, you may find that you owe additional tax at the end of the year.

Two Earners/Two Jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one W-4. This total should be divided among all jobs. Your withholding will usually be most accurate when all allowances are claimed on the W-4 filed for the highest paying job and zero allowances are claimed for the others.

Check Your Withholding. After your W-4 takes effect, use Pub. 919, Is My Withholding Correct for 1996?, to see how the dollar amount you are having withheld compares to your estimated total annual tax. Get Pub. 919 especially if you used the Two Earner/Two Job Worksheet and your earnings exceed \$150,000 (Single) or \$200,000 (Married). To order Pub. 919, call 1-800-829-3676. Check your telephone directory for the IRS assistance number for further help.

Sign This Form. Form W-4 is not considered valid unless you sign it.

Personal Allowances Worksheet

A Enter "1" for yourself if no one else can claim you as a dependent **A**

B Enter "1" if: {

- You are single and have only one job; or
- You are married, have only one job, and your spouse does not work; or
- Your wages from a second job or your spouse's wages (or the total of both) are \$1,000 or less.
 **B** 1

C Enter "1" for your spouse. But, you may choose to enter -0- if you are married and have either a working spouse or more than one job (this may help you avoid having too little tax withheld) **C**

D Enter number of dependents (other than your spouse or yourself) you will claim on your tax return **D**

E Enter "1" if you will file as head of household on your tax return (see conditions under Head of Household above) **E**

F Enter "1" if you have at least \$1,500 of child or dependent care expenses for which you plan to claim a credit **F**

G Add lines A through F and enter total here. **Note:** This amount may be different from the number of exemptions you claim on your return ▶ **G** 1

For accuracy, do all worksheets that apply. {

- If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the Deductions and Adjustments Worksheet on page 2.
- If you are single and have more than one job and your combined earnings from all jobs exceed \$30,000 OR if you are married and have a working spouse or more than one job, and the combined earnings from all jobs exceed \$50,000, see the Two-Earner/Two-Job Worksheet on page 2 if you want to avoid having too little tax withheld.
- If neither of the above situations applies, stop here and enter the number from line G on line 5 of Form W-4 below.

----- Cut here and give the certificate to your employer. Keep the top portion for your records. -----

Form W-4 Department of the Treasury Internal Revenue Service	<h2 style="margin: 0;">Employee's Withholding Allowance Certificate</h2> <p style="margin: 0;">▶ For Privacy Act and Paperwork Reduction Act Notice, see reverse.</p>	OMB No. 1545-0010 1996
1 Type or print your first name and middle initial Last name Rachel S. Smith		2 Your social security number 123 00 9876
Home address (number and street or rural route) 2026 Elk Grove Rd.		3 <input checked="" type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withheld at higher Single rate. <small>Note: If married, but legally separated, or spouse is a nonresident alien, check the Single box.</small>
City or town, state, and ZIP code Anytown, CO 80000		4 If your last name differs from that on your social security card, check here and call 1-800-772-1213 for a new card ▶ <input type="checkbox"/>
5 Total number of allowances you are claiming (from line G above or from the worksheets on page 2 if they apply) 5 <u> 1 </u>		6 \$
6 Additional amount, if any, you want withheld from each paycheck 6 \$ 		
7 I claim exemption from withholding for 1996 and I certify that I meet BOTH of the following conditions for exemption: • Last year I had a right to a refund of ALL Federal income tax withheld because I had NO tax liability; AND • This year I expect a refund of ALL Federal income tax withheld because I expect to have NO tax liability. If you meet both conditions, enter "EXEMPT" here ▶ 7 <u> </u>		
Under penalties of perjury, I certify that I am entitled to the number of withholding allowances claimed on this certificate or entitled to claim exempt status.		
Employee's signature ▶ Rachel S. Smith		Date ▶ March 13 , 19 97
8 Employer's name and address (Employer: Complete 8 and 10 only if sending to the IRS)		9 Office code (optional)
		10 Employer identification number

Cat. No. 102200

Use the IRS label here	Your first name and initial	Last name
	YK 321-00-5789 PAT A. BROWN 2463 COTTAGE RD ANYTOWN AZ	S29 S1 #5000-0000

Your social security number

--	--	--	--	--	--

Spouse's social security number

--	--	--	--	--	--

Presidential Election Campaign (See page 7.)
 Note: Checking "Yes" will not change your tax or reduce your refund.
 Do you want \$3 to go to this fund? Yes No
 If a joint return, does your spouse want \$3 to go to this fund? Yes No

Income
 Attach Copy B of Form(s) W-2 here. Enclose, but do not attach, any payment with your return.

Note: You must check Yes or No.

1	Total wages, salaries, and tips. This should be shown in box 1 of your W-2 form(s). Attach your W-2 form(s). <i>SCH #500</i>	1
2	Taxable interest income of \$400 or less. If the total is over \$400, you cannot use Form 1040EZ.	2
3	Unemployment compensation (see page 9).	3
4	Add lines 1, 2, and 3. This is your adjusted gross income. If under \$9,500, see page 9 to find out if you can claim the earned income credit on line 8.	4
5	Can your parents (or someone else) claim you on their return? Yes. Enter amount from worksheet <input checked="" type="checkbox"/> or No. If single, enter 6,550.00. If married, enter 11,800.00. See back for explanation. <input type="checkbox"/>	5
6	Subtract line 5 from line 4. If line 5 is larger than line 4, enter 0. This is your taxable income.	6

	Dollars	Cents
2	350	00
2	277	00
2	627	00
2	350	00
2	277	00
7	140	00
9	140	00
10	43	00
11a	97	00

Payments and tax

No

7	Enter your Federal income tax withheld from box 2 of your W-2 form(s).	7
8	Earned income credit (see page 9). Enter type and amount of nontaxable earned income below. Type <input type="text"/> \$ <input type="text"/>	8
9	Add lines 7 and 8 (do not include nontaxable earned income). These are your total payments.	9
10	Tax. Use the amount on line 6 to find your tax in the tax table on pages 20-24 of the booklet. Then, enter the tax from the table on this line.	10

Refund
 Have it sent directly to your bank account! See page 13 and fill in 11b, c, and d.

11a If line 9 is larger than line 10, subtract line 10 from line 9. This is your refund. 11a

b Routing number

c Type Checking Savings

d Account number

Amount you owe

12 If line 10 is larger than line 9, subtract line 9 from line 10. This is the amount you owe. See page 13 for details on how to pay and what to write on your payment. 12

I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is true, correct, and accurately lists all amounts and sources of income I received during the last year.

Sign here
 Your signature: *Pat A. Brown*
 Spouse's signature if joint return: _____
 Date: *2/14/97* Your occupation: *student*
 Date: _____ Spouse's occupation: _____

For Official Use Only

1	2	3	4	5
6	7	8	9	10

**SCHEDULE C-EZ
(Form 1040)**

Department of the Treasury
Internal Revenue Service
Name of proprietor

Net Profit From Business

(Sole Proprietorship)

▶ Partnerships, joint ventures, etc., must file Form 1065.

▶ Attach to Form 1040 or Form 1041. ▶ See instructions on back.

OMB No. 1545-0074

1996

Attachment
Sequence No. **09A**

Stephen Burke

Social security number (SSN)

567 00 4321

Part I General Information

**You May Use
This Schedule
Only If You:**

- Had business expenses of \$2,500 or less.
- Use the cash method of accounting.
- Did not have an inventory at any time during the year.
- Did not have a net loss from your business.
- Had only one business as a sole proprietor.

And You:

- Had no employees during the year.
- Are not required to file Form 4562, Depreciation and Amortization, for this business. See the instructions for Schedule C, line 13, on page C-3 to find out if you must file.
- Do not deduct expenses for business use of your home.
- Do not have prior year unallowed passive activity losses from this business.

<p>A Principal business or profession, including product or service <u>mowing lawns</u></p>	<p>B Enter principal business code (see page C-8) ▶ <u>2212</u></p>
<p>C Business name. If no separate business name, leave blank.</p>	<p>D Employer ID number (EIN), if any</p>
<p>E Business address (including suite or room no.). Address not required if same as on Form 1040, page 1. City, town or post office, state, and ZIP code</p>	

Part II Figure Your Net Profit

<p>1 Gross receipts. <i>Caution: If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see Statutory Employees in the instructions for Schedule C, line 1, on page C-2 and check here</i> ▶ <input type="checkbox"/></p>	1	750	00
<p>2 Total expenses. If more than \$2,500, you must use Schedule C. See instructions</p>	2	40	00
<p>3 Net profit. Subtract line 2 from line 1. If less than zero, you must use Schedule C. Enter on Form 1040, line 12, and ALSO on Schedule SE, line 2. (Statutory employees do not report this amount on Schedule SE, line 2. Estates and trusts, enter on Form 1041, line 3.)</p>	3	710	00

Part III Information on Your Vehicle. Complete this part ONLY if you are claiming car or truck expenses on line 2.

4 When did you place your vehicle in service for business purposes? (month, day, year) ▶ / /

5 Of the total number of miles you drove your vehicle during 1996, enter the number of miles you used your vehicle for:

a Business **b** Commuting **c** Other

6 Do you (or your spouse) have another vehicle available for personal use? Yes No

7 Was your vehicle available for use during off-duty hours? Yes No

8a Do you have evidence to support your deduction? Yes No

b If "Yes," is the evidence written? Yes No