

# 6-4C Doing Your Taxes

## 1040: Page 2

To do now:

1. Write down the objective
2. Take out earbuds

You will need:

- **Papers on the student table**
- **Calculator**
- **Pen or Pencil**
- **Notebook Paper**  
Red Items are needed during the lecture

**OBJECTIVE**

**Understand** and complete page 2 of IRS Form 1040.

We are going to learn how to do  
finish a tax return!



# This is the IRS Form 1040.

## Lines 1-15 have been filled out for you.

Attach Sch. B if required.	<b>1</b>	Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . .	<b>1</b>	<b>88,519.62</b>
	<b>2a</b>	Tax-exempt interest . . . . .	<b>2a</b>	
	<b>3a</b>	Qualified dividends . . . . .	<b>3a</b>	
	<b>4a</b>	IRA distributions . . . . .	<b>4a</b>	
	<b>5a</b>	Pensions and annuities . . . . .	<b>5a</b>	
	<b>6a</b>	Social security benefits . . . . .	<b>6a</b>	
<b>Standard Deduction for—</b> • Single or Married filing separately, \$12,400 • Married filing jointly or Qualifying widow(er), \$24,800 • Head of household, \$18,650 • If you checked any box under <i>Standard Deduction</i> , see instructions		<b>b</b> Taxable interest . . . . .	<b>2b</b>	<b>324.53</b>
		<b>b</b> Ordinary dividends . . . . .	<b>3b</b>	
		<b>b</b> Taxable amount . . . . .	<b>4b</b>	
		<b>b</b> Taxable amount . . . . .	<b>5b</b>	
		<b>b</b> Taxable amount . . . . .	<b>6b</b>	
		<b>7</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here . . . . . <input type="checkbox"/>	<b>7</b>	
		<b>8</b> Other income from Schedule 1, line 9 . . . . .	<b>8</b>	
		<b>9</b> Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b> . . . . . <b>▶</b>	<b>9</b>	<b>88,844.15</b>
		<b>10</b> Adjustments to income:		
		<b>a</b> From Schedule 1, line 22 . . . . .	<b>10a</b>	
	<b>b</b> Charitable contributions if you take the standard deduction. See instructions	<b>10b</b>		
	<b>c</b> Add lines 10a and 10b. These are your <b>total adjustments to income</b> . . . . . <b>▶</b>	<b>10c</b>	<b>0</b>	
	<b>11</b> Subtract line 10c from line 9. This is your <b>adjusted gross income</b> . . . . . <b>▶</b>	<b>11</b>	<b>88,844.15</b>	
	<b>12</b> <b>Standard deduction or itemized deductions</b> (from Schedule A) . . . . .	<b>12</b>	<b>12,400</b>	
	<b>13</b> Qualified business income deduction. Attach Form 8995 or Form 8995-A . . . . .	<b>13</b>		
	<b>14</b> Add lines 12 and 13 . . . . .	<b>14</b>	<b>12,400</b>	
	<b>15</b> <b>Taxable income.</b> Subtract line 14 from line 11. If zero or less, enter -0- . . . . .	<b>15</b>	<b>76,444.15</b>	

# Let's do the bottom of page 2 first.

## Bottom of the page information:

You need to sign, date, list your occupation, and your IRS pin #.

<b>Third Party Designee</b>	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				
	Designee's name ▶	Phone no. ▶	Personal identification number (PIN) ▶		
<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.				
Joint return? See instructions. Keep a copy for your records.	Your signature <i>George Jetson</i>	Date 2/15/XX	Your occupation Engineer	If the IRS sent you an Identity Protection PIN, enter it here (see inst.) ▶ 222222	
	Spouse's signature. If a joint return, <b>both</b> must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.) ▶	
	Phone no.	Email address			
<b>Paid Preparer Use Only</b>	Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> Self-employed
	Firm's name ▶	Phone no.			
	Firm's address ▶	Firm's EIN ▶			

Your name is George Jetson and you are an engineer whose pin # is 222222.

# Line 16 wants you to calculate your taxes.

16 Tax (see instructions). Check if any from Form(s): 1  8814 2  4972 3  . . . 16 **\$12,753**

There are 2 different ways to calculate them:

- Tax tables (if your income is less than \$100,000)
- Tax Computation Worksheet (if your income is more than \$100,000)

Since line 15 is \$76,444.15, we will use the tax tables.

This person is single.

Their tax will be \$12,753.

Enter that amount on line 16.

Since you do not need the other forms do not write anything there.

If line 10 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
<b>76,000</b>					
76,000	76,050	12,665	8,742	12,665	11,274
76,050	76,100	12,676	8,748	12,676	11,285
76,100	76,150	12,687	8,754	12,687	11,296
76,150	76,200	12,698	8,760	12,698	11,307
76,200	76,250	12,709	8,766	12,709	11,318
76,250	76,300	12,720	8,772	12,720	11,329
76,300	76,350	12,731	8,778	12,731	11,340
76,350	76,400	12,742	8,784	12,742	11,351
76,400	76,450	12,753	8,790	12,753	11,362
76,450	76,500	12,764	8,796	12,764	11,373
76,500	76,550	12,775	8,802	12,775	11,384

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> . . . . .	16	\$12,753
17	Amount from Schedule 2, line 3 . . . . .	17	
18	Add lines 16 and 17 . . . . .	18	\$12,753
19	Child tax credit or credit for other dependents . . . . .	19	
20	Amount from Schedule 3, line 7 . . . . .	20	
21	Add lines 19 and 20 . . . . .	21	\$0
22	Subtract line 21 from line 18. If zero or less, enter -0- . . . . .	22	\$12,753
23	Other taxes, including self-employment tax, from Schedule 2, line 10 . . . . .	23	
24	Add lines 22 and 23. This is your <b>total tax</b> . . . . . ▶	24	\$12,753

Line 17: Since you do not have to use other schedules, you will not enter anything here.

Line 18: Do the math and write down the answer.

Line 19 & 20: You have no dependents, do nothing here.

Line 21: Do the math and write down the answer.

Line 22: Do the math and write down the answer.

Line 23: You are not self employed, do nothing here.

Line 24: Do the math and write down the answer.

25	Federal income tax withheld from:			
a	Form(s) W-2 . . . . .	25a	\$6,205.84	
b	Form(s) 1099 . . . . .	25b		
c	Other forms (see instructions) . . . . .	25c		
d	Add lines 25a through 25c . . . . .			25d \$6,205.84
26	2020 estimated tax payments and amount applied from 2019 return . . . . .			26
27	Earned income credit (EIC) . . . . .	27		
28	Additional child tax credit. Attach Schedule 8812 . . . . .	28		
29	American opportunity credit from Form 8863, line 8 . . . . .	29		
30	Recovery rebate credit. See instructions . . . . .	30		
31	Amount from Schedule 3, line 13 . . . . .	31		
32	Add lines 27 through 31. These are your <b>total other payments and refundable credits</b> . . . . . ▶	32	\$0	
33	Add lines 25d, 26, and 32. These are your <b>total payments</b> . . . . . ▶	33	\$6,205.84	

• If you have a qualifying child, attach Sch. EIC.  
• If you have nontaxable combat pay, see instructions.

Line 25a: Look at box 2 on your W-2 and put that amount on the line.

2222	Employee's social security number	OMB No. 1545-0008
b Employer identification number (EIN)	1 Wages, tips, other compensation	2 Federal income tax withheld
	\$88,519.62	\$6,205.84
c Employer's name, address, and ZIP code	3 Social security wages	4 Medicare wages and tips
George Jetson	\$88,119.62	\$21,452.83
19 Sky View	5 Medicare wages and tips	6 Medicare tax withheld
Cibolo, Texas 78108	\$88,119.62	\$682.71
	7 Social security tips	8 Allocated tips

Line 25d: Do the math and write down the answer.

Line 26 to 31: You have made no other payment or credits. Do nothing here.

Line 32: Do the math and write down the answer.

Line 33: Do the math and write down the answer.

24	Add lines 22 and 23. This is your <b>total tax</b> . . . . . ▶	24	<b>\$12,753</b>
33	Add lines 25d, 26, and 32. These are your <b>total payments</b> . . . . . ▶	33	<b>\$6,205.84</b>
34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you <b>overpaid</b> . . . . . ▶	34	
35a	Amount of line 34 you want <b>refunded to you</b> . If Form 8888 is attached, check here . . . . . ▶ <input type="checkbox"/>	35a	
▶ b	Routing number <input type="text"/> ▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
▶ d	Account number <input type="text"/>		
36	Amount of line 34 you want <b>applied to your 2021 estimated tax</b> . . . . . ▶	36	
37	Subtract line 33 from line 24. This is the <b>amount you owe now</b> . . . . . ▶ <b>Note:</b> Schedule H and Schedule SE filers, line 37 may not represent all of the taxes you owe for 2020. See Schedule 3, line 12e, and its instructions for details.	37	
38	Estimated tax penalty (see instructions) . . . . . ▶	38	

**Refund**  
Direct deposit?  
See instructions.

**Amount You Owe**  
For details on how to pay, see instructions.

You can get a refund...

**OR**

you can owe money,

but **NOT BOTH.**

You will fill out only **one** of these two sections!!!!



24	Add lines 22 and 23. This is your <b>total tax</b> . . . . . ▶	24	<b>\$12,753</b>
33	Add lines 25d, 26, and 32. These are your <b>total payments</b> . . . . . ▶	33	<b>\$6,205.84</b>
<b>Refund</b>	34 If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you <b>overpaid</b> . .	34	
	35a Amount of line 34 you want <b>refunded to you</b> . If Form 8888 is attached, check here . . . ▶ <input type="checkbox"/>	35a	
Direct deposit? See instructions.	▶ b Routing number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> ▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	▶ d Account number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
	36 Amount of line 34 you want <b>applied to your 2021 estimated tax</b> . . ▶ 36		
<b>Amount You Owe</b> For details on how to pay, see instructions.	37 Subtract line 33 from line 24. This is the <b>amount you owe now</b> . . . . . ▶	37	<b>\$6,547.16</b>
	<b>Note:</b> Schedule H and Schedule SE filers, line 37 may not represent all of the taxes you owe for 2020. See Schedule 3, line 12e, and its instructions for details.		
	38 Estimated tax penalty (see instructions) . . . . . ▶ 38		

## How you decide which section to fill out?

Formula: Amount of tax you owe (line 24) less total payments (line 33)

- If positive you have not paid all your taxes and you **still owe**.
- If negative you have paid more taxes than you owe and you get a **refund**.

$$12,753 - 6,205.84 = 6,547.16$$

You still owe:

Line 37: Do the math and write down the answer.



**You just  
completed a  
1040!!!!**



Let's look at someone whose taxable income is over \$100,000.

# Line 16 wants you to calculate your taxes.

<b>15</b>	<b>Taxable income.</b> Subtract line 14 from line 11. If zero or less, enter -0- . . . . .	<b>15</b>	<b>\$182,753</b>
<b>16</b>	<b>Tax</b> (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> . . .	<b>16</b>	

Since line 15 is over \$100,000, we will use the Tax Computation Worksheet. This person is single.

**Section A**—Use if your filing status is **Single**. Complete the row below that applies to you.

Taxable income. If line 15 is—	(a) Enter the amount from line 15	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on the entry space on line 16.
At least \$100,000 but not over \$163,300	\$	× 24% (0.24)	\$	\$ 5,920.50	\$
Over \$163,300 but not over \$207,350	\$	× 32% (0.32)	\$	\$ 18,984.50	\$
Over \$207,350 but not over \$518,400	\$	× 35% (0.35)	\$	\$ 25,205.00	\$
Over \$518,400	\$	× 37% (0.37)	\$	\$ 35,573.00	\$

# Line 16 wants you to calculate your taxes.

15	<b>Taxable income.</b> Subtract line 14 from line 11. If zero or less, enter -0- . . . . .	15	\$182,753
16	<b>Tax</b> (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> . . .	16	

Find the row that applies to this person.

**Section A**—Use if your filing status is **Single**. Complete the row below that applies to you.

Taxable income. If line 15 is—	(a) Enter the amount from line 15	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on the entry space on line 16.
At least \$100,000 but not over \$163,300	\$	× 24% (0.24)	\$	\$ 5,920.50	\$
Over \$163,300 but not over \$207,350	\$	× 32% (0.32)	\$	\$ 18,984.50	\$
Over \$207,350 but not over \$518,400	\$	× 35% (0.35)	\$	\$ 25,205.00	\$
Over \$518,400	\$	× 37% (0.37)	\$	\$ 35,573.00	\$

# Line 16 wants you to calculate your taxes.

<b>15</b>	<b>Taxable income.</b> Subtract line 14 from line 11. If zero or less, enter -0- . . . . .	<b>15</b>	<b>\$182,753</b>
<b>16</b>	<b>Tax</b> (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> . . .	<b>16</b>	

Column a asks you to enter the amount from line 15.

**Section A**—Use if your filing status is **Single**. Complete the row below that applies to you.

Taxable income. If line 15 is—	(a) Enter the amount from line 15	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on the entry space on line 16.
At least \$100,000 but not over \$163,300	\$	× 24% (0.24)	\$	\$ 5,920.50	\$
Over \$163,300 but not over \$207,350	\$ <b>\$182,753</b>	× 32% (0.32)	\$	\$ 18,984.50	\$
Over \$207,350 but not over \$518,400	\$	× 35% (0.35)	\$	\$ 25,205.00	\$
Over \$518,400	\$	× 37% (0.37)	\$	\$ 35,573.00	\$

# Line 16 wants you to calculate your taxes.

<b>15</b>	<b>Taxable income.</b> Subtract line 14 from line 11. If zero or less, enter -0-	<b>15</b>	<b>\$182,753</b>
<b>16</b>	<b>Tax</b> (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	<b>16</b>	

Column b tells you to multiply that number by .32 and put the answer in column c.

## Section A—Use if your filing status is **Single**. Complete the row below that applies to you.

Taxable income. If line 15 is—	(a) Enter the amount from line 15	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on the entry space on line 16.
At least \$100,000 but not over \$163,300	\$	× 24% (0.24)	\$	\$ 5,920.50	\$
Over \$163,300 but not over \$207,350	\$ <b>\$182,753</b>	× 32% (0.32)	\$ <b>\$58,480.96</b>	\$ 18,984.50	\$
Over \$207,350 but not over \$518,400	\$	× 35% (0.35)	\$	\$ 25,205.00	\$
Over \$518,400	\$	× 37% (0.37)	\$	\$ 35,573.00	\$

# Line 16 wants you to calculate your taxes.

<b>15</b>	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	<b>15</b>	<b>\$182,753</b>
<b>16</b>	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	<b>16</b>	<b>\$39,496.46</b>

Column d tells you to subtract column c by column d and put the answer in the last column and on line 16.

## Section A—Use if your filing status is **Single**. Complete the row below that applies to you.

Taxable income. If line 15 is—	(a) Enter the amount from line 15	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	Tax. Subtract (d) from (c). Enter the result here and on the entry space on line 16.
At least \$100,000 but not over \$163,300	\$	× 24% (0.24)	\$	\$ 5,920.50	\$
Over \$163,300 but not over \$207,350	\$ <b>\$182,753</b>	× 32% (0.32)	\$ <b>\$58,480.96</b>	\$ 18,984.50	\$ <b>\$39,496.46</b>
Over \$207,350 but not over \$518,400	\$	× 35% (0.35)	\$	\$ 25,205.00	\$
Over \$518,400	\$	× 37% (0.37)	\$	\$ 35,573.00	\$



Let's look at someone who will receive a refund.

1040

Department of the Treasury—Internal Revenue Service  
U.S. Individual Income Tax Return

Woo Hoo!!  
Refund  
Coming!

Refund

Direct deposit? See instructions.	75
Amount	76
You Owe	77

Filing

Check box.

Exe

If more than four dependents, see instructions and check here

d Total number of exemptions claimed

7 Wages, salaries, tips, etc. Attach Form(s) W-2

8a Taxable interest. Attach Schedule B if required

8b Tax-exempt interest. Do not include on line 8a

8c Dividends. Attach Schedule B if required

8d Credits, or offsets of state and local income taxes

8e Schedule C or C-EZ

8f If required. If not required, check box

8g Tax

Residence below (see instructions)

4  Head of household (with qualifying person the qualifying person is a child but not a dependent, do not check box 6a)

5  Qualifying widow(er) with dependent child

(3) Dependent's relationship to you

Dependent's SSN above

(4)  if child under age 17 qualifying for child tax credit (see instructions)

8b

9b

b Tax

24	Add lines 22 and 23. This is your <b>total tax</b>	▶	24	\$33,770.46
33	Add lines 25d, 26, and 32. These are your <b>total payments</b>	▶	33	\$37,816.22
<b>Refund</b>	<b>34</b> If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you <b>overpaid</b>		34	\$4,045.76
	<b>35a</b> Amount of line 34 you want <b>refunded to you</b> . If Form 8888 is attached, check here	▶ <input type="checkbox"/>	35a	\$4,045.76
Direct deposit? See instructions.	▶ <b>b</b> Routing number	<input type="text"/>	▶ <b>c</b> Type:	<input type="checkbox"/> Checking <input type="checkbox"/> Savings
	▶ <b>d</b> Account number	<input type="text"/>		
	<b>36</b> Amount of line 34 you want <b>applied to your 2021 estimated tax</b>	▶	36	

## How you decide which section to fill out?

Formula: Amount of tax you owe (line 24) less total payments (line 33)

- If positive you have not paid all your taxes and you **still owe**.
- If negative you have paid more taxes than you owe and you get a **refund**.

$$33,770.46 - 37,816.22 = -4,045.76$$

REFUND!!!:

Line 34: Do the math and write down the answer.

Line 35a: You want it all given back to you so repeat the number.

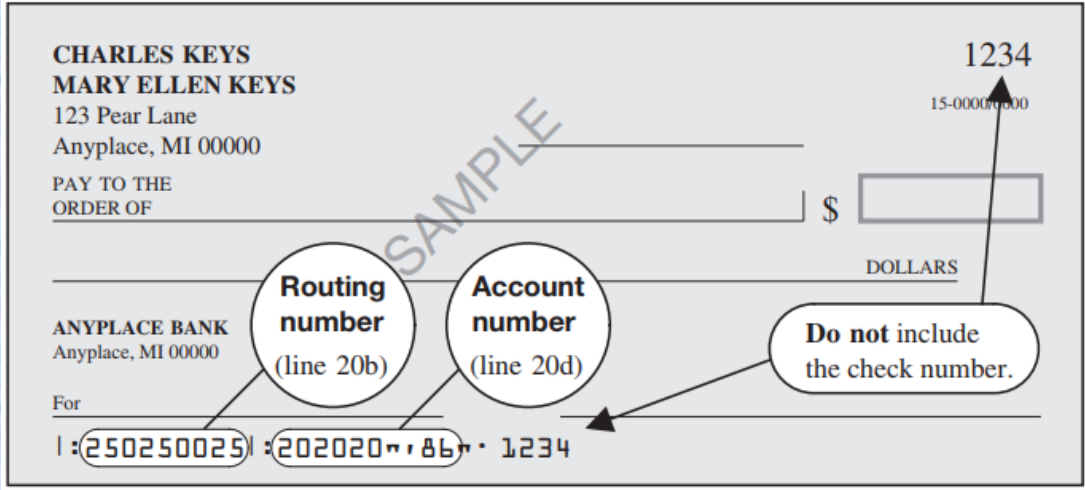
24	Add lines 22 and 23. This is your <b>total tax</b>	▶	24	\$33,770.46
33	Add lines 25d, 26, and 32. These are your <b>total payments</b>	▶	33	\$37,816.22
<b>Refund</b>	34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you <b>overpaid</b>	34	\$4,045.76
	35a	Amount of line 34 you want <b>refunded to you</b> . If Form 8888 is attached, check here	35a	\$4,045.76
Direct deposit? See instructions.	▶ b	Routing number <b>250 250 025</b>	▶ c Type:	<input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings
	▶ d	Account number <b>202 020 86</b>		
	36	Amount of line 34 you want <b>applied to your 2021 estimated tax</b>	▶ 36	

Line 35b: Get the routing number from your blank checks and write it on the line.

Line 35c: Check mark the type of account.

Line 35d: Get the account number from your blank checks and write it on the line.

Line 36: Since you want all of your refund, do nothing here.



What do I do now?

The 6-4 Worksheet #3

**When is it due?**

**Next Class**