

CHOOSE THE SIMPLEST FEDERAL TAX FORM FOR YOUR NEEDS IRS TAX TIP 2006-04

The three forms used for filing individual federal income tax returns are Form 1040EZ, Form 1040A, and Form 1040. If you are filing a federal income tax return on paper, use the simplest form you can. Using the simplest allowable form will reduce the chance of an error that may cost you money or delay the processing of your return.

1040EZ You may qualify to use Form 1040EZ, the simplest form, if:

- Your taxable income is below \$100,000
- Your filing status is Single or Married Filing Jointly
- You are under age 65
- You are not claiming any dependents
- Your interest income is \$1,500 or less

1040A You may be able to use Form 1040A if:

- Your taxable income is below \$100,000
- You have capital gain distributions
- You claim certain tax credits
- You claim deductions for IRA contributions, student loan interest, educator expenses or higher education tuition and fees

1040 If you cannot use either a 1040EZ or 1040A, you probably need to use Form 1040. You must file form 1040 if:

- Your taxable income is \$100,000 or more
- You claim itemized deductions
- You are reporting self-employment income
- You are reporting income from sale of property

Choosing the correct tax form could mean money in your pocket. Check your tax instructions carefully. Publication 17, Your Federal Income Tax, is a helpful guide to preparing your federal tax forms. It is available on the IRS Web site at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

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