

TAXES

- Do you need to file a tax return?
 - Terminology
- Which Forms Do You Need to Fill Out
 - Deductions
- Ways to Reduce Your Taxes





*Do you need
to file a tax
return?*

- Lets find out from the website:

[https://www.irs.gov/uac/Interactive-Tax-Assistant-\(ITA\)-1](https://www.irs.gov/uac/Interactive-Tax-Assistant-(ITA)-1)

Terms:

- Gross Income
- Adjusted Gross Income
- Deductions
- 1040A, 1040, & 1040EZ



Terms:

- Taxable Income
- Marginal Tax Rate
 - FICA
 - W-2
- Tax Refund



Example W-2

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | a Employee's social security number 123-00-4567 | | OMB No. 1545-0048 | | This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it. | |
| b Employer identification number (EIN) 12-3456789 | | | | 1 Wages, tips, other compensation 36,127.65 | | 2 Federal income tax withheld 3,597.90 | |
| c Employer's name, address, and ZIP code Company A 14 Corporate Drive Anytown, CO 01234 | | | | 3 Social security wages 37,245.00 | | 4 Social security tax withheld | |
| | | | | 5 Medicare wages and tips 37,245.00 | | 6 Medicare tax withheld | |
| | | | | 7 Social security tips | | 8 Allocated tips | |
| d Control number 01-234 | | | | 9 | | 10 Dependent care benefits | |
| e Employee's first name and initial Last name Suf. John R. Doe 213 Pearl Street Anytown, CO 01234 | | | | 11 Nonqualified plans | | 12a See instructions for box 12 D 1,117.35 | |
| | | | | 13 <input type="checkbox"/> Statutory employee <input checked="" type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay | | 12b | |
| | | | | 14 Other | | 12c | |
| | | | | | | 12d | |
| f Employee's address and ZIP code | | | | | | | |
| 15 State Employer's state ID number CO 0123-4567 | | 16 State wages, tips, etc. 36,127.65 | | 17 State income tax | | 18 Local wages, tips, etc. 37,245.00 | |
| | | | | | | 19 Local income tax 372.45 | |
| | | | | | | 20 Locality name | |

Form **W-2** Wage and Tax Statement

2010

Department of the Treasury—Internal Revenue Service

Copy C—For EMPLOYEE'S RECORDS (See Notice to Employee on the back of Copy B.)

Safe, accurate
FAST! Use



FICA tax



1040EZ Form

| Department of the Treasury—Internal Revenue Service | | | |
|--|---|---|------------|
| Form 1040EZ | | Income Tax Return for Single and Joint Filers With No Dependents (99) 2014 | |
| OMB No. 1545-0074 | | | |
| Your first name and initial | | Last name | |
| If a joint return, spouse's first name and initial | | Last name | |
| Home address (number and street). If you have a P.O. box, see instructions. | | Apt. no. | |
| City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). | | Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse | |
| Foreign country name | | Foreign province/state/county | |
| Foreign postal code | | | |
| Income Attach Form(s) W-2 here. Enclose, but do not attach, any payment. | 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 Taxable interest. If the total is over \$1,500, you cannot use Form 1040EZ. | | 2 |
| | 3 Unemployment compensation and Alaska Permanent Fund dividends (see instructions). | | 3 |
| | 4 Add lines 1, 2, and 3. This is your adjusted gross income . | | 4 |
| | 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 \$10,150 if single ; \$20,300 if married filing jointly . See back for explanation. | | 5 |
| | 6 Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your taxable income . | | 6 |
| Payments, Credits, and Tax | 7 Federal income tax withheld from Form(s) W-2 and 1099. | | 7 |
| | 8a Earned income credit (EIC) (see instructions) | | 8a |
| | b Nontaxable combat pay election. 8b | | |
| | 9 Add lines 7 and 8a. These are your total payments and credits . | | 9 |
| | 10 Tax. Use the amount on line 6 above to find your tax in the tax table in the instructions. Then, enter the tax from the table on this line. | | 10 |
| | 11 Health care: individual responsibility (see instructions) Full-year coverage <input type="checkbox"/> | | 11 |
| Refund Have it directly deposited! See instructions and fill in 13b, 13c, and 13d, or Form 8888. | 12 Add lines 10 and 11. This is your total tax . | | 12 |
| | 13a If line 9 is larger than line 12, subtract line 12 from line 9. This is your refund . If Form 8888 is attached, check here <input type="checkbox"/> | | 13a |
| | b Routing number <input type="text"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings | | |
| | d Account number <input type="text"/> | | |
| Amount You Owe | 14 If line 12 is larger than line 9, subtract line 9 from line 12. This is the amount you owe . For details on how to pay, see instructions. | | 14 |
| Third Party Designee | Do you want to allow another person to discuss this return with the IRS (see instructions)? <input type="checkbox"/> Yes. Complete below. <input type="checkbox"/> No | | |
| Sign Here Under penalties of perjury, I declare that I have examined this return and, to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge. | Designee's name <input type="text"/> Phone no. <input type="text"/> Personal identification number (PIN) <input type="text"/> | | |
| Joint return? See instructions. Keep a copy for your records. | Your signature <input type="text"/> Date <input type="text"/> Your occupation <input type="text"/> Daytime phone number <input type="text"/> | | |
| | Spouse's signature. If a joint return, both must sign. <input type="text"/> Date <input type="text"/> Spouse's occupation <input type="text"/> If the IRS sent you an Identity Protection PIN, enter it here (see inst.) <input type="text"/> | | |
| Paid Preparer Use Only | Print/Type preparer's name <input type="text"/> Preparer's signature <input type="text"/> Date <input type="text"/> Check <input type="checkbox"/> if self-employed PTIN <input type="text"/> | | |
| | Firm's name <input type="text"/> Firm's EIN <input type="text"/> | | |
| | Firm's address <input type="text"/> Phone no. <input type="text"/> | | |
| For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions. Cat. No. 11329W Form 1040EZ (2014) | | | |

Use this form if

- Your filing status is single or married filing jointly. If you are not sure about your filing status, see instructions.
- You (and your spouse if married filing jointly) were under age 65 and not blind at the end of 2014. If you were born on January 1, 1950, you are considered to be age 65 at the end of 2014.
- You do not claim any dependents. For information on dependents, see Pub. 501.
- Your taxable income (line 6) is less than \$100,000.
- You do not claim any adjustments to income. For information on adjustments to income, use the TeleTax topics listed under *Adjustments to Income* at www.irs.gov/taxtopics (see instructions).
- The only tax credit you can claim is the earned income credit (EIC). The credit may give you a refund even if you do not owe any tax. You do not need a qualifying child to claim the EIC. For information on credits, use the TeleTax topics listed under *Tax Credits* at www.irs.gov/taxtopics (see instructions). If you received a Form 1098-T or paid higher education expenses, you may be eligible for a tax credit or deduction that you must claim on Form 1040A or Form 1040. For more information on tax benefits for education, see Pub. 970. If you can claim the premium tax credit or you received any advance payment of the premium tax credit in 2014, you must use Form 1040A or Form 1040.
- 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. But if you earned tips, including allocated tips, that are not included in box 5 and box 7 of your Form W-2, you may not be able to use Form 1040EZ (see instructions). If you are planning to use Form 1040EZ for a child who received Alaska Permanent Fund dividends, see instructions.

Filing in your return

If you received a scholarship or fellowship grant or tax-exempt interest income, such as on municipal bonds, see the instructions before filling in the form. Also, see the instructions if you received a Form 1099-INT showing federal income tax withheld or if federal income tax was withheld from your unemployment compensation or Alaska Permanent Fund dividends.

For tips on how to avoid common mistakes, see instructions.

Remember, you must report all wages, salaries, and tips even if you do not get a Form W-2 from your employer. You must also report all your taxable interest, including interest from banks, savings and loans, credit unions, etc., even if you do not get a Form 1099-INT.

Worksheet for Line 5 — Dependents Who Checked One or Both Boxes

Use this worksheet to figure the amount to enter on line 5 if someone can claim you (or your spouse if married filing jointly) as a dependent, even if that person chooses not to do so. To find out if someone can claim you as a dependent, see Pub. 501.

| | | | | |
|--|---|--------|---------------|----------------------|
| A. Amount, if any, from line 1 on front | + | 350.00 | Enter total ▶ | A. <u> </u> |
| B. Minimum standard deduction | | | | B. <u>1,000</u> |
| C. Enter the larger of line A or line B here | | | | C. <u> </u> |
| D. Maximum standard deduction. If single , enter \$6,200; if married filing jointly , enter \$12,400 | | | | D. <u> </u> |
| E. Enter the smaller of line C or line D here. This is your standard deduction | | | | E. <u> </u> |
| F. Exemption amount. | | | | F. <u> </u> |
| • If single, enter -0-. | | | | |
| • If married filing jointly and — | | | | |
| —both you and your spouse can be claimed as dependents, enter -0-. | | | | |
| —only one of you can be claimed as a dependent, enter \$3,950. | | | | |
| G. Add lines E and F. Enter the total here and on line 5 on the front | | | | G. <u> </u> |

(keep a copy for your records)

- If you did not check any boxes on line 5**, enter on line 5 the amount shown below that applies to you.
- Single, enter \$10,150. This is the total of your standard deduction (\$6,200) and your exemption (\$3,950).
 - Married filing jointly, enter \$20,300. This is the total of your standard deduction (\$12,400), your exemption (\$3,950), and your spouse's exemption (\$3,950).

Mailing Return

Mail your return by **April 15, 2015**. Mail it to the address shown on the last page of the instructions.

2015 Taxable Income Brackets and Rates

| Rate | Single Filers | Married Joint Filers | Head of Household Filers | Married Separate Filers |
|-------|------------------------|------------------------|--------------------------|-------------------------|
| 10% | \$0 to \$9,225 | \$0 to \$18,450 | \$0 to \$13,150 | \$0 to \$9,225 |
| 15% | \$9,225 to \$37,450 | \$18,450 to \$74,900 | \$13,150 to \$50,200 | \$9,226 to \$37,450 |
| 25% | \$37,450 to \$90,750 | \$74,900 to \$151,200 | \$50,200 to \$129,600 | \$37,451 to \$75,600 |
| 28% | \$90,750 to \$189,300 | \$151,200 to \$230,450 | \$129,600 to \$209,850 | \$75,601 to \$115,225 |
| 33% | \$189,300 to \$411,500 | \$230,450 to \$411,500 | \$209,850 to \$411,500 | \$115,226 to \$205,750 |
| 35% | \$411,500 to \$413,200 | \$411,500 to \$464,850 | \$411,500 to \$439,000 | \$205,751 to \$232,425 |
| 39.6% | \$413,200+ | \$464,850+ | \$439,000+ | \$232,426+ |

Tax
Brackets

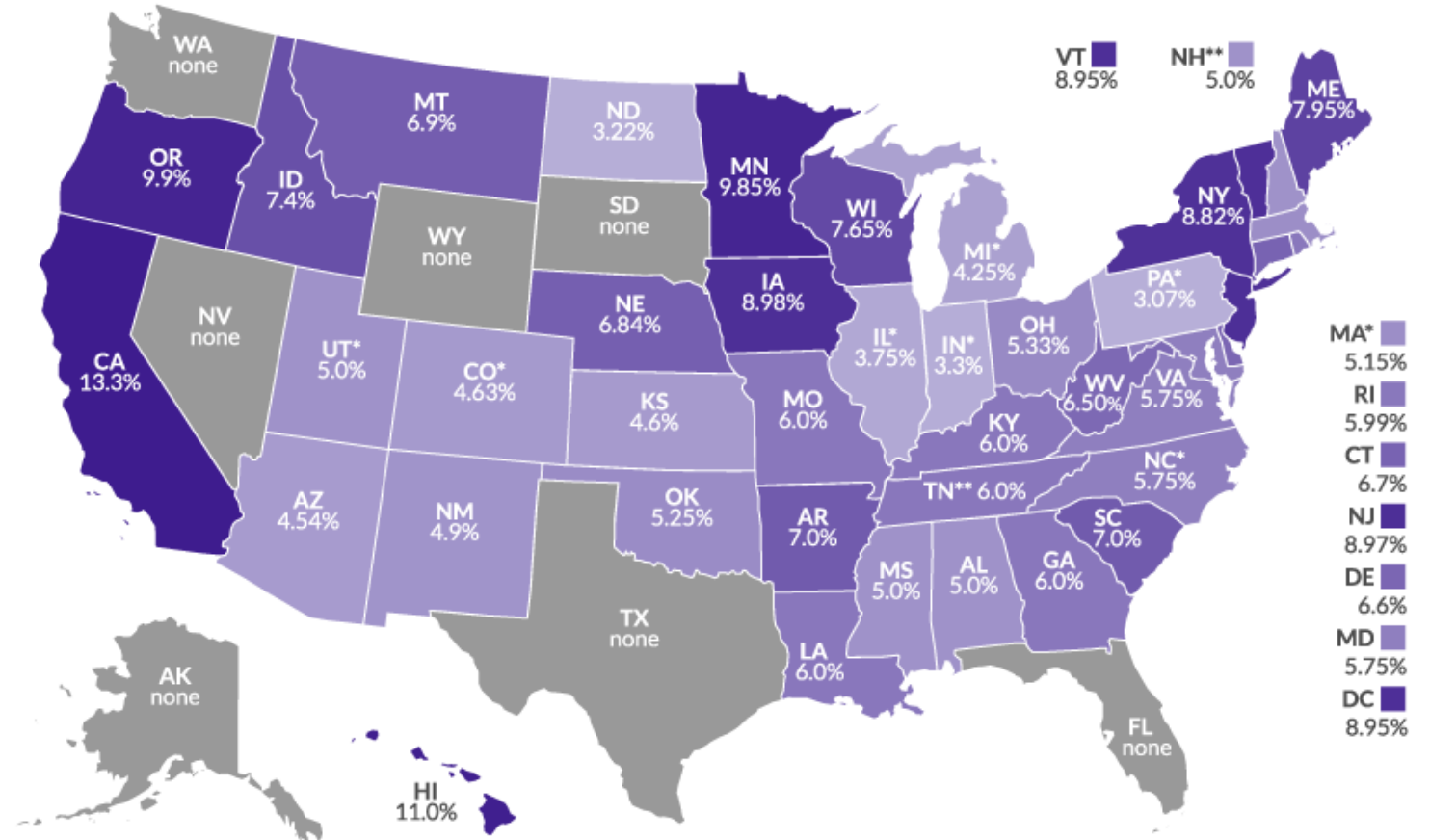


State income tax rates



How High Are Income Tax Rates in Your State?

Top State Marginal Individual Income Tax Rates in 2015 (as of Apr 15, 2015)



Note: Map shows top marginal rates: the maximum statutory rate in each state. It represents the statutory tax rate on the last dollar of income earned for the highest income individuals in that state. It is not an effective marginal tax rate, which would include the effects of phase-outs of various tax preferences. Local income taxes are not included.

Source: State tax forms and instructions; *Facts & Figures 2015: How Does Your State Compare?*



* State has a flat income tax

** State also only taxes interest and dividends income

EDUCATION



Tax Benefits for Education

- Credits
- Deductions
- Savings Plans

See if you qualify:

<https://www.irs.gov/uac/Tax-Benefits-for-Education:-Information-Center>

Ways to reduce Taxes

- Reduce Taxable income
- Deductions
- Charitable Contributions
- Tally job-hunting expenses
- Switch to a Roth 401(K).
- Get a tax estimate so you know how much to reduce:

<https://apps.irs.gov/app/withholdingcalculator/>

