

1040EZ

NOTE: THIS BOOKLET DOES NOT CONTAIN TAX FORMS

INSTRUCTIONS

2008



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.



Cat. No. 12063Z

**A Message From the
Commissioner**

Dear Taxpayer,

U.S. Supreme Court Justice Oliver Wendell Holmes, Jr. notably said "Taxes are what we pay for civilized society." We should be proud that the vast majority of American citizens pay their taxes honestly and of their own free will. In an ever more complex and global world, we cannot take for granted this cornerstone principle of our democracy.

For the IRS's part, we owe it to all taxpayers to make the process of paying taxes as easy as possible. IRS employees are dedicated to helping taxpayers to quickly get their questions answered, complete their forms, pay their taxes, and get back to their lives. From the telephone representative who answers tax law questions, to the walk-in site employees who help low-income taxpayers, to the technicians that design and build our web site – www.irs.gov – we are committed to providing top-quality service.

Unfortunately, there will always be some that cheat their fellow citizens by avoiding the payment of their fair share of taxes. The IRS owes it to the millions of you who promptly pay your taxes in full to pursue these people through strong enforcement programs. I believe this is a basic matter of fairness.

If you need more information about taxes, I hope you'll visit us online at www.irs.gov, or call us toll free at 1-800-829-1040. Your government works for you, so please do not hesitate to contact us if you need help.

Sincerely,



Douglas H. Shulman

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Department
of the
Treasury

Internal
Revenue
Service

Table of Contents

Contents	Page	Contents	Page
Introduction	4	Amount You Owe	19
Section 1—Before You Begin	4	Third Party Designee	20
What’s New	4	Signing Your Return	20
Section 2—Filing Requirements	5	Section 4—After You Have Finished	22
Do You Have To File?	5	Return Checklist	22
When Should You File?	5	Filing the Return	22
Checklist for Using Form 1040EZ	5	Section 5—General Information	23
Should You Use Another Form?	6	Internal Revenue Service Customer Service Standards	24
What Filing Status Can You Use?	6	Help With Unresolved Tax Issues (Taxpayer Advocate Service)	24
Where To Report Certain Items From 2008 Forms W-2, 1098, and 1099	8	Section 6—Getting Tax Help	25
Section 3—Line Instructions for Form 1040EZ	9	TeleTax Topics	27
Name and Address	9	2008 Tax Table	28
Social Security Number (SSN)	9	Disclosure, Privacy Act, and Paperwork Reduction Act Notice	37
Presidential Election Campaign Fund	9	Major Categories of Federal Income and Outlays For Fiscal Year 2007	38
Income	10	IRS <i>e-file</i>	39
Payments and Tax	12	Index	40
Earned Income Credit (EIC)	12	Where Do You File?	Back Cover
Refund	18		

Introduction

About This Booklet

We have designed the booklet to make your tax return filing as simple and clear as possible. We did this by arranging the instructions for Form 1040EZ preparation in the most helpful order:

- “Section 2— Filing Requirements” will help you decide if you even have to file.
- “Section 3— Line Instructions for Form 1040EZ” follows the main sections of the form, starting with “Top of the Form” and ending with “Signing Your Return.” Cut-outs from the form connect the instructions visually to the form.
- “Section 4— After You Have Finished” gives you a checklist to help you complete a correct return. Then we give you information about filing the return.
- “Section 6— Getting Tax Help” has topics such as how to get tax help and tax products, getting refund information, and useful tax facts.

Helpful Hints

Filing status. We want you to use the proper filing status as you go through the instructions and tables. You can file as “Single” or “Married filing jointly.”

Icons. We use icons throughout the booklet to draw your attention to special information. Here are some key icons:



IRS e-file. This alerts you to the many electronic benefits, particularly tax filing, available to you at www.irs.gov.



Tip. This lets you know about possible tax benefits, helpful actions to take, or sources for additional information.



Caution. This tells you about special rules, possible consequences to actions, and areas where you need to take special care to make correct entries.

Writing in information. Sometimes we will ask you to make an entry “in the space to the left of line . . .” The following examples (using line 1) will help you make the proper entry:

Income	1	Wages, salaries, and tips. This Attach your Form(s) W-2.	W-2.	1
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(Note: In the original image, a hand icon points to the 'Income' label and another points to the '1' in the 'W-2.' column.)

Do not make the entry here.

Make the entry here.

Section 1—Before You Begin

What’s New for 2008

Economic Stimulus Payment

Any economic stimulus payment you received is not taxable for federal income tax purposes but reduces your recovery rebate credit.

Recovery Rebate Credit

This credit is figured like last year’s economic stimulus payment, except that the amounts are based on tax year 2008 instead of tax year 2007. The maximum credit is \$600 (\$1,200 if married filing jointly). See the instructions for line 9 on page 17.

Withdrawal of Economic Stimulus Payment From Certain Accounts

If your economic stimulus payment was directly deposited to a tax-favored account and you withdraw the payment by the due date of your return (including extensions), the amount withdrawn will not be taxed and no additional tax or penalty will apply. For a Coverdell education savings account, the withdrawal can be made by the later of the above date or June 1, 2009.

Earned Income Credit (EIC)

You may be able to take the EIC if you earned less than \$12,880 (\$15,880 if married filing jointly). See the instructions for lines 8a and 8b that begin on page 12.

Tax Relief for Kansas Disaster Area

Temporary tax relief was enacted as a result of May 4, 2007, storms and tornadoes affecting the Kansas disaster area. For more details on the tax benefits provided by this relief, see Pub. 4492-A.

Tax Relief for Midwestern Disaster Areas.

Temporary tax relief was enacted as a result of severe storms, tornadoes, or flooding affecting Midwestern disaster areas after

May 19, 2008, and before August 1, 2008. For more details on the tax benefits provided by this relief, see Pub. 4492-B.

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.

What’s New for 2009

Earned Income Credit (EIC)

You may be able to take the EIC if you earned less than \$13,440 (\$16,560 if married filing jointly).

Do Both the Name and Social Security Number (SSN) on Your Tax Forms Agree with Your Social Security Card?

If not, your exemption(s) and any earned income credit may be disallowed, your refund may be delayed, and you may not receive credit for your social security earnings. If your Form W-2 shows an incorrect name or SSN, 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.

Death of a Taxpayer

If a taxpayer died before filing a return for 2008, 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, the processing of the return may be delayed.

If your spouse died in 2008 and you did not remarry in 2008, or if your spouse died in 2009 before filing a return for 2008, you can file a joint return. A joint return should show your spouse's 2008 income before death and your income for all of 2008. Enter "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she also must 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 27) 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). But you have to file Form 1040 or Form 1040A to take the child into account to claim these benefits. For details, see Pub. 501 (Pub. 596 for the EIC).

Section 2—Filing Requirements

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

Do You Have To File?

Were you (or your spouse if filing a joint return) age 65 or older at the end of 2008? If you were born on January 1, 1944, you are considered to be age 65 at the end of 2008.

- Yes.** Use Pub. 501, Exemptions, Standard Deduction, and Filing Information, to find out if you must file a return. If you do, you must use Form 1040A or 1040.
- No.** Use the Filing Requirement Charts beginning on page 6 to see if you must file a return.



Even if you otherwise do not have to file a return, you should file one to get a refund of any federal income tax withheld. You also should file if you are eligible for the earned income credit or recovery rebate credit.



Have you tried IRS e-file? It's the fastest way to get your refund and it's free if you are eligible. Visit www.irs.gov for details.

Special rule for certain children under age 19 or full-time students. If certain conditions apply, you can elect to include on your return the income of a child who was under age 19 at the end of 2008 or was a full-time student under age 24 at the end of 2008. But you must use Form 1040 and Form 8814 to do so. If you make this election, your child does not have to file a return. For details, use TeleTax topic 553 (see page 27) or see Form 8814.

A child born on January 1, 1990, is considered to be age 19 at the end of 2008. Similarly, a child born on January 1, 1985, is considered to be age 24 at the end of 2008. Do not use Form 8814 for such a child.

Resident aliens. These rules also apply if you were a resident alien. Also, you may qualify for certain tax treaty benefits. See Pub. 519 for details.

Nonresident aliens and dual-status aliens. These rules also apply if you were a nonresident alien or a dual-status alien and both of the following apply.

- You were married to a U.S. citizen or resident alien at the end of 2008.
- You elected to be taxed as a resident alien.

See Pub. 519 for details.



Specific rules apply to determine if you are a resident alien, nonresident alien, or dual-status alien. Most nonresident aliens and dual-status aliens have different filing requirements and may have to file Form 1040NR or Form 1040NR-EZ. Pub. 519 discusses these requirements and other information to help aliens comply with U.S. tax law, including tax treaty benefits, and special rules for students and scholars.

When Should You File?

File Form 1040EZ by **April 15, 2009**. If you file after this date, you may have to pay interest and penalties. See *What if You Cannot File on Time?* on page 22 for information on how to get more time to file. There is also information about interest and penalties.

If you were serving in, or in support of, the U.S. Armed Forces in a designated combat zone, qualified hazardous duty area, or a contingency operation, you can file later. See Pub. 3 for details.

Checklist for Using Form 1040EZ

You can use Form 1040EZ if **all** the items in this checklist apply.

- Your filing status is single or married filing jointly (see page 6). If you were a nonresident alien at any time in 2008, see *Nonresident aliens* on page 6.
- You do not claim any dependents.
- You do not claim any adjustments to income. Use TeleTax topics 451-453 and 455-458 (see page 27).
- You can claim only the earned income credit and the recovery rebate credit. Use TeleTax topics 601-602, 607-608, and 610-611 (see page 27).
- You (and your spouse if filing a joint return) were under age 65 and not blind at the end of 2008. If you were born on January 1, 1944, you are considered to be age 65 at the end of 2008 and cannot use Form 1040EZ.
- Your taxable income (line 6 of Form 1040EZ) is less than \$100,000.
- You had only wages, salaries, tips, taxable scholarship or fellowship grants, unemployment compensation, or Alaska Permanent Fund dividends, and your taxable interest was not over \$1,500.
- You did not receive any advance earned income credit payments.

- You do not owe any household employment taxes on wages you paid to a household employee. To find out who owes these taxes, use TeleTax topic 756 (see page 27).
- You are not a debtor in a chapter 11 bankruptcy case filed after October 16, 2005.
- You are not claiming the additional standard deduction for real estate taxes or disaster losses.

If you do not meet all of the requirements, you must use Form 1040A or 1040. Use TeleTax topic 352 (see page 27) to find out which form to use.

Nonresident aliens. If you were a nonresident alien at any time in 2008, your filing status must be married filing jointly to use Form 1040EZ. If your filing status is not married filing jointly, you may have to use Form 1040NR or 1040NR-EZ. Specific rules apply to determine if you were a nonresident or resident alien. See Pub. 519 for details, including the rules for students and scholars who are aliens.

Should You Use Another Form?

Even if you can use Form 1040EZ, it may benefit you to use Form 1040A or 1040 instead. For example, you can claim the head of household filing status (which usually results in a lower tax than single) only on Form 1040A or 1040. You can claim the retirement savings contributions credit (saver's credit) only on Form 1040A or 1040. Use TeleTax topic 610 (see page 27).

Itemized deductions. You can itemize deductions only on Form 1040. You would benefit by itemizing if your itemized deductions total more than your standard deduction: \$5,450 for most single people; \$10,900 for most married people filing a joint return. Use TeleTax topic 501 (see page 27). But if someone can claim you (or your spouse if married) as a depen-

dent, your standard deduction is the amount on line E of the worksheet on page 2 of Form 1040EZ.

What Filing Status Can You Use?

Single. Use this filing status if any of the following was true on December 31, 2008.

- You never were married.
- You were legally separated, according to your state law, under a decree of divorce or separate maintenance.
- You were widowed before January 1, 2008, and did not remarry in 2008.

Married filing jointly. Use this filing status if any of the following apply.

- You were married at the end of 2008, even if you did not live with your spouse at the end of 2008.
- Your spouse died in 2008 and you did not remarry in 2008.
- You were married at the end of 2008, and your spouse died in 2009 before filing a 2008 return.

For federal tax purposes, a marriage means only a legal union between a man and a woman as husband and wife. A husband and wife filing jointly report their combined income and deduct their combined allowable expenses on one return. A husband and wife can file a joint return even if only one had income or if they did not live together all year. However, both persons must sign the return. Once you file a joint return, you cannot choose to file separate returns for that year after the due date of the return.

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 23.

Filing Requirement Charts



Chart A and B users—if you have to file a return, you may be able to file Form 1040EZ. See Checklist for Using Form 1040EZ beginning on page 5.

Chart A— For Most People

IF your filing status is . . .	AND your gross income* was at least . . .	THEN . . .
Single	\$ 8,950	File a return
Married filing jointly**	\$17,900	File a return

***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 can exclude part or all of it).

**If you did not live with your spouse at the end of 2008 (or on the date your spouse died) and your gross income was at least \$3,500, you must file a return.

Chart B— For Children and Other Dependents

If your parent (or someone else) can claim you as a dependent, use this chart.



To find out if your parent (or someone else) can claim you as a dependent, see Pub. 501.

File a return if any of the following apply.

- Your **unearned income**¹ was over \$900.
- Your **earned income**² was over \$5,450.
- Your **gross income**³ was more than the **larger** of—
 - \$900, or
 - Your earned income (up to \$5,150) plus \$300.

¹ **Unearned income** includes taxable interest, ordinary dividends, and capital gain distributions. It also includes unemployment compensation, taxable social security benefits, pensions, annuities, and distributions of unearned income from a trust.

² **Earned income** includes salaries, wages, tips, professional fees, and taxable scholarship or fellowship grants.

³ **Gross income** is the total of your unearned and earned income.

Chart C— Other Situations When You Must File


You must file a return using Form 1040A or 1040 if **any** of the following apply for 2008.

- You received any advance earned income credit payments from your employer. These payments are shown in box 9 of your Form W-2.
- You claim the additional standard deduction for real estate taxes.
- You owe tax from the recapture of an education credit (see **Form 8863**).
- You claim a credit for excess social security and tier 1 RRTA tax withheld.
- You claim a credit for the retirement savings contributions credit (saver's credit) (see **Form 8880**).
- You are filing a return only to claim the recovery rebate credit.

You must file a return using Form 1040 if **any** of the following apply for 2008.

- You owe any special taxes, such as social security and Medicare tax on tips you did not report to your employer or on wages you received from an employer who did not withhold these taxes.
- You owe uncollected social security and Medicare or RRTA tax on tips you reported to your employer or on group-term life insurance.
- You had net earnings from self-employment of at least \$400.
- 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.
- You owe 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.
- You claim the additional standard deduction for disaster losses.

Where To Report Certain Items From 2008 Forms W-2, 1098, and 1099

 IRS e-file takes the guesswork out of preparing your return. You may also be eligible to use Free File to file your federal income tax return. Visit www.irs.gov for details.

Part 1	Items That Can Be Reported on Form 1040EZ	If any federal income tax withheld is shown on the forms in Part 1, include the tax withheld on Form 1040EZ, line 7.
Form	Item and Box in Which It Should Appear	Where To Report on Form 1040EZ
W-2	Wages, tips, other compensation (box 1) Allocated tips (box 8)	Line 1 See page 10
1099-G	Unemployment compensation (box 1)	Line 3. But if you repaid any unemployment compensation in 2008, see the instructions for line 3 on page 11
1099-INT	Interest income (box 1) Interest on U.S. savings bonds and Treasury obligations (box 3) Tax-exempt interest (box 8)	Line 2 See the instructions for line 2 beginning on page 10 See the instructions for line 2 beginning on page 10
1099-OID	Original issue discount (box 1) Other periodic interest (box 2)	See the instructions on Form 1099-OID See the instructions on Form 1099-OID
Part 2	Items That May Require Filing Another Form	Other Form
Form	Items That May Require Filing Another Form	Other Form
W-2	Advance EIC payment (box 9) Dependent care benefits (box 10) Adoption benefits (box 12, code T) Employer contributions to a health savings account (box 12, code W) Amount reported in box 12, code R or Z	Must file Form 1040A or 1040 Must file Form 1040A or 1040 Must file Form 1040 Must file Form 1040 if required to file Form 8889 (see the instructions for Form 8889) Must file Form 1040
W-2G	Gambling winnings (box 1)	Must file Form 1040
1098-E	Student loan interest (box 1)	Must file Form 1040A or 1040 to deduct
1098-T	Qualified tuition and related expenses (box 1)	Must file Form 1040A or 1040, but first see the instructions on Form 1098-T
1099-C	Canceled debt (box 2)	Must file Form 1040 if taxable (see Pub. 4681)
1099-DIV	Dividends and distributions	Must file Form 1040A or 1040
1099-INT	Interest on U.S. savings bonds and Treasury obligations (box 3) Early withdrawal penalty (box 2) Foreign tax paid (box 6)	See the instructions for line 2 beginning on page 10 Must file Form 1040 to deduct Must file Form 1040 to deduct or take a credit for the tax
1099-LTC	Long-term care and accelerated death benefits	Must file Form 1040 if required to file Form 8853 (see the instructions for Form 8853)
1099-MISC	Miscellaneous income	Must file Form 1040
1099-OID	Early withdrawal penalty (box 3)	Must file Form 1040 to deduct
1099-Q	Qualified education program payments	Must file Form 1040
1099-R	Distributions from pensions, annuities, IRAs, etc.	Must file Form 1040A or 1040
1099-SA	Distributions from HSAs and MSAs*	Must file Form 1040

* This includes distributions from Archer and Medicare Advantage MSAs.

Section 3—Line Instructions for Form 1040EZ



Let IRS *e-file* complete your return! You also may be eligible to use Free File to file your federal income tax return. Visit www.irs.gov for details.

Top of the Form

Label (See page 9.) Use the IRS label. Otherwise, please print or type. Presidential Election Campaign (page 9)	Your first name and initial		Last name		Your social security number	
	If a joint return, spouse's first name and initial		Last name		Spouse's social security number	
	Home address (number)		Apt. no.		You must enter your SSN(s) above. Checking a box below will not change your tax or refund.	
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 9.					
Check here if you, or your spouse if a joint return, want \$3 to go to this fund <input type="checkbox"/> You <input type="checkbox"/> Spouse						

A 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, use Form 8822 to notify the IRS of your new address.

Name change. If you changed your name because of marriage, divorce, etc., be sure to report the change to your local Social Security Administration office before you file your return. This prevents delays in processing your return and issuing refunds. It also safeguards your future social security benefits. See page 4 for 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 the information in the spaces provided.



If you filed a joint return for 2007 and you are filing a joint return for 2008 with the same spouse, be sure to enter your names and SSNs in the same order as on your 2007 return.

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

Foreign address. Print 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.

B Social Security Number (SSN)

An incorrect or missing SSN can increase your tax or reduce your refund. To apply for an SSN, fill in Form SS-5 and return it, along with the appropriate evidence documents, to the Social Security Administration (SSA). You can get Form SS-5 online at www.socialsecurity.gov, from your local SSA office, or by calling the SSA at 1-800-772-1213. It usually takes about 2 weeks to get an SSN once the SSA has all the evidence and information it needs.

Check that your SSN on your Forms W-2 and 1099 agrees with your social security card. If not, see page 4 for more details.

IRS individual taxpayer identification numbers (ITINs) for aliens. If you are a nonresident or resident alien and you do not have and are not eligible to get an SSN, you must apply for an ITIN. For details on how to do so, see Form W-7 and its instructions. It usually takes about 4–6 weeks to get an ITIN.

If you already have an ITIN, enter it wherever your SSN is requested on your tax return.



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, he or she must have either an SSN or an ITIN.

C Presidential Election Campaign

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 box. If you are filing a joint return, your spouse also can have \$3 go to the fund. If you check a box, your tax or refund will not change.

Income (Lines 1 – 6)

<p>Income</p> <p>Attach Form(s) W-2 here.</p> <p>Enclose, but do not attach, any payment.</p>	1	1 Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2.	1
	2	2 Taxable interest. If the total is over \$1,500, you cannot use Form 1040EZ.	2
	3	3 Unemployment compensation and Alaska Permanent Fund dividends (see page 11).	3
	4	4 Add lines 1, 2, and 3. This is your adjusted gross income .	4
	5	5 If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back. <input type="checkbox"/> You <input type="checkbox"/> Spouse If no one can claim you (or your spouse if a joint return), enter \$8,950 if single ; \$17,900 if married filing jointly . See back for explanation.	5
	6	6 Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your taxable income .	6

Round Off to Whole Dollars

You can round off cents to whole dollars on your return. If you do round to whole dollars, you must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3.

If you have to add two or more amounts to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Example. You received two Forms W-2, one showing wages of \$5,009.55 and one showing wages of \$8,760.73. On Form 1040EZ, line 1, you would enter \$13,770 (\$5,009.55 + \$8,760.73 = \$13,770.28).

Refunds of State or Local Income Taxes

If you received a refund, credit, or offset of state or local income taxes in 2008, you may receive a Form 1099-G.

For the year the tax was paid to the state or other taxing authority, did you file Form 1040EZ or 1040A?

- Yes.** None of your refund is taxable.
- No.** You may have to report part or all of the refund as income on Form 1040 for 2008.

Social Security Benefits

You should receive a Form SSA-1099 or Form RRB-1099. These forms will show the total social security and equivalent railroad retirement benefits paid to you in 2008 and the amount of any benefits you repaid in 2008. Use the worksheet on page 11 to see if any of your benefits are taxable. If they are, you must use Form 1040A or 1040. For more details, see Pub. 915.

1 Line 1, Wages, Salaries, and Tips

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

- Wages received as a household employee for which you did not receive a Form W-2 because your employer paid you less than \$1,600 in 2008. Also, enter "HSH" and the amount not reported on a Form W-2 in the space to the left of line 1.

- Tip income you did not report to your employer. But you must use Form 1040 and Form 4137 if: (a) you received tips of \$20 or more in any month and did not report the full amount to your employer, or (b) your Form(s) W-2 show allocated tips that you must report as income. You must report the allocated tips shown on your Form(s) W-2 unless you can prove that you received less. Allocated tips should be shown on your Form(s) W-2 in box 8. They are not included as income in box 1. See Pub. 531 for more details.
- Scholarship and fellowship grants not reported on a Form W-2. Also, enter "SCH" and the amount in the space to the left of line 1. However, if you were a degree candidate, include on line 1 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 1.



You must use Form 1040A or 1040 if you received dependent care benefits for 2008. You must use Form 1040 if you received employer-provided adoption benefits for 2008.

Missing or Incorrect Form W-2? Your employer is required to provide or send Form W-2 to you no later than February 2, 2009. If you do not receive it by early February, use TeleTax topic 154 (see page 27) to find out what to do. Even if you do not get a Form W-2, you still must report your earnings on line 1. If you lose your Form W-2 or it is incorrect, ask your employer for a new one.

2 Line 2, Taxable Interest

Each payer should send you a Form 1099-INT or Form 1099-OID. Report all of your taxable interest income on line 2 even if you did not receive a Form 1099-INT or 1099-OID.

Include taxable interest from banks, savings and loan associations, credit unions, savings bonds, etc. If interest was credited in 2008 on deposits that you could not withdraw because of the bankruptcy or insolvency of the financial institution, you may be able to exclude part or all of that interest from your 2008 income. But you must use Form 1040A or 1040 to do so. See Pub. 550 for details.

If you cashed series EE or I U.S. savings bonds in 2008 that were issued after 1989 and you paid certain higher education expenses during the year, you may be able to exclude from income part or all of the interest on those bonds. But you must use Form 8815 and Form 1040A or 1040 to do so.

You must use Form 1040A or 1040 if either of the following applies.

- You received interest as a nominee (that is, in your name but the interest income actually belongs to someone else).
- You received a 2008 Form 1099-INT for U.S. savings bond interest that includes amounts you reported before 2008.

Tax-Exempt Interest

If you received tax-exempt interest, such as from municipal bonds, each payer should send you a Form 1099-INT. Your tax-exempt interest should be included in box 8 of Form 1099-INT. Enter "TEI" and the amount in the space to the left of line 2. Do not add tax-exempt interest in the total on line 2.

the result on line 3. Also, enter "Repaid" and the amount you repaid in the space to the left of line 3. If, in 2008, you repaid unemployment compensation that you included in gross income in an earlier year, you can deduct the amount repaid. But you must use Form 1040 to do so. See Pub. 525 for details.

Alaska Permanent Fund dividends. Include the dividends in the total on line 3. But you cannot use Form 1040EZ for a child who was age 18 or under or a full-time student under age 24 at the end of 2008 if the child's dividends are more than \$1,800. Instead, you must file Form 8615 and Form 1040A or 1040 for the child. You also must use Form 8615 and Form 1040A or 1040 for the child if the child's dividends and taxable interest (line 2) total more than \$1,800. A child born on January 1, 1990, is considered to be age 19 at the end of 2008. A child born on January 1, 1985, is considered to be age 24 at the end of 2008. Do not use Form 8615 for such a child.

3 Line 3, Unemployment Compensation and Alaska Permanent Fund Dividends

Unemployment compensation. You should receive a Form 1099-G showing in box 1 the total unemployment compensation paid to you in 2008. Report the amount in box 1 on line 3. However, if you made contributions to a governmental unemployment compensation program, reduce the amount you report on line 3 by those contributions.

If you received an overpayment of unemployment compensation in 2008 and you repaid any of it in 2008, subtract the amount you repaid from the total amount you received. Enter

6 Line 6, Taxable Income

Your taxable income and filing status will determine the amount of tax you enter on line 11.



Figuring taxable income incorrectly is one of the most common errors on Form 1040EZ. So please take extra care when subtracting line 5 from line 4.

Worksheet To See if Any of Your Social Security Benefits Are Taxable

Keep for Your Records



Before you begin: ✓ If you are filing a joint return, be sure to include any amounts your spouse received when entering amounts on lines 1, 3, and 4 below.

1. Enter the amount from box 5 of all your Forms SSA-1099 and Forms RRB-1099	1. <input style="width: 100px; height: 20px;" type="text"/>
2. Is the amount on line 1 more than zero?	
<input type="checkbox"/> No. None of your social security benefits are taxable.	
<input type="checkbox"/> Yes. Enter one-half of line 1	2. <input style="width: 100px; height: 20px;" type="text"/>
3. Enter your total wages, salaries, tips, etc., from Form(s) W-2. Also, include any taxable unemployment compensation and Alaska Permanent Fund dividends you received (see the instructions for line 3 above)	3. <input style="width: 100px; height: 20px;" type="text"/>
4. Enter your total interest income, including any tax-exempt interest	4. <input style="width: 100px; height: 20px;" type="text"/>
5. Add lines 2, 3, and 4	5. <input style="width: 100px; height: 20px;" type="text"/>
6. If you are:	6. <input style="width: 100px; height: 20px;" type="text"/>
• Single, enter \$25,000 • Married filing jointly, enter \$32,000	
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 this year. You can use Form 1040EZ. Do not list your benefits as income.	
<input type="checkbox"/> Yes. Some of your benefits are taxable this year. You must use Form 1040A or 1040.	

Payments and Tax (Lines 7–12)

Payments and tax	7 Federal income tax withheld from box 2 of your Form(s) W-2.	7	
	8a Earned income credit (EIC) (see page 8)	8a	
	b Nontaxable combat pay election.	8b	
	9 Recovery rebate credit (see worksheet on pages 17 and 18)	9	
	10 Add lines 7, 8a, and 9. These are your total payments .	10	
11 Tax. Use the amount on line 6 above to find your tax in the tax table on pages 28–36 of the booklet. Then, enter the tax from the table on this line.	11		

7 Line 7, Federal Income Tax Withheld

Enter the total amount of federal income tax withheld. This should be shown on your 2008 Form(s) W-2 in box 2.

If you received a 2008 Form 1099-INT, 1099-G, or 1099-OID showing federal income tax withheld, include the tax withheld in the total on line 7. This tax should be shown in box 4 of these forms.

If federal income tax was withheld from your Alaska Permanent Fund dividends, include the tax withheld in the total on line 7.

8 Lines 8a and 8b, 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.

TIP You may be able to elect to use your 2007 earned income to figure your EIC if (a) your 2007 earned income is more than your 2008 earned income, and (b) your main home was in a Midwestern disaster area. Also, special rules may apply for people who had to relocate because of the storms, tornadoes, or flooding in a Midwestern disaster area. For details, see Pub. 4492-B.

Note. If you have a qualifying child (see page 13), you may be able to take the credit, but you must use Schedule EIC and Form 1040A or 1040 to do so. For details, see Pub. 596.

To Take the EIC:

- Follow the steps on this page through page 14.
- Complete the worksheet on page 14 or let the IRS figure the credit for you.


TIP For help in determining if you are eligible for the EIC, go to www.irs.gov/eitc and click on "EITC Assistant." This service is available in English and Spanish.

CAUTION 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. See Form 8862, who must file, on page 14. You also may have to pay penalties.

Step 1 All Filers

1. Is the amount on Form 1040EZ, line 4, less than \$12,880 (\$15,880 if married filing jointly)?
 - Yes.** Go to question 2.
 - No.** You cannot take the credit.
2. 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 15)?
 - Yes.** Go to question 3.
 - No.** You cannot take the credit. Enter "No" in the space to the left of line 8a.
3. Can you, or your spouse if filing a joint return, be claimed as a dependent on someone else's 2008 tax return?
 - Yes.** You cannot take the credit.
 - No.** Go to question 4.
4. Were you, or your spouse if filing a joint return, at least age 25 but under age 65 at the end of 2008?
 - Yes.** Go to question 5.
 - No.** You cannot take the credit.
5. Was your home, and your spouse's if filing a joint return, in the United States for more than half of 2008? Members of the military stationed outside the United States, see page 14 before you answer.
 - Yes.** Go to question 6.
 - No.** You cannot take the credit. Enter "No" in the space to the left of line 8a.

6. Look at the qualifying child conditions below. Could you, or your spouse if filing a joint return, be a qualifying child of another person in 2008?

- Yes.**  You cannot take the credit. Enter "No" in the space to the left of line 8a.
- No.** Go to Step 2 on this page.

A **qualifying child** for the EIC is a child who is a...

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew).

AND

was

Under age 19 at the end of 2008

or

Under age 24 at the end of 2008 and a student (see page 15)

or

Any age and permanently and totally disabled (see page 15)

AND

who...

Either lived with another person in the United States for more than half of 2008 or was born or died in 2008 and that person's home was the child's home for the entire time the child was alive in 2008.



Special rules apply if the child was married or also meets the conditions to be a qualifying child of another person (other than your spouse if filing a joint return). For details, use TeleTax topic 601 (see page 27) or see

Pub. 596.

Step 2 Earned Income

1. Figure earned income*:

Form 1040EZ, line 1 _____
 a. Subtract, if included in line 1, any:

- Taxable scholarship or fellowship grant not reported on a Form W-2.
- Amount received for work performed while an inmate in a penal institution (enter "PRI" in the space to the left of line 1 on Form 1040EZ).
- Amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (enter "DFC" and the amount subtracted in the space to the left of line 1 on Form 1040EZ). This amount may be shown on your Form W-2 in box 11. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity.

b. Add all of your nontaxable combat pay if you elect to include it in earned income. Also enter this amount on Form 1040EZ, line 8b. See *Combat pay, nontaxable* on page 14, and the Caution below. + _____



Electing to include nontaxable combat pay may increase or decrease your EIC. Figure the credit with and without your nontaxable combat pay before making the election.


Earned Income =

*You may be able to elect to use your 2007 earned income instead of your 2008 earned income to figure your 2008 EIC if (a) your 2007 earned income is more than your 2008 earned income, and (b) your main home was in a Midwestern disaster area. For details, see Pub. 4492-B. If you make this election, skip question 1 and go to question 2.



Electing to use your 2007 earned income may increase or decrease your EIC. Figure the credit using your 2008 earned income. Then figure the credit using your 2007 earned income. Compare the two amounts before making the election. If you elect to use your 2007 earned income, enter "PYEI" and the amount of your 2007 earned income in the space to the left of line 8a.

2. Is your earned income less than \$12,880 (\$15,880 if married filing jointly)?

- Yes.** Go to Step 3. **No.**  You cannot take the credit.

1. Enter "EIC" in the space to the left of line 8a on Form 1040EZ.
2. Be sure you enter the nontaxable combat pay you elect to include in earned income on Form 1040EZ, line 8b. See *Combat pay, nontaxable*, on this page.
3. If your EIC for a year after 1996 was reduced or disallowed, see *Form 8862, who must file*, below.

Step 3 **How To Figure the Credit**

1. Do you want us to figure the credit for you?
 Yes. See *Credit figured by the IRS* on this page. **No.** Go to the worksheet on this page.

Definitions and Special Rules

(listed in alphabetical order)

Combat pay, nontaxable. If you were a member of the U.S. Armed Forces who served in a combat zone, certain pay is excluded from your income. See *Combat Zone Exclusion* in Pub. 3. You can elect to include this pay in your earned income when figuring the EIC. The amount of your nontaxable combat pay should be shown in box 12 of Form(s) W-2 with code Q. If you are filing a joint return and both you and your spouse received nontaxable combat pay, you each can make your own election.

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

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 either of the following applies.


1. You filed Form 8862 for another year, the EIC was allowed for that year, and your EIC has not been reduced or disallowed again for any reason other than a math or clerical error.
2. The only reason your EIC was reduced or disallowed in the earlier year was because it was determined that a child listed on Schedule EIC was not your qualifying child.


Also, do not file Form 8862 or take the credit for:

- 2 years after the most recent tax year for which there was a final determination that your EIC claim was due to reckless or intentional disregard of the EIC rules, or
- 10 years after the most recent tax year for which there was a final determination that your EIC claim was due to fraud.

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 ex-

Earned Income Credit (EIC) Worksheet— Lines 8a and 8b

Keep for Your Records 

1. Enter your earned income from Step 2 on page 13	1.	<input style="width: 90%;" type="text"/>
2. Look up the amount on line 1 above in the EIC Table on page 16 to find the credit. Be sure you use the correct column for your filing status (Single or Married filing jointly). Enter the credit here	2.	<input style="width: 90%;" type="text"/>
If line 2 is zero,  You cannot take the credit. Enter "No" in the space to the left of line 8a.		
3. Enter the amount from Form 1040EZ, line 4	3.	<input style="width: 90%;" type="text"/>
4. Are the amounts on lines 3 and 1 the same? <input type="checkbox"/> Yes. Skip line 5; enter the amount from line 2 on line 6. <input type="checkbox"/> No. Go to line 5.		
5. Is the amount on line 3 less than \$7,200 (\$10,200 if married filing jointly)? <input type="checkbox"/> Yes. Leave line 5 blank; enter the amount from line 2 on line 6. <input type="checkbox"/> No. Look up the amount on line 3 in the EIC Table on page 16 to find the credit. Be sure you use the correct column for your filing status (Single or Married filing jointly). Enter the credit here		
Look at the amounts on lines 5 and 2. Then, enter the smaller amount on line 6.	5.	<input style="width: 90%;" type="text"/>
6. Earned income credit. Enter this amount on Form 1040EZ, line 8a		
	6.	<input style="width: 90%;" type="text"/>



If your EIC for a year after 1996 was reduced or disallowed, see above to find out if you must file Form 8862 to take the credit for 2008.

tended active duty, you are considered to be on extended active duty even if you do not serve more than 90 days.

Permanently and totally disabled. A person is permanently and totally disabled if, at any time in 2008, the person 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 be expected to lead to death.

Social security number (SSN). For 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 9. If you will not have an SSN by the date your return is due, see *What if You Cannot File on Time?* on page 22.

Student. A student is a child who during any part of 5 calendar months of 2008 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 a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or a school offering courses only through the Internet.

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.

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

But if the refund you receive because of the EIC is not spent within a certain period of time, it can count as an asset (or resource) and affect your eligibility.

9

Line 9, Recovery Rebate Credit

This credit is figured in the same manner as the economic stimulus payment you may have received in 2008 except that your 2008 tax information is used to figure this credit. Your 2007 tax information was used to figure your economic stimulus payment.

You may be able to take this credit only if:

- You did not get an economic stimulus payment, or
- Your economic stimulus payment was less than \$600 (\$1,200 if married filing jointly for 2007).

However, you do not qualify for this credit if all of the following apply.

- You received an economic stimulus payment of \$300 (\$600 if married filing jointly for 2007) before any offset (see *Refund Offset* on page 18),
- Your 2008 tax on Form 1040EZ, line 11, is \$300 or less (\$600 or less if married filing jointly for 2008), and
- Your 2008 filing status is the same as your 2007 filing status.

Use the worksheet that begins below to figure the credit you can take, if any. Or you can use the recovery rebate credit calculator on www.irs.gov.

Recovery Rebate Credit Worksheet—Line 9

Keep for Your Records



Before you begin: See the instructions for line 9 above to find out if you can take this credit.

TIP If you received Notice 1378, have it available. The notice shows the amount of your economic stimulus payment, which you will need to fill in line 24 on page 18. If you do not have Notice 1378, you can find the amount of your economic stimulus payment on www.irs.gov.

1. Can you, or your spouse if filing a joint return, be claimed as a dependent on another person's return?
 - No.** Go to line 2.
 - Yes.** You cannot take the credit. **Stop** here.
2. Does your tax return include a valid social security number for you and, if filing a joint return, your spouse?
 - Yes.** Skip lines 3 and 4 and go to line 5.
 - No.** Go to line 3.
3. Are you filing a joint return for 2008?
 - Yes.** Go to line 4.
 - No.** You cannot take the credit. **Stop** here.
4. Were either you or your spouse a member of the U.S. Armed Forces at any time during 2008?
 - Yes.** Go to line 5.
 - No.** You cannot take the credit. **Stop** here.
5. Enter the amount from Form 1040EZ, line 11 **5.**
6. Enter \$600 (\$1,200 if married filing jointly) **6.**
7. Enter the smaller of line 5 or line 6 **7.**
8. Is the amount on line 7 at least \$300 (\$600 if married filing jointly)?
 - Yes.** Skip lines 9 through 17 and enter the amount from line 7 on line 18.
 - No.** If line 5 is more than zero, go to line 9. Otherwise, skip lines 9 through 11 and go to line 12.
9. Enter the amount from Form 1040EZ, line 4 **9.**
10. Enter the amount shown below for your filing status.
 - Single – \$8,950
 - Married filing jointly – \$17,900 **10.**
11. Is the amount on line 9 more than the amount on line 10?
 - No.** Go to line 12.
 - Yes.** If line 5 is more than zero, skip lines 12 through 16 and go to line 17. Otherwise, go to line 12.
12. Enter the amount of any social security benefits you received in 2008 **12.**
13. Enter the amount of any nontaxable veterans' disability or death benefits you received in 2008 **13.**
14. **Earned income.** Complete Step 2— Earned Income on page 13. Enter the amount from Step 2. (If you (or your spouse, if filing jointly) had nontaxable combat pay and did not enter an amount on line 8b, add your (and your spouse's) nontaxable combat pay to the amount on this line.) **14.**
15. **Qualifying income.** Add lines 12 through 14 **15.**
16. Is line 15 at least \$3,000?
 - No.** Skip line 17 and enter the amount from line 7 on line 18.
 - Yes.** Go to line 17.
17. Enter \$300 (\$600 if married filing jointly) **17.**
18. Enter the larger of line 7 or line 17 **18.**

(Continued on next page.)



Recovery Rebate Credit— Line 9 (continued)

19. Enter the amount from Form 1040EZ, line 4	19.	
20. Is your filing status single?		
<input type="checkbox"/> No. Skip lines 21 and 22 and enter the amount from line 18 on line 23.		
<input type="checkbox"/> Yes. Enter \$75,000	20.	
21. Is the amount on line 19 more than the amount on line 20?		
<input type="checkbox"/> No. Skip line 22. Enter the amount from line 18 on line 23 below.		
<input type="checkbox"/> Yes. Subtract line 20 from line 19	21.	
22. Multiply line 21 by 5% (.05)	22.	
23. Subtract line 22 from line 18. If zero or less, enter -0-	23.	
24. Enter the amount, if any, of the economic stimulus payment you received (before offset) as shown on Notice 1378 or <i>www.irs.gov</i> . If you received more than one payment, enter the total of all payments you received as shown on all Notices 1378 or on <i>www.irs.gov</i> . If filing a joint return, include your spouse's payment as shown on your spouse's Notice 1378 or on <i>www.irs.gov</i> . If you filed a joint return for 2007 and received an economic stimulus payment, you and your spouse are each treated as having received half of the payment	24.	
25. Recovery rebate credit. Subtract line 24 from line 23. If zero or less, enter -0-. Enter the result here and, if more than zero, on Form 1040EZ, line 9. If you entered an amount on line 13 on page 17, enter "VA" in the space to the left of Form 1040EZ, line 9. If you (or your spouse if filing jointly) had nontaxable combat pay and did not enter an amount on line 8b, enter "NCP" in the space to the left of Form 1040EZ, line 9. If line 24 is more than line 23, you do not have to pay back the difference	25.	

Credit figured by the IRS. If you want us to figure the credit for you, enter "RRC" in the space to the left of line 9. If you (or your spouse, if filing jointly) received any nontaxable veterans' disability or death benefits, also enter "VA" in the space to the left of line 9. If you (or your spouse, if filing jointly) had nontaxable combat pay and did not enter an amount on line 8b, also enter "NCP" in the space to the left of line 9.



If your refund 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 2009 on page 23.

Line 10

Add lines 7, 8a, and 9. Enter the total on line 10.

Amount paid with request for extension of time to file. If you filed Form 4868 to get an automatic extension of time to file, include in the total on line 10 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 10 the convenience fee you were charged. To the left of line 10, enter "Form 4868" and show the amount paid.

11 Line 11, 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 the Tax Table that starts on page 28.

Refund

If line 12a is under \$1, we will send the refund only on written request.

If you want to check the status of your refund, please wait at least 72 hours after the IRS acknowledges receipt of your e-filed return (3 to 4 weeks after you mail a paper return) to do so. But if you filed Form 8379 with your return, allow 14 weeks (11 weeks if you filed electronically). See page 26 for details.

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 refund on line 12a 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). For federal tax offsets, you will receive a notice from the IRS. For all other offsets, you will receive a notice from FMS. To find out if you may have an offset or if you have a question about it, contact the agency(ies) you owe the debt to.

Injured spouse. 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 refund on line 12a may be used (offset) to pay the past-due amount. But your part of the refund may be refunded to you if certain conditions apply and you complete Form 8379. For details, use TeleTax topic 203 (see page 27) or see Form 8379.

Lines 12a Through 12d



Simple. Safe. Secure.

Fast Refunds! Choose direct deposit—a fast, simple, safe, secure way to have your refund deposited automatically into your checking or savings account, including an individual retirement arrangement (IRA).

Why Use Direct Deposit?

- You get your refund faster by direct deposit than you do by check.
- Payment is more secure. There is no check to get lost.
- It is more convenient. You do not have to make a trip to the bank to deposit your check.

- It saves tax dollars. It costs the government less to refund by direct deposit.

If you want us to directly deposit the amount shown on line 12a into your checking or savings account, including an IRA, at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) in the United States:

- Check the box on line 12a and attach Form 8888 if you want to split the direct deposit of your refund among two or three accounts, or
- Complete lines 12b through 12d if you want your refund deposited to only one account.

Otherwise, we will send you a check.

Note. If you do not want your refund directly deposited into your account, do not check the box on line 12a. Draw a line through the boxes on lines 12b and 12d.



The IRS is not responsible for a lost refund if you enter the wrong account information. Check with your financial institution to get the **correct** routing and account numbers and to make sure your direct deposit will be accepted. Do not use the routing number on a deposit slip if it is different from the routing number on your checks.

If you file a joint return and check the box on line 12a and attach Form 8888 or fill in lines 12b through 12d, your spouse may get at least part of the refund.

If the direct deposit to your account is different from the amount you expected, you will receive an explanation in the mail about 2 weeks after your refund is deposited.

TreasuryDirect. You can request a deposit of your refund to a TreasuryDirect online account to buy U.S. Treasury marketable securities and savings bonds. For more information, go to www.treasurydirect.gov.

Line 12a. You cannot file Form 8888 and split your refund among two or three accounts if Form 8379 is filed with your return.

Line 12b. 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 below, the routing number is 250250025. William and Doris Maple would use that routing number unless their financial institution instructed them to use a different routing number for direct deposits.

Ask your financial institution for the correct routing number to enter on line 12b if:

- Your deposit is to a savings account that does not allow you to write checks, or
- Your checks state they are payable through a financial institution different from the one at which you have your checking account.

Line 12c. Check the appropriate box for the type of account. Do not check more than one box. If the deposit is to an account such as an IRA, health savings account, brokerage

Sample Check— Lines 12b Through 12d

William Maple
Doris Maple
1234 Redwood Circle
Anytown, MD 20000

PAY TO THE ORDER OF

ANYTOWN BANK
Anytown, MD 20000

For

1 : 250250025 : 02020-86-1234

1234
1234-0000/0000

Account number (line 12d)

Routing number (line 12b)

Do not include the check number.

account, or other similar account, ask your financial institution whether you should check the “Checking” or “Savings” box. You must check the correct box to ensure your deposit is accepted. For a TreasuryDirect online account, check the “Savings” box.

Line 12d. 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 this page, the account number is 20202086. Do not include the check number.

You cannot request a deposit of your refund to an account that is not in your name (such as your tax preparer’s own account).



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.

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

Amount You Owe



IRS e-file offers you the electronic payment option of electronic funds withdrawal (EFW). EFW can be used to pay your current year balance due and can be used to make up to four estimated tax payments. If you are filing early, you can schedule your payment for withdrawal from your account on a future date, up to and including April 15, 2009. If you file your return after April 15, 2009, you now can include interest and penalty in your payment. Visit www.irs.gov and enter “e-pay” in the search box for details.

You also can pay using the electronic federal tax payment system (EFTPS), a free tax payment system that allows you to make payments online or by phone. For more information or details on enrolling, visit www.eftps.gov or call Customer Service at 1-800-316-6541. TTY/TDD help is available by calling 1-800-733-4829.

Line 13, Amount You Owe



To save interest and penalties, pay your taxes in full by April 15, 2009. You do not have to pay if line 13 is under \$1.

If you are not using EFW or EFTPS, you have three other ways to pay.

Pay by check or money order. Enclose in the envelope with your return a check or money order payable to the “United States Treasury” for the full amount when you file. Do not attach the payment to your return. Do not send cash. Write “2008 Form 1040EZ” 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 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 $\frac{XX}{100}$ ”).

Pay by credit card. You can use your American Express® Card, Discover® Card, MasterCard® card, or Visa® card. To pay by credit card, call toll-free or visit the website of either service provider listed on the next 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 also can find out what the fee will be by

calling the provider's toll-free automated customer service number or visiting the provider's website shown below.

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

Link2Gov Corporation
1-888-PAY-1040SM
(1-888-729-1040)
Customer Service:
1-888-658-5465
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, (b) increase the tax withheld from other income by filing Form W-4V, or (c) make estimated tax payments for 2009. See Income tax withholding and estimated tax payments for 2009 on page 23.

What if You Cannot Pay?

Installment payments. If you cannot pay the full amount shown on line 13 when you file, you can ask to make monthly installment payments for the full or a partial amount. You may have up to 60 months to pay. However, even if your request to pay in installments is granted, you will be charged interest and may be charged a late payment penalty on the tax not paid by April 15, 2009. You also must 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 or credit card payment.

To ask for an installment agreement, you can apply online or use Form 9465. To apply online, go to www.irs.gov, use the pull-down menu under "I need to ..." and select "Set Up a Payment Plan." If you use Form 9465, you should receive a response to your request to make installment payments within 30 days. But if you file your return after March 31, it may take us longer to reply.

Penalty for Not Paying Enough Tax During the Year

You may have to pay a penalty if line 13 is at least \$1,000 and it is more than 10% of the tax shown on your return. The "tax shown on your return" is the amount on line 11 minus the amounts on lines 8a and 9. You may choose to have the IRS figure the penalty for you. If you owe a penalty, the IRS will send you a bill. However, if you want to figure the penalty yourself on Form 2210, you must file Form 1040A or 1040 to do so.

The penalty may be waived under certain conditions. See Pub. 505 for details.

Exceptions to the penalty. You will not owe the penalty if your 2007 tax return was for a tax year of 12 full months and either of the following applies.

1. You had no tax shown on your 2007 return and you were a U.S. citizen or resident for all of 2007, or
2. Line 7 on your 2008 return is at least as much as the tax shown on your 2007 return.

Third Party Designee

If you want to allow a friend, family member, or any other person you choose to discuss your 2008 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 digits 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 also are 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),
- Receive copies of notices or transcripts related to your return, upon request, and
- Respond to certain IRS notices about math errors, offsets, and return preparation.

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 will automatically end no later than the due date (without regard to extensions) for filing your 2009 tax return. This is April 15, 2010, for most people. If you want to revoke the authorization before it ends, see Pub. 947.

Signing Your Return

Form 1040EZ is not considered a valid return unless you sign it. If you are filing a joint return, your spouse also must sign. If your spouse cannot sign the return, see Pub. 501. Be sure to date your return and enter your occupation(s). If you are filing a joint return as a surviving spouse, see *Death of a taxpayer* beginning on page 4.

Child's return. If your child cannot sign the return, either parent can 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 can have questions about items on your return, such as the earned income credit. If you answer 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 can 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 in the space provided. 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.



Electronic return signatures!

To file your return electronically, you must sign the return electronically using a personal identification number (PIN). If you are filing online using software, you must use a Self-Select PIN. If you are filing electronically using a tax practitioner, you can use a Self-Select PIN or a Practitioner PIN.

Self-Select PIN. The Self-Select PIN method allows you to create your own PIN. If you are married filing jointly, you and your spouse each will need to create a PIN and enter these PINs as your electronic signatures.

A PIN is any combination of five digits you choose except five zeros. If you use a PIN, there is nothing to sign and nothing to mail—not even your Forms W-2.

To verify your identity, you will be prompted to enter your adjusted gross income (AGI) from your originally filed 2007 federal income tax return, if applicable. Do not use your AGI from an amended return (Form 1040X) or a math error correction made by IRS. AGI is the amount shown on your 2007 Form 1040, line 38; Form 1040A, line 22; or Form 1040EZ, line 4. If you do not have your 2007 income tax return, call the IRS at 1-800-829-1040 to get a free transcript of your return. (If you filed electronically last year, you may use your prior year PIN to verify your identity instead of your prior year AGI. The prior year PIN is the five digit PIN you used to electronically sign your 2007 return.) You also will 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 by checking your annual social security statement.



You cannot use the Self-Select PIN method if you are a first-time filer under age 16 at the end of 2008.

Practitioner PIN. The Practitioner PIN method allows you to authorize your tax practitioner to enter or generate your PIN. The practitioner can provide you with details.

Form 8453. You must send in a paper Form 8453 if you are attaching or filing Form 2848 (for an electronic return signed by an agent).

For more details, visit www.irs.gov/efile and click on "Individual Taxpayers."

Section 4—After You Have Finished

Return Checklist

This checklist can help you file a correct return. Mistakes can delay your refund or result in notices being sent to you.

Did you:

- Enter the correct social security number for you and your spouse if married in the space provided on Form 1040EZ? Check that your name and SSN agree with your social security card.
- Use the amount from line 6, and the proper filing status, to find your tax in the Tax Table? Be sure you entered the correct tax on line 11.
- Go through the three steps on pages 12 through 14, if you thought you could take the EIC? If you could take the EIC, did you take special care to use the proper filing status column in the EIC Table?
- Check your math, especially when figuring your taxable income, federal income tax withheld, earned income credit, total payments, and your refund or amount you owe?
- Check one or both boxes on line 5 if you (or your spouse) can be claimed as a dependent on someone's (such as your parents') 2008 return? Did you check the box even if that person chooses not to claim you (or your spouse)? Did you leave the boxes blank if no one can claim you (or your spouse) as a dependent?
- Enter an amount on line 5? If you checked any of the boxes, did you use the worksheet on the back of Form 1040EZ to figure the amount to enter? If you did not check any of the boxes, did you enter \$8,950 if single; \$17,900 if married filing jointly?
- Sign and date Form 1040EZ and enter your occupation(s)?
- Use your peel-off label (if you got one)? If it did not show your correct name(s) and address, did you enter the right information? If you did not get a label, did you enter your name and address in the spaces provided on Form 1040EZ?
- Include your apartment number in your address if you live in an apartment?
- Attach your Form(s) W-2 to the left margin of Form 1040EZ?
- Include all the required information on your payment if you owe tax and are paying by check or money order? See the instructions for line 13 beginning on page 19 for details.
- File only one original return for the same year, even if you have not gotten your refund or have not heard from the IRS since you filed? Filing more than one original return for the same year or sending in more than one copy of the same return (unless we ask you to do so) could delay your refund.

Filing the Return

Due Date

File Form 1040EZ by *April 15, 2009*. If you file after this date, you may have to pay interest and penalties, discussed later on this page.

If you were serving in, or in support of, the U.S. Armed Forces in a designated combat zone, qualified hazardous duty area, or a contingency operation, you can file later. See Pub. 3 for details.

What if You Cannot File on Time?

If you cannot file on time, you can get an automatic 6-month extension if, no later than the date your return is due, you file Form 4868. For details, see Form 4868.

However, even if you get an extension, the tax you owe is still due April 15, 2009. If you make a payment with your extension request, see the instructions for line 11 on page 18.

What if You File or Pay Late?

We can charge you interest and penalties on the amount you owe.

Late filing. If you file late, the penalty is usually 5% of the amount due for each month or part of a month your return is late, unless you have a reasonable explanation. If you do, attach it to your return. The penalty can be as much as 25% of the tax due. The penalty is 15% per month, up to a maximum of 75%, if the failure to file is fraudulent. We will charge you interest on the penalty from the due date of the return (including extensions). If your return is more than 60 days late, the minimum penalty will be \$135 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 $\frac{1}{2}$ 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.

Frivolous return. In addition to any other penalties, there is a penalty of \$5,000 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. For a list of positions identified as frivolous, see Notice 2008-14, 2008-4 I.R.B. 310, available at www.irs.gov/irb/2008-04_IRB/ar12.html.

Are there other penalties? Yes. There are penalties for negligence, substantial understatement of tax, reportable transaction understatements, filing an erroneous refund claim, and fraud. We will charge you interest on these penalties from the due date of the return (including extensions). There may be criminal penalties for willful failure to file, tax evasion, or making a false statement. See Pub. 17 for details.

Where Do You File?

See the back cover.

Private delivery services. You can use only the IRS-designated private delivery services below to meet the "timely mailing as timely filing/paying" rule for tax returns and payments.

- DHL Express (DHL): DHL Same Day Service, DHL Next Day 10:30 am, DHL Next Day 12:00 pm, DHL Next Day 3:00 pm, and DHL 2nd Day Service.
- 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.

Section 5—General Information

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.

Income tax withholding and estimated tax payments for 2009. If the amount you owe or your refund 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 2009 pay. For details on how to complete Form W-4, see Pub. 919. If you receive certain government payments (such as unemployment compensation or social security benefits), you can have tax withheld from those payments by giving the payer Form W-4V. In general, you do not have to make estimated tax payments if you expect that your 2009 tax return will show a tax refund or a tax balance due of less than \$1,000. See Pub. 505 for more details.

Secure your records from identity theft. Identity theft occurs when someone uses your personal information, such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, etc., contact the IRS Identity Theft Hotline at 1-800-908-4490.

For more information, see Pub. 4535.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common form is the act of sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward the message to phishing@irs.gov. You may also report misuse of the IRS name, logo, forms, or other IRS property to the Treasury Inspector General for Tax Administration toll-free at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

How long should you keep your tax return? 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. See Pub. 552 for details.

How do you amend your tax return? Use 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 live in a federally declared disaster area or you are physically or mentally unable to manage your financial affairs. See Pub. 556 for details.

How do you get a copy of your tax return? If you need a copy of your tax return, use Form 4506. There is a \$57 fee (subject to change) for each return requested. If your main home, principal place of business, or tax records are located in a federally declared disaster area, this fee will be waived. If you want a free transcript of your tax return or account, use Form 4506-T or call us. See page 25 for the number.

Past due returns. The integrity of our tax system and well-being of our country depend, to a large degree, on the timely filing and payment of taxes by each individual, family, and business in this country. Those choosing not to file and pay their fair share increase the burden on the rest of us to support our schools, maintain and repair roadways, and the many other ways our tax dollars help to make life easier for all citizens.

Some people don't know they should file a tax return; some don't file because they expect a refund; and some don't file because they owe taxes. Encourage your family, neighbors, friends, and coworkers to do their fair share by filing their federal tax returns and paying any tax due on time.

If you or someone you know needs to file past due tax returns, use TeleTax topic 153 (see page 27) or visit www.irs.gov and click on "Individuals" for help in filing those returns. Send the returns to the address that applies to you in the latest Form 1040EZ instruction booklet. For example, if you are filing a 2005 return in 2009, use the address in this booklet. However, if you got an IRS notice, mail the return to the address in the notice.

Innocent spouse relief. Generally, both you and your spouse are each responsible for paying the full amount of tax, interest, and penalties on your joint return. However, 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 for the tax. You also may qualify for relief if you were a married resident of a community property state but did not file a joint return and are now liable for an underpaid or understated tax. To request relief, you generally must file Form 8857 no later than 2 years after the date on which the IRS first attempted to collect the tax from you. For more information, see Pub. 971 and Form 8857 or you can call the Innocent Spouse office toll-free at 1-866-897-4270.

How do you make a gift to reduce debt held by the public? 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.



You may be able to deduct this gift on your 2009 tax return.

Internal Revenue Service 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.
- Canceling penalties.
- Resolving problems.
- Simpler forms.

For information about our standards and a report of our accomplishments, see Publication 2183.

Help With Unresolved Tax Issues (Taxpayer Advocate Service)

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should. You may be eligible for assistance if:

- You are experiencing economic harm or significant cost (including fees for professional representation),
- You have experienced a delay of more than 30 days to resolve your tax issue, or
- You have not received a response or resolution to the problem by the date promised by the IRS.

The service is free, confidential, tailored to meet your needs, and available for businesses as well as individuals. There is at

least one local taxpayer advocate in each state, the District of Columbia, and Puerto Rico. Because advocates are part of the IRS, they know the tax system and how to navigate it. If you qualify for assistance, you will receive personalized service from a knowledgeable advocate who will:

- Listen to your problem,
- Help you understand what needs to be done to resolve it, and
- Stay with you every step of the way until your problem is resolved.

You can contact the Taxpayer Advocate Service by:

- Calling the TAS toll-free case intake line at 1-877-777-4778 (TTY/TDD 1-800-829-4059),
- Calling or writing your local taxpayer advocate, whose address and phone number are listed in the government listings in your local telephone directory and in Pub. 1546, Taxpayer Advocate Service—Your Voice at the IRS,
- Filing Form 911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), with the Taxpayer Advocate Service, or
- Asking an IRS employee to complete Form 911 on your behalf.

To get a copy of Form 911 or learn more about the Taxpayer Advocate Service, go to www.irs.gov/advocate.

Low Income Tax Clinics (LITCs)

LITCs are independent organizations that provide low income taxpayers with representation in federal tax controversies with the IRS for free or for a nominal charge. The clinics also provide tax education and outreach for taxpayers who speak English as a second language. Pub. 4134, Low Income Taxpayer Clinic List, provides information on clinics in your area. It is available at www.irs.gov or your local IRS office.

Section 6—Getting Tax Help

The Internet and the phone are the two easiest ways to get the help you need.




If you live outside the United States, see Pub. 54 to find out how to get tax help.



Internet

You can access the IRS website 24 hours a day, 7 days a week at www.irs.gov.

Online services and help. Here are just a few of the many things you can do at www.irs.gov :

-  Access Free File, a free commercial income tax preparation and electronic filing service available to eligible taxpayers (see page 39).
- Check the status of your 2008 refund.
- See "Frequently Asked Questions."
- Get TeleTax topics (see page 27).
- Use our Withholding Calculator at www.irs.gov/individuals.
- Find an authorized e-file Provider.
- View information on accessible IRS tax products. Click on "Accessibility."
- View and download products. Click on "More Forms and Publications."
- Order tax products online. Go to www.irs.gov/formspubs to order tax products delivered by mail.

If you do not see the link you need, use the search box.



Phone

If you cannot find the answer to your questions in this booklet or online, please call us for assistance. See "Calling Us" next.

Calling Us

There is live and recorded tax help available. You will not be charged for the call unless your phone company charges you for toll-free calls. Live tax help is available Monday through Friday from 7:00 a.m. to 10:00 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. Recorded tax help is available anytime.



If you want to check the status of your 2008 refund, see Refund Information on page 26.

Live Tax Help

Making the call. Call **1-800-829-1040 (TTY/TDD 1-800-829-4059)**. Our menu allows you to speak your responses or use your keypad to select a menu option. Follow the voice prompts.

Information we may need. We care about the quality of the service provided 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 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: (a) your social security number, date of birth, or personal identification number (PIN) if you have one, and (b) the amount of refund shown on your tax return, your filing status, the "Caller ID Number" shown at the top of any

notice you received, the numbers in your street address, or 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. We use several methods to evaluate our telephone service. For quality assurance purposes only, we may record telephone calls. A random sample of recorded calls is selected for review. We may also listen to live calls in progress. Finally, we randomly select customers for participation in a customer satisfaction survey.

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.

Ordering Tax Products

Call 1-800-TAX-FORM (1-800-829-3676). Receive your order within 10 working days.

National Taxpayer Advocate Helpline

Call 1-877-777-4778.

Other Ways To Get Help

Send us your written tax questions. For the mailing address, call us at 1-800-829-1040 (TTY/TDD 1-800-829-4059). You should get an answer in about 30 days. Do not send questions with your return.

Research your tax questions online. You can find answers to many of your tax questions online in several ways by accessing our website at www.irs.gov/help and then clicking on "Help with Tax Questions." Here are some of the methods you may want to try.

- Frequently asked questions. This section contains an extensive list of questions and answers. You can select your question by category or keyword.
- Tax trails. This is an interactive section which asks questions you can answer by selecting "Yes" or "No."
- Tax topics. This is an online version of the TeleTax topics listed on page 27.

Free help with your return. Free help in preparing your return is available nationwide from IRS-sponsored volunteers. These volunteers are trained and certified to prepare federal income tax returns by passing an IRS test.

Volunteer Income Tax Assistance (VITA). The VITA program is designed to help low-income taxpayers.

Tax Counseling for the Elderly (TCE). The TCE program is designed to assist taxpayers age 60 or older with their tax return preparation.

VITA/TCE sites. VITA/TCE tax preparation sites must adhere to strict quality standards necessary to prepare accurate returns. Free electronic filing is offered by IRS-authorized e-file providers at many of the VITA/TCE locations nationwide. Volunteers will help you with claiming the credits and deductions you may be entitled to.

Members of the military. If you are a member of the military, you also can get assistance on military tax benefits, such as combat zone tax benefits, at an office within your installation.

Further information. For more information on these programs, go to www.irs.gov and enter keyword "VITA" in the search box. Or, call us at 1-800-829-1040. To find the nearest AARP Tax-Aide site, visit AARP's website at www.aarp.org/money/taxaide or call 1-888-227-7669.

When you go for help, take proof of identity and social security numbers (or individual taxpayer identification numbers) for your spouse, your dependents, and yourself. Also take a copy of your 2007 tax return (if available), all your Forms W-2, 1099, and 1098 for 2008, and any other information about your 2008 income and expenses. Also bring Notice 1378 if you received an economic stimulus payment during 2008.

Everyday tax solutions. You can get face-to-face help solving tax problems every business day in our Taxpayer Assistance Centers. An employee can explain our letters, request adjustments to your account, or help you set up a payment plan. Call your local Taxpayer Assistance Center for an appointment. To find the number, go to www.irs.gov/localcontacts or look in the phone book under "United States Government, Internal Revenue Service."

Online services. If you subscribe to an online service, ask about online filing or tax information.

Help for people with disabilities. The TTY/TDD number for telephone help is 1-800-829-4059. Braille materials are available at libraries that have special services for people with disabilities.



Walk-In

Pick up some of the most requested tax products at many IRS offices, post offices, and libraries. Also, some grocery stores, copy centers, city and county government offices, and credit unions have reproducible tax products available to photocopy or print from a DVD.



Mail

Order tax products from:

Internal Revenue Service
1201 N. Mitsubishi Motorway
Bloomington, IL 61705-6613

Receive your order within 10 working days after your request is received.



DVD

Buy IRS Publication 1796 (IRS Tax Products DVD) for \$30. Price is subject to change. There may be a handling fee. The DVD includes current-year and prior-year tax products; Internal Revenue Bulletins; and toll-free and email technical support. The DVD is released twice during the year. The first release will ship early January 2009 and the final release will ship early March 2009.

Get the DVD by Internet or phone. Buy it from:

- National Technical Information Service (NTIS) at www.irs.gov/cdorders (or 1-877-233-6767)
- Government Printing Office (GPO) at <http://bookstore.gpo.gov> (search for Pub. 1796) (or 1-866-512-1800)

Refund Information

where's my refund?

You can go online to check the status of your refund 72 hours after the IRS acknowledges receipt of your e-filed return, or 3 to 4 weeks after you mail a paper return. But if you filed Form 8379 with your return, allow 14 weeks (11 weeks if you filed electronically) before checking your refund status.



Go to www.irs.gov and click on *Where's My Refund*. Have a copy of your tax return handy. You will need to provide the following information from your return:

- Your social security number (or individual taxpayer identification number),
- Your filing status, and
- The exact whole dollar amount of your refund.



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

If you do not have Internet access, call:

- 1-800-829-1954 during the hours shown on page 25 under *Calling Us*, or
- 1-800-829-4477 24 hours a day, 7 days a week, for automated refund information.

Do not send in a copy of your return unless asked to do so.

To get a refund, you generally must file your return within 3 years from the date the return was due (including extensions).

Refund information also is available in Spanish at www.irs.gov/espanol and the phone numbers listed above.

Recorded Tax Help (TeleTax)

TeleTax is a wide-ranging directory of recorded tax information that is available anytime. A complete list of topics is on page 27.

Select the number of the topic you want to hear. Then, call **1-800-829-4477**. Be ready to take notes.

TeleTax topics by Internet. TeleTax topics are also available at www.irs.gov.

TeleTax Topics				Topic No.	Subject	Topic No.	Subject	Topic No.	Subject
Call 1-800-829-4477 All topics are available in Spanish.				418	Unemployment compensation	554	Self-employment tax	758	Form 941 — Employer's Quarterly Federal Tax Return and Form 944 — Employer's Annual Federal Tax Return
Topic No.	Subject	Topic No.	Subject	419	Gambling income and expenses	557	Tax on early distributions from traditional and Roth IRAs	761	Tips — Withholding and reporting
IRS Help Available		206	Dishonored payments	420	Bartering income	558	Tax on early distributions from retirement plans	762	Independent contractor vs. employee
101	IRS services — Volunteer tax assistance, toll-free telephone, walk-in assistance, and outreach programs	Alternative Filing Methods		421	Scholarship and fellowship grants	Tax Credits		Magnetic Media Filers — 1099 Series and Related Information Returns	
102	Tax assistance for individuals with disabilities and the hearing impaired	253	Substitute tax forms	423	Social security and equivalent railroad retirement benefits	601	Earned income credit (EIC)	801	Who must file magnetically
103	Tax help for small businesses and the self-employed	254	How to choose a paid tax preparer	424	401(k) plans	602	Child and dependent care credit	802	Applications, forms, and information
104	Taxpayer Advocate Service — Help for problem situations	General Information		425	Passive activities — Losses and credits	607	Adoption credit	803	Waivers and extensions
105	Armed Forces tax information	301	When, where, and how to file	427	Stock options	608	Excess social security and RRTA tax withheld	804	Test files and combined federal and state filing
107	Tax relief in disaster situations	303	Checklist of common errors when preparing your tax return	429	Traders in securities (information for Form 1040 filers)	610	Retirement savings contributions credit	805	Electronic filing of information returns
IRS Procedures		304	Extension of time to file your tax return	430	Exchange of policyholder interest for stock	611	First-time homebuyer credit	Tax Information for Aliens and U.S. Citizens Living Abroad	
151	Your appeal rights	305	Recordkeeping	431	Canceled debt — is it taxable or not?	IRS Notices		851	Resident and nonresident aliens
152	Refund information	306	Penalty for underpayment of estimated tax	Adjustments to Income		651	Notices — What to do	856	Foreign tax credit
153	What to do if you haven't filed your tax return	307	Backup withholding	451	Individual retirement arrangements (IRAs)	652	Notice of underreported income — CP 2000	857	Individual taxpayer identification number (ITIN) — Form W-7
154	Forms W-2 and Form 1099-R — What to do if not received	308	Amended returns	452	Alimony paid	653	IRS notices and bills, penalties, and interest charges	858	Alien tax clearance
155	Forms and publications — How to order	309	Roth IRA contributions	453	Bad debt deduction	Basis of Assets, Depreciation, and Sale of Assets		Tax Information for Residents of Puerto Rico (in Spanish only)	
156	Copy of your tax return — How to get one	310	Coverdell education savings accounts	455	Moving expenses	701	Sale of your home	901	Is a person with income from Puerto Rican sources required to file a U.S. federal income tax return?
157	Change of address — How to notify IRS	311	Power of attorney information	456	Student loan interest deduction	703	Basis of assets	902	Credits and deductions for taxpayers with Puerto Rican source income that is exempt from U.S. tax
158	Ensuring proper credit of payments	312	Disclosure authorizations	457	Tuition and fees deduction	704	Depreciation	903	Federal employment tax in Puerto Rico
159	Prior year(s) Form W-2 — How to get a copy of	313	Qualified tuition programs (QTPs)	458	Educator expense deduction	705	Installment sales	904	Tax assistance for residents of Puerto Rico
160	Form 1099-A (Acquisition or Abandonment of Secured Property) and Form 1099-C (Cancellation of Debt)	Filing Requirements, Filing Status, and Exemptions		Itemized Deductions		Employer Tax Information			
201	The collection process	352	Which form — 1040, 1040A, or 1040EZ?	501	Should I itemize?	751	Social security and Medicare withholding rates		
202	Tax payment options	356	Decedents	502	Medical and dental expenses	752	Form W-2 — Where, when, and how to file		
203	Failure to pay child support and federal nontax and state income tax obligations	Types of Income		503	Deductible taxes	753	Form W-4 — Employee's Withholding Allowance Certificate		
204	Offers in compromise	401	Wages and salaries	504	Home mortgage points	754	Form W-5 — Advance earned income credit		
205	Innocent spouse relief (and separation of liability and equitable relief)	403	Interest received	505	Interest expense	755	Employer identification number (EIN) — How to apply		
		404	Dividends	506	Contributions	756	Employment taxes for household employees		
		407	Business income	507	Casualty and theft losses	757	Forms 941 and 944 — Deposit requirements		
		409	Capital gains and losses	508	Miscellaneous expenses			Topic numbers are effective January 1, 2009.	
		410	Pensions and annuities	509	Business use of home				
		411	Pensions — The general rule and the simplified method	510	Business use of car				
		412	Lump-sum distributions	511	Business travel expenses				
		413	Rollovers from retirement plans	512	Business entertainment expenses				
		414	Rental income and expenses	513	Educational expenses				
		415	Renting residential and vacation property	514	Employee business expenses				
		416	Farming and fishing income	515	Casualty, disaster, and theft losses				
		417	Earnings for clergy	Tax Computation					
				551	Standard deduction				
				552	Tax and credits figured by the IRS				
				553	Tax on a child's investment income				

Table with 4 main columns: If Form 1040EZ, line 6, is -; And you are - (Single, Married filing jointly); and two columns for tax amounts. The table is organized into sections for each tax bracket (e.g., 81,000, 82,000, 83,000, 84,000, 85,000, 86,000, 87,000, 88,000, 89,000, 90,000, 91,000, 92,000).

(Continued on page 36)

2008 Tax Table - Continued

If Form 1040EZ, line 6, is -		And you are -		If Form 1040EZ, line 6, is -		And you are -		If Form 1040EZ, line 6, is -		And you are -		If Form 1040EZ, line 6, is -		And you are -	
At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly
Your tax is -				Your tax is -				Your tax is -				Your tax is -			
93,000				95,000				97,000				99,000			
93,000	93,050	20,025	15,944	95,000	95,050	20,585	16,444	97,000	97,050	21,145	16,944	99,000	99,050	21,705	17,444
93,050	93,100	20,039	15,956	95,050	95,100	20,599	16,456	97,050	97,100	21,159	16,956	99,050	99,100	21,719	17,456
93,100	93,150	20,053	15,969	95,100	95,150	20,613	16,469	97,100	97,150	21,173	16,969	99,100	99,150	21,733	17,469
93,150	93,200	20,067	15,981	95,150	95,200	20,627	16,481	97,150	97,200	21,187	16,981	99,150	99,200	21,747	17,481
93,200	93,250	20,081	15,994	95,200	95,250	20,641	16,494	97,200	97,250	21,201	16,994	99,200	99,250	21,761	17,494
93,250	93,300	20,095	16,006	95,250	95,300	20,655	16,506	97,250	97,300	21,215	17,006	99,250	99,300	21,775	17,506
93,300	93,350	20,109	16,019	95,300	95,350	20,669	16,519	97,300	97,350	21,229	17,019	99,300	99,350	21,789	17,519
93,350	93,400	20,123	16,031	95,350	95,400	20,683	16,531	97,350	97,400	21,243	17,031	99,350	99,400	21,803	17,531
93,400	93,450	20,137	16,044	95,400	95,450	20,697	16,544	97,400	97,450	21,257	17,044	99,400	99,450	21,817	17,544
93,450	93,500	20,151	16,056	95,450	95,500	20,711	16,556	97,450	97,500	21,271	17,056	99,450	99,500	21,831	17,556
93,500	93,550	20,165	16,069	95,500	95,550	20,725	16,569	97,500	97,550	21,285	17,069	99,500	99,550	21,845	17,569
93,550	93,600	20,179	16,081	95,550	95,600	20,739	16,581	97,550	97,600	21,299	17,081	99,550	99,600	21,859	17,581
93,600	93,650	20,193	16,094	95,600	95,650	20,753	16,594	97,600	97,650	21,313	17,094	99,600	99,650	21,873	17,594
93,650	93,700	20,207	16,106	95,650	95,700	20,767	16,606	97,650	97,700	21,327	17,106	99,650	99,700	21,887	17,606
93,700	93,750	20,221	16,119	95,700	95,750	20,781	16,619	97,700	97,750	21,341	17,119	99,700	99,750	21,901	17,619
93,750	93,800	20,235	16,131	95,750	95,800	20,795	16,631	97,750	97,800	21,355	17,131	99,750	99,800	21,915	17,631
93,800	93,850	20,249	16,144	95,800	95,850	20,809	16,644	97,800	97,850	21,369	17,144	99,800	99,850	21,929	17,644
93,850	93,900	20,263	16,156	95,850	95,900	20,823	16,656	97,850	97,900	21,383	17,156	99,850	99,900	21,943	17,656
93,900	93,950	20,277	16,169	95,900	95,950	20,837	16,669	97,900	97,950	21,397	17,169	99,900	99,950	21,957	17,669
93,950	94,000	20,291	16,181	95,950	96,000	20,851	16,681	97,950	98,000	21,411	17,181	99,950	100,000	21,971	17,681
94,000				96,000				98,000				<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: 0 auto;"> \$100,000 or over — use Form 1040 </div>			
94,000	94,050	20,305	16,194	96,000	96,050	20,865	16,694	98,000	98,050	21,425	17,194				
94,050	94,100	20,319	16,206	96,050	96,100	20,879	16,706	98,050	98,100	21,439	17,206				
94,100	94,150	20,333	16,219	96,100	96,150	20,893	16,719	98,100	98,150	21,453	17,219				
94,150	94,200	20,347	16,231	96,150	96,200	20,907	16,731	98,150	98,200	21,467	17,231				
94,200	94,250	20,361	16,244	96,200	96,250	20,921	16,744	98,200	98,250	21,481	17,244				
94,250	94,300	20,375	16,256	96,250	96,300	20,935	16,756	98,250	98,300	21,495	17,256				
94,300	94,350	20,389	16,269	96,300	96,350	20,949	16,769	98,300	98,350	21,509	17,269				
94,350	94,400	20,403	16,281	96,350	96,400	20,963	16,781	98,350	98,400	21,523	17,281				
94,400	94,450	20,417	16,294	96,400	96,450	20,977	16,794	98,400	98,450	21,537	17,294				
94,450	94,500	20,431	16,306	96,450	96,500	20,991	16,806	98,450	98,500	21,551	17,306				
94,500	94,550	20,445	16,319	96,500	96,550	21,005	16,819	98,500	98,550	21,565	17,319				
94,550	94,600	20,459	16,331	96,550	96,600	21,019	16,831	98,550	98,600	21,579	17,331				
94,600	94,650	20,473	16,344	96,600	96,650	21,033	16,844	98,600	98,650	21,593	17,344				
94,650	94,700	20,487	16,356	96,650	96,700	21,047	16,856	98,650	98,700	21,607	17,356				
94,700	94,750	20,501	16,369	96,700	96,750	21,061	16,869	98,700	98,750	21,621	17,369				
94,750	94,800	20,515	16,381	96,750	96,800	21,075	16,881	98,750	98,800	21,635	17,381				
94,800	94,850	20,529	16,394	96,800	96,850	21,089	16,894	98,800	98,850	21,649	17,394				
94,850	94,900	20,543	16,406	96,850	96,900	21,103	16,906	98,850	98,900	21,663	17,406				
94,900	94,950	20,557	16,419	96,900	96,950	21,117	16,919	98,900	98,950	21,677	17,419				
94,950	95,000	20,571	16,431	96,950	97,000	21,131	16,931	98,950	99,000	21,691	17,431				

Disclosure, Privacy Act, and Paperwork Reduction Act Notice

The IRS Restructuring and Reform Act of 1998, the Privacy Act of 1974, and the 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 you to provide your social security number or other identifying number. 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 give the information asked for, or give false information, you may be charged penalties and be subject to criminal prosecution. We also may have to disallow the exemptions, credits, or deductions shown on your tax return. This could make the tax higher or delay any refund. Interest also may 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 also may disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies 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.

We welcome comments on forms. If you have suggestions for making this form simpler, we would be happy to hear from you. You can email us at *taxforms@irs.gov. (The asterisk must be included in the address.) Enter "Forms Comment" on the subject line. Or you can write to Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send your return to this address. Instead, see *Where Do You File?* on the back cover.

Estimates of Taxpayer Burden

The table below shows burden estimates by form type and type of taxpayer. Time burden is further broken out by taxpayer activity. The largest component of time burden for all taxpayers is recordkeeping, as opposed to form completion and submission. In addition, the time burden associated with form completion and submission activities is closely tied to preparation method (self-prepared without software, self-prepared with software, and prepared by paid preparer).

Time spent and out-of-pocket costs are estimated separately. Out-of-pocket costs include any expenses incurred by taxpayers to prepare and submit their tax returns. Examples of out-of-pocket costs include tax return preparation and submission fees, postage, tax preparation software costs, photocopying costs, and phone calls (if not toll-free).

Both time and cost burdens are national averages and do not necessarily reflect a "typical" case. For instance, the average time burden for all taxpayers filing a 1040, 1040A, or 1040EZ was 26.4 hours, with an average cost of \$209 per return. This average includes all associated forms and schedules, across all preparation methods and all taxpayer activities. Taxpayers filing Form 1040 had an average burden of about 33 hours, and taxpayers filing Form 1040A and Form 1040EZ averaged about 11 hours. However, within each of these estimates, there is significant variation in taxpayer activity. Similarly, tax preparation fees vary extensively depending on the taxpayer's tax situation and issues, the type of professional preparer, and the geographic area.

The data shown are the best forward-looking estimates available as of November 4, 2008, for income tax returns filed for 2008. The method used to estimate taxpayer burden incorporates results from a taxpayer burden survey conducted in 2000 and 2001. The estimates are subject to change as new data becomes available. The estimates do not include burden associated with post-filing activities. However, operational IRS data indicates that electronically prepared and e-filed returns have fewer errors, implying a lower overall post-filing burden.

If you have comments concerning the time and cost estimates below, you can contact us at either one of the addresses shown under *We welcome comments on forms* above.

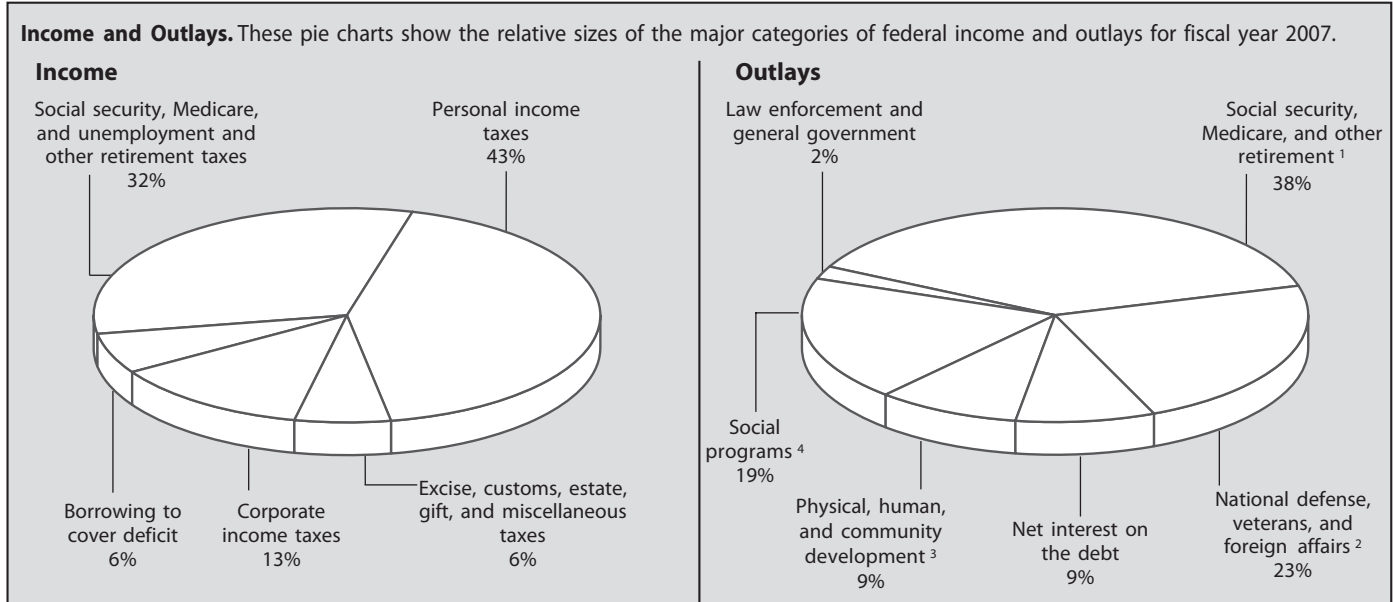
Estimated Average Taxpayer Burden for Individuals by Activity

The average time and costs required to complete and file Form 1040, Form 1040A, Form 1040EZ, their schedules, and accompanying forms will vary depending on individual circumstances. The estimated averages are:

Major Form Filed or Type of Taxpayer	Percentage of Returns	Average Time Burden (Hours)						Average Cost (Dollars)
		Total Time	Record Keeping	Tax Planning	Form Completion	Form Submission	All Other	
All taxpayers	100	26.4	15.1	4.6	3.4	0.6	2.8	\$209
Major forms filed								
1040	71	32.7	19.3	5.7	3.7	0.6	3.4	264
1040A & 1040EZ	29	10.6	4.5	1.8	2.6	0.5	1.4	73
Type of taxpayer								
Nonbusiness*	72	14.2	5.8	3.3	3.0	0.5	1.7	114
Business*	28	57.1	38.5	8.0	4.2	0.7	5.7	447

* You are a "business" filer if you file one or more of the following with Form 1040: Schedule C, C-EZ, E, or F or Form 2106 or 2106-EZ. You are a "nonbusiness" filer if you did not file any of those schedules or forms with Form 1040.

Major Categories of Federal Income and Outlays for Fiscal Year 2007



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 surplus or deficit. Next, individual spending and revenue bills that are consistent with the goals of the budget resolution are enacted.

In fiscal year 2007 (which began on October 1, 2006, and ended on September 30, 2007), federal income was \$2.568 trillion and outlays were \$2.730 trillion, leaving a deficit of \$0.162 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.

Note. The percentages on this page exclude undistributed offsetting receipts, which were \$68 billion in fiscal year 2007. 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.

- 2. National defense, veterans, and foreign affairs:** About 20% of outlays were to equip, modernize, and pay our armed forces and to fund the Global War on Terrorism and other national defense activities; about 3% 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 13% of total outlays were for Medicaid, food stamps, temporary assistance for needy families, supplemental security income, and related programs; and the remaining outlays were for health research and public health programs, unemployment compensation, assisted housing, and social services.

e-file! A fast alternative to filing paper returns.

Why do more than 88 million taxpayers file their returns electronically?
It's faster, easier, accurate, and more convenient than paper filing.



With e-file, taxpayers receive these benefits:

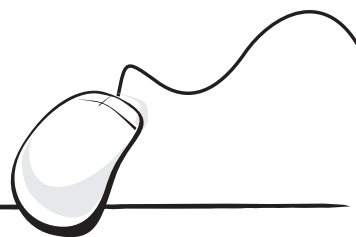
- Faster refunds...in as little as 10 days with Direct Deposit.
- Greater accuracy...a 1% or less error rate.
- Secure and confidential submission.
- Quick notification of receipt of return.
- No paper return to mail.
- File now, pay later.

More than half a billion federal tax returns have been e-filed! e-file helps the environment, uses less paper, and saves taxpayer money—it costs less to process an e-filed return than a paper return.

Totally Safe and Secure

The IRS uses the most secure technology available to safeguard your personal information. Rest assured that when you e-file, your information will be safe.

Visit: www.irs.gov/efile for the latest information.



Make Under \$56,000? e-file For Free!

If your 2008 adjusted gross income was \$56,000 or less, you can electronically file for FREE by using Free File at www.irs.gov!

Use Free File and get these benefits:

- Easy to use, safe, and accurate.
- File your taxes online 24 hours a day, 7 days a week (must access Free File through www.irs.gov).
- Receive your refund in as little as 10 days with Direct Deposit.
- Available in English and Spanish.
- Save paper—help the environment.

Made more than \$56,000? You can still file your taxes online with e-file. Check out the IRS e-file for Individuals page on www.irs.gov for low-cost e-filing options.

Use IRS e-file if you don't qualify for Free File. There are three ways:

→ Use a tax professional.

Many taxpayers rely on tax professionals to handle their returns and most tax professionals can e-file your return—you just have to be sure to ask. Also, tax professionals can charge a fee for IRS e-file. Fees can vary depending on the professional and specific services rendered, so be sure to discuss this up front.

→ Use a computer.

You can easily electronically prepare and e-file your own tax return. To do so, you'll need:

- A computer with Internet access, and
- IRS-approved tax preparation software available via the Internet for online use, for download from the Internet, and in retail stores for offline use. Visit www.irs.gov/efile for details.

→ Use a volunteer.

The VITA Program offers free tax help for low to moderate income (under \$35,000) taxpayers who cannot prepare their own tax returns. The Tax Counseling for the Elderly (TCE) Program provides free tax help to people age 60 and older.

e-IRS

You can accomplish many things electronically within www.irs.gov. The e-IRS is a gateway to the many IRS electronic options and it's available 24 hours a day, 7 days a week. Should you choose to file a paper return, you'll find information, resources, and all of the forms ready to download.

Index to Instructions

A		
Address change	9	
Addresses of IRS centers	Back Cover	
Alaska permanent fund dividends	11	
Allocated tip income	10	
Amended return	23	
Amount you owe	19	
C		
Commissioner's Message	2	
Common mistakes, checklist to avoid	22	
Customer service standards	24	
D		
Death of a taxpayer	4	
Death of spouse	4	
Debt held by the public, gift to reduce	23	
Direct deposit of refund	18	
Disclosure, Privacy Act, and Paperwork Reduction Act notice	37	
Dual-status alien	5	
E		
Earned income credit	4, 12-14	
Combat pay, nontaxable	14	
Earned income credit table	16	
Economic stimulus payment	4	
Electronic filing (<i>e-file</i>)	8, 9, 18, 19, 20, 39	
Everyday tax solutions	26	
Extension of time to file	18	
F		
Filing instructions:		
When to file	5	
Where to file	Back Cover	
Filing requirements	9	
Filing status	6	
Form W-2:		
Not received or incorrect	10	
Forms W-2, 1098, and 1099, where to report certain items from	8	
Forms, how to get	25	
Free file	8, 9	
G		
Getting tax help	25	
Gift to reduce public debt	23	
H		
Help (free)	25	
Help with unresolved tax issues	24	
Household employee:		
Form W-2 not received	10	
How to comment on forms	37	
I		
Identity theft	23	
Income tax withheld (federal)	12	
Injured spouse	18	
Innocent spouse relief	23	
Installment payments	20	
Interest income:		
Taxable	10	
Tax-exempt	11	
Interest, late payment of tax	20	
K		
Kidnapped child, parent of	5	
L		
Late filing	22	
Late payment	20, 22	
Line instructions	9	
Low income tax clinics	24	
M		
Mailing address	Back Cover	
Married persons	6	
N		
Name and address	9	
Name change	4, 9	
Nonresident alien	5, 9	
P		
Payments and tax:		
Amount you owe	19	
What if you cannot pay?	20	
Penalty:		
Frivolous return	22	
Late filing	22	
Late payment	22	
Underpayment of tax	20	
Preparer, tax return	20	
Presidential election \$3 check-off	9	
Private delivery service	22	
Public debt, gift to reduce the	23	
Publications, how to get	25	
R		
Railroad retirement benefits treated as social security	10	
Recordkeeping	23	
Recovery rebate credit	4	
Recovery rebate credit worksheet	18	
Refund	18	
Refunds of state and local income taxes	10	
Resident alien	5	
Return checklist to avoid mistakes	22	
Rights of taxpayers	23	
Round off to whole dollars	10	
S		
Salaries	10	
Scholarship and fellowship grants	10	
Signing your return	20	
Single person	6	
Social security benefits	10	
Social security number	4, 9	
State and local income taxes, refunds of	10	
T		
Table of contents	3	
Tax assistance	25	
Tax figured by the IRS	18	
Tax table	28	
Tax-exempt interest	11	
Taxpayer Advocate Service	24	
Telephone assistance, federal tax information	27	
TeleTax	27	
Third party designee	20	
Tip income	10	
U		
Unemployment compensation	11	
W		
Wages	10	
What's new	4	
When you should file	5	
Where to file	Back Cover	
Who can use Form 1040EZ	5	
Who must file	9	
Who should file	5	
Withholding and estimated tax payments for 2009	23	



Where Do You File?

If an envelope 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 address shown below that applies

to you. If you want to use a private delivery service, see page 22. Envelopes without enough postage will be returned to you by the post office. 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...
Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia	Department of the Treasury Internal Revenue Service Center Atlanta, GA 39901-0014	Department of the Treasury Internal Revenue Service Center Atlanta, GA 39901-0114
District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, Vermont	Department of the Treasury Internal Revenue Service Center Andover, MA 05501-0014	Department of the Treasury Internal Revenue Service Center Andover, MA 05501-0114
Arkansas, Connecticut, Delaware, Indiana, Michigan, Missouri, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, West Virginia	Department of the Treasury Internal Revenue Service Center Kansas City, MO 64999-0014	Department of the Treasury Internal Revenue Service Center Kansas City, MO 64999-0114
Kentucky, Louisiana, Mississippi, Tennessee, Texas	Department of the Treasury Internal Revenue Service Center Austin, TX 73301-0014	Department of the Treasury Internal Revenue Service Center Austin, TX 73301-0114
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Illinois, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming	Department of the Treasury Internal Revenue Service Center Fresno, CA 93888-0014	Department of the Treasury Internal Revenue Service Center Fresno, CA 93888-0114
A foreign country, American Samoa, or Puerto Rico (or are excluding income under Internal Revenue Code section 933), or use an APO or FPO address, or file form 2555, 2555-EZ, or 4563, or are a dual-status alien or nonpermanent resident of Guam or the Virgin Islands*	Department of the Treasury Internal Revenue Service Center Austin, TX 73301-0215 USA	Department of the Treasury Internal Revenue Service Center Austin, TX 73301-0215 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 U.S. Virgin Islands should use: V.I. Bureau of Internal Revenue, 9601 Estate Thomas, Charlotte Amalie, St. Thomas, VI 00802.

What's Inside? (see Index for page numbers)

Instructions for Form 1040EZ
Table of contents
IRS e-file and free file options
Index (inside back cover)
When you should file
What's new
How to comment on forms

Return checklist to avoid common mistakes
Help with unresolved tax issues
Getting tax help
Tax table
How to make a gift to reduce debt held by the public