



Department of the Treasury  
Internal Revenue Service

Publication 967  
Cat. No. 22402M

# The IRS Will Figure Your Tax

For use in preparing  
**1997** Returns



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## Introduction

You can have the IRS figure your tax on Form 1040EZ, Form 1040A, or Form 1040 if you mail your return by April 15, 1998.

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

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

### The IRS cannot figure your tax if:

- 1) You want your refund to be directly deposited in your account,
- 2) You want any part of your refund applied to your 1998 estimated tax, or
- 3) You file any of the following forms:
  - a) **Form 2555**, *Foreign Earned Income*.
  - b) **Form 2555-EZ**, *Foreign Earned Income Exclusion*.
  - c) **Form 4137**, *Social Security and Medicare Tax on Unreported Tip Income*.
  - d) **Form 4970**, *Tax on Accumulation Distribution of Trusts*.
  - e) **Form 4972**, *Tax on Lump-Sum Distributions*.
  - f) **Form 6198**, *At-Risk Limitations*.
  - g) **Form 6251**, *Alternative Minimum Tax—Individuals*.
  - h) **Form 8615**, *Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,300*.
  - i) **Form 8814**, *Parents' Election To Report Child's Interest and Dividends*.
  - j) **Form 8839**, *Qualified Adoption Expenses*.
  - k) **Form 8853**, *Medical Savings Accounts and Long-Term Care Services and Contracts*.

## Form 1040EZ

Follow these steps if you are filing Form 1040EZ.

**1.** Place your peel-off label on your return. If you do not have a label, print (do not type) your name, address, and social security number in the spaces provided. If you are married, write the social security numbers of both spouses.

**2.** Read lines 1 through 8 and complete the lines that apply to you. If you are filing a joint return, use the space under the "Note" to the left of line 6 to separately show your taxable income and your spouse's taxable income.

**Payments.** Enter any Federal income tax withheld on line 7. Federal income tax withheld is shown in box 2 of Form W-2.

**Earned income credit (EIC).** If you can take the EIC, IRS can figure the credit for you. Print "EIC" in the space to the right of the word "below" on line 8b. Enter the amount and type of any nontaxable earned income in the boxes on line 8b.

3. Sign and date your return (both spouses must sign a joint return) and enter your occupation(s). Attach Copy B or the first copy of all your Forms W-2 to your return. Mail the return to the Internal Revenue Service Center for the area where you live.

## Form 1040A

Follow these steps if you are filing Form 1040A.

1. Place your peel-off label on your return. If you do not have a label, print or type your name, address, and social security number in the spaces provided. If you are married, write the social security numbers of both spouses even if you file separately.

2. Read lines 1 through 22 and complete the lines that apply to you. If you are filing a joint return, use the space to the left of line 22 to separately show your and your spouse's taxable income.

3. Read lines 24a through 24c, 26, 27, and 29a through 29c and complete the lines that apply to you. But do not complete lines 24b and 29c if you want the IRS to figure the credits on those lines. Also, enter any write-in information that applies to you in the space to the left of line 29d.

**Payments.** Enter any Federal income tax withheld that is shown in box 2 of Form W-2, or the appropriate box of Form 1099 on line 29a. Enter any estimated tax payments you made on line 29b.

**Credits.** The IRS will also figure the credit for the elderly or the disabled and the earned income credit. The IRS will not figure the credit for child and dependent care expenses or the adoption credit.

☒ Credit for child and dependent care expenses — If you can take this credit, complete Schedule 2 and attach it to your return. Follow the instructions for Schedule 2. Enter the amount of the credit on line 24a (Form 1040A). The IRS will not figure this credit.

☒ Credit for the elderly or the disabled — If you can take this credit, the IRS will figure it for you. Attach Schedule 3 to your return and print "CFE" in the space to the left of line 24b (Form 1040A). Check the appropriate box in Part I of Schedule 3 for your filing status and age, and complete lines 11 and 13 if they apply. Also, complete Part II of Schedule 3 if it applies.

☒ Earned income credit — If you can take this credit, the IRS will figure it for you. Print "EIC" directly to the right of line 29c. Enter the amount and type of any nontaxable earned income on line 29d. If you have a qualifying child, you must fill in Schedule EIC and attach it to your return. If you do not provide the child's social security number on line 4 of Schedule EIC, the credit may be reduced or disallowed.

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

5. Attach Copy B or the first copy of all your Form(s) W-2 to your return. Also attach any Form 1099-R you received that has withholding tax in box 4.

6. Sign and date your return and enter your occupation(s). If you are filing a joint return, both you and your spouse must sign it. Mail the return to the Internal Revenue Service Center for the area where you live.

## Form 1040

You may choose to have the IRS figure your tax on Form 1040 if you meet **all** of the conditions described below:

- 1) All of your income for 1997 was from wages, salaries, tips, interest, dividends, taxable social security benefits, unemployment compensation, IRA distributions, pensions, or annuities.
- 2) Your taxable income on line 38 is less than \$100,000.
- 3) You do not itemize deductions.
- 4) You do not file any of the following forms:
  - a) **Form 2555**, *Foreign Earned Income*.
  - b) **Form 2555-EZ**, *Foreign Earned Income Exclusion*.
  - c) **Form 4137**, *Social Security and Medicare Tax on Unreported Tip Income*.
  - d) **Form 4970**, *Tax on Accumulation Distribution of Trusts*.
  - e) **Form 4972**, *Tax on Lump-Sum Distributions*.
  - f) **Form 6198**, *At-Risk Limitations*.
  - g) **Form 6251**, *Alternative Minimum Tax—Individuals*.
  - h) **Form 8615**, *Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,300*.
  - i) **Form 8814**, *Parents' Election To Report Child's Interest and Dividends*.
  - j) **Form 8839**, *Qualified Adoption Expenses*.
  - k) **Form 8853**, *Medical Savings Accounts and Long-Term Care Services and Contracts*.

Follow these steps if you are filing Form 1040.

1. Place your peel-off label on your return. If you do not have a label, print or type your name, address, and social security number in the spaces provided. If you are married, write the social security numbers of both spouses even if you file separately.

2. Read lines 1 through 38 and complete the lines that apply to you. If you are filing a joint return, use the space above the words *Adjusted Gross Income* on the front of your return to separately show your taxable income and your spouse's taxable income.

**3.** Read lines 40 through 59 and complete the lines that apply to you, but do not fill in the *Total* lines. Also, do not complete lines 41 and 56a if you want the IRS to figure the credits on those lines. Be sure to fill in line 54 for Federal income tax withheld.

**Payments.** Enter any Federal income tax withheld that is shown in box 2 of Form W-2, or the appropriate box of Form 1099, on line 54. Enter any estimated tax payments you made on line 55.

**Credits.** The IRS will also figure the credit for the elderly or the disabled and the earned income credit. The IRS will not figure the credit for child and dependent care expenses or the adoption credit.

☞ Credit for child and dependent care expenses — If you can take this credit, complete Form 2441 and attach it to your return. Follow the instructions for Form 2441. Enter the amount of the credit on line 40 (Form 1040). The IRS will not figure this credit.

☞ Credit for the elderly or the disabled — If you can take this credit, the IRS will figure it for you. Attach Schedule R to your return and write “CFE” on the dotted line next to line 41 of Form 1040. Check the appropriate box in Part I of Schedule R for your filing status and age, and fill in lines 11 and 13 if they apply. Also, complete Part II of Schedule R if it applies.

☞ Earned income credit — If you can take this credit, the IRS will figure it for you. Write “EIC” directly to the right of line 56a. Enter the amount and type of any nontaxable earned income in the space provided on line 56b. If you have a qualifying child, you must fill in Schedule EIC and attach it to your return. If you do not provide the child's social security number on line 4 of Schedule EIC, the credit may be reduced or disallowed.

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

**5.** Attach Copy B or the first copy of all your Form(s) W-2 to your return. Also attach any Form 1099-R you received that has withholding tax in box 4.

**6.** Sign and date your return and enter your occupation(s). If you are filing a joint return, both you and your spouse must sign it. Mail your return to the Internal Revenue Service Center for the area where you live.