

Quick and Easy Access to Tax Help and Forms:



PERSONAL COMPUTER

Why not use a personal computer and modem to get the forms and information you need?

Here is a sample of what you will find when you visit the IRS's Internet Web Site at — <http://www.irs.ustreas.gov>

- Forms and Instructions
- Publications
- Educational Materials
- IRS Press Releases and Fact Sheets
- Tele-Tax Topics on About 150 Tax Topics
- Answers to Frequently Asked Questions

You can also reach us using:

- Telnet at iris.irs.ustreas.gov
- File Transfer Protocol at ftp.irs.ustreas.gov
- Direct Dial (by modem)-You can also dial direct to the Internal Revenue Information Services (IRIS) by calling 703-321-8020 using your modem. IRIS is an on-line information service on FedWorld. FedWorld's help desk (703-487-4608) offers technical assistance on accessing IRIS (not tax help) during normal business hours.



PHONE

You can a/s/o get information and forms by phone.

Forms and Publications

You can order forms, instructions, and publications by phone. Just call 1-800-TAX-FORM (1-800-829-3676) between 7:30 a.m. and 5:30 p.m. on weekdays. The best time to call is before 9 a.m. or after 2 p.m. Thursdays and Fridays are the best days to contact us. (The hours are Pacific time in Alaska and Hawaii, Eastern time in Puerto Rico.) You should receive your order or notification of its status within 7 to 15 workdays.

Tele-Tax Topics

You can listen to pre-recorded messages covering about 150 tax topics. (See pages 34 and 35 for the number to call and a list of the topics.)



FAX

Just call 703-487-4160 from the telephone connected to your fax machine to get the following:

Forms and Instructions

We can fax you over 100 of the most requested forms and instructions. (See page 36 for a list of the items.)

Tele-Tax Topics

We can also fax you Tele-Tax topics covering about 150 tax topics. (See pages 34 and 35 for a list of the topics.)



MAIL

You can order forms, instructions, and publications by completing the order blank on page 39.



WALK-IN

You can pick up certain forms, instructions, and publications at many post offices, libraries, and IRS offices. See page 40 for a partial listing of products. You can also photocopy, or print out from a CD-ROM or the Internet, many other products at participating libraries.



CD-ROM

To order the CD-ROM, contact Supt. Docs. at 202-512-7800 (select Option #1), or by computer through GPO's Internet Web Site (http://www.access.gpo.gov/su_docs).

For small businesses, return preparers, or others who may frequently need tax forms or publications, a CD-ROM containing over 2,000 products can be purchased for \$25 from the Government Printing Office (GPO), Superintendent of Documents (Supt. Docs.). Current tax year materials, and tax forms from 1991 and publications from 1994, are included on the disc.

You can also get help in other ways-See page 33 for information.

Section 1 .

Before You Fill In Form 1040

If you were a participant in Operation Joint Endeavor or you were in the Persian Gulf area combat zone, see **Pub. 3, Armed Forces Tax Guide.**

What's New for 1996?

Tax Law Changes

The 1996 tax forms and instructions reflect changes resulting from the legislation enacted in 1996. However, you will find that your tax forms this year are very similar to those you filed in the past. This is because most of the new tax changes do not take effect until after 1996. For more details on 1996 and 1997 tax changes, see **Pub. 553, Highlights of 1996 Tax Changes.**

Social Security Numbers (SSNs)

You must include on your return the SSN of each person, other than a child born in December 1996, you claim as a-

- Dependent on Form 1040 (for example, your child).
- Qualifying person for the credit on **Form 2441, Child and Dependent Care Expenses.**
- Qualifying child on **Schedule EIC, Earned Income Credit.**

Please be sure to include the correct SSN for that person. If you do not, at the time we process your return, we may disallow that person as a dependent and reduce or disallow any other tax benefits (such as the credits listed above) based on that person.

Also, please be sure to include the correct SSN for you and your spouse. If you do not, at the time we process your return, we may disallow the exemption(s) and any earned income credit you claim.

To find out how to get an SSN, see page 11.

IRS Individual Taxpayer Identification Numbers (ITINs) for Aliens

The IRS will issue you an ITIN if you are a nonresident or resident alien and you do not have and are not eligible to get a social security number (SSN). **To apply for an ITIN, file Form W-7 with the IRS.** See page 5 to find out how to get the form. It usually takes about 30 days to get an ITIN. **Enter your ITIN wherever your SSN is requested on your tax return.** If you are required to include another person's SSN on your return and that person does not have and cannot get an SSN, enter that person's ITIN. **An incorrect or missing taxpayer identification number may increase your tax or reduce your refund.**

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

Direct Deposit of Refund

This year you do not have to file an extra form to have your refund sent directly to your bank account. See the instructions for lines 60b-60d on page 30.

Standard Mileage Rates

The rate for business use has increased to 31 cents a mile. For medical and moving expenses, the rate has increased to 10 cents a mile.

Private Delivery Services

In addition to the United States Postal Service, private delivery services (to be designated by the IRS) can be used to meet the timely mailing as timely filing and paying rule (for example, to send your tax return to the IRS). When these instructions were printed, no private delivery services had been designated. When they are, the IRS will make every effort to publicize the information.

Gifts From Foreign Persons

If you received over \$10,000 of gifts (or bequests) after August 20, 1996, from foreign persons, you may have to provide information about the gifts. Foreign persons include nonresident aliens and foreign partnerships, corporations, estates, trusts, etc. For details, see **Pub. 553.**

Earned Income Credit (EIC)

You may be able to take this credit if you earned less than \$28,495 (less than \$9,500 if you do not have any qualifying children). See the instructions for line 54 that begin on page 25.

EIC With Your Pay. If you expect to be able to claim the EIC for 1997 and a child lives with you, you may be able to get part of the credit in your paycheck instead of waiting until you file your 1997 return. For details, use Tele-Tax topic 604 (see page 34) or get **Form W-5, Earned Income Credit Advance Payment Certificate,** from your employer.

Alternative Ways of Filing

The IRS offers several alternatives to make filing tax returns easier. They are more convenient and accurate and result in faster processing of your tax return. For details, see page 33.

How To Avoid Common Mistakes

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

1. Check your math, especially when figuring your taxable social security benefits, deduction for exemptions, taxable income, total income, total tax, Federal income tax withheld, and your refund or amount you owe.

2. Remember to **sign and** date Form 1040 and enter your occupation.

3. Make sure your name, address, and social security number (SSN) are correct on the peel-off label. If not, enter the correct information.

4. If you are taking the standard deduction and you checked any box on line 33a or you (or your spouse if filing jointly) can be claimed as a dependent on someone's return, be sure to see page 21 to find the correct amount to enter on line 34.

5. If you (or your spouse if you check the box on line 6b) were age 65 or older or blind, be sure to check the appropriate boxes on line 33a.

6. If you are married filing jointly and did not get a peel-off label, or you are married filing separately, enter your spouse's SSN in the space provided on page I of Form 1040. Also, enter your SSN in the space provided next to your name.

7. Attach your W-2 form(s) and other required forms and schedules. Do not forget to put all forms and schedules in the proper order. See **Assemble Your Return** on page 31.

6. Be sure to include your SSN on your payment.

Privacy Act and Paperwork Reduction Act Notice

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say 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 and its regulations say that you must show your social security number on what you file. This is so we know who you are, and can process your return and other papers. You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund.

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. Generally, tax returns and return information are confidential, as required by Code section 6103.

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.

We may give the information to the Department of Justice and to other Federal agencies, as provided by law. We may also give it to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign governments because of tax treaties they have with the United States.

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

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

The Time It Takes To Prepare Your Return

We try to create forms and instructions that can be easily understood. Often this is difficult to do because our tax laws are very complex. For some people with income mostly from wages, filling in the forms is easy. For others who have businesses, pensions, stocks, rental income, or other investments, it is more difficult.

We Welcome Comments on Forms

If you have comments concerning the accuracy of the time estimates shown below or suggestions for making these forms simpler, we would be happy to hear from you. You can e-mail us your suggestions and comments through the IRS Internet Home Page (<http://www.irs.ustreas.gov>) or write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. You can also leave a recorded message 24 hours a day, 7 days a week, at 1-800-829-9043.

DO NOT send your return to this address. Instead, see **Where Do I File?** on the back cover.

Estimated Preparation Time

The time needed to complete and file Form 1040 and its schedules will vary depending on individual circumstances. The estimated average times are:

Form	Recordkeeping	Learning about the law or the form	Preparing the form	Copying, assembling, and sending the form to the IRS	Totals
Form 1040	3 hr., 8 min.	2 hr., 32 min.	4 hr., 33 min.	40 min.	10 hr., 53 min.
Sch. A	2 hr., 32 min.	26 min.	1 hr., 10 min.	27 min.	4 hr., 35 min.
Sch. B	33 min.	8 min.	17 min.	20 min.	1 hr., 18 min.
Sch. C	6 hr., 26 min.	1 hr., 10 min.	2 hr., 5 min.	35 min.	10 hr., 16 min.
Sch. C-EZ	46 min.	4 min.	32 min.	20 min.	1 hr., 42 min.
Sch. D	51 min.	1 hr., 8 min.	1 hr., 1 min.	41 min.	3 hr., 41 min.
Sch. E	2 hr., 52 min.	1 hr., 7 min.	1 hr., 16 min.	35 min.	5 hr., 50 min.
Sch. EIC	- - - - -	2 min.	4 min.	20 min.	26 min.
Sch. F:					
Cash Method	4 hr., 2 min.	35 min.	1 hr., 14 min.	20 min.	6 hr., 11 min.
Accrual Method	4 hr., 22 min.	25 min.	1 hr., 19 min.	20 min.	6 hr., 26 min.
Sch. H	46 min.	29 min.	48 min.	35 min.	2 hr., 38 min.
Sch. R	20 min.	15 min.	22 min.	35 min.	1 hr., 32 min.
Sch. SE:					
Short	20 min.	13 min.	11 min.	14 min.	58 min.
Long	26 min.	22 min.	34 min.	20 min.	1 hr., 42 min.