

# Paying Taxes

It is early February, and you are ready to complete your tax return. You're hoping for a refund, so you've decided to file your return earlier than the April 15th deadline. As a single person with no dependents and very simple finances, you qualify to file the easiest of the IRS tax forms—the 1040EZ.

- The documents you need to file the 1040EZ are on this page. The instructions for completing the 1040EZ are on the next page, and on the last page is the 1040EZ form itself.
- Review your documents below, then turn to the next page to begin the activity.
- Your employer sent you a Form W-2, which shows how much you earned at your job last year as an intern in an advertising agency, including how much you paid in taxes.

a Control number <b>1234</b>		OMB No. 1545-0008				
b Employer identification number <b>98-7654321</b>		1 Wages, tips, other compensation <b>17,472.27</b>		2 Federal income tax withheld <b>1,970.29</b>		
c Employer's name, address, and ZIP code <b>Greenwood's Sandwich Shop 1602 Main Street Newtown, TN 37502</b>		3 Social security wages <b>17,472.27</b>		4 Social security tax withheld <b>1,336.63</b>		
		5 Medicare wages and tips <b>17,472.27</b>		6 Medicare tax withheld <b>262.08</b>		
		7 Social security tips		8 Allocated tips		
d Employee's social security number <b>123-45-6789</b>		9 Advance EIC payment		10 Dependent care benefits		
e Employee's name, address, and ZIP code <b>Kenneth Gregory 25 Chancery Court Newtown, TN 37503</b>		11 Nonqualified plans		12 Benefits included in box 1		
		13 See instrs. for box 13		14 Other		
		15 Statutory employee: <input type="checkbox"/>		Deceased: <input type="checkbox"/>		Pension plan: <input type="checkbox"/>
16 State Employer's state I.D. no. <b>TN 00-65432-1</b>		17 State wages, tips, etc. <b>17,472.27</b>		18 State income tax		
				19 Locality name		
				20 Local wages, tips, etc.		
				21 Local income tax		

**Form W-2 Wage and Tax Statement 2003** Department of the Treasury—Internal Revenue Service  
 Copy B To Be Filed With Employee's FEDERAL Tax Return This information is being furnished to the Internal Revenue Service.

- This is the tax table you will use to figure out how much tax you owe.

**2003 1040EZ Tax Table—**

If Form 1040EZ, line 6, is—		And you are—		9,000							
At least	But less than	Single	Married filing jointly	9,000	9,050	1,004	903	9,500	9,550	1,079	953
				9,050	9,100	1,011	908	9,550	9,600	1,086	958
				9,100	9,150	1,019	913	9,600	9,650	1,094	963
				9,150	9,200	1,026	918	9,650	9,700	1,101	968
				9,200	9,250	1,034	923	9,700	9,750	1,109	973
				9,250	9,300	1,041	928	9,750	9,800	1,116	978
				9,300	9,350	1,049	933	9,800	9,850	1,124	983
				9,350	9,400	1,056	938	9,850	9,900	1,131	988
				9,400	9,450	1,064	943	9,900	9,950	1,139	993
				9,450	9,500	1,071	948	9,950	10,000	1,146	998

## Completing the 1040EZ

When you complete your real tax forms, be sure to follow the instructions given in official IRS publications. For this activity, use the instructions below to complete the 1040EZ (on the next page).

### Line 1: Wages, salaries, and tips

Enter the total of your wages, salaries, and tips, shown in box 1 of your Form W-2.

### Line 2: Taxable interest

You did not earn interest on your savings account last year, so enter *0.00* on Line 2 of the 1040EZ.

### Line 3: Unemployment compensation

You did not receive unemployment compensation last year, so enter *0.00* on Line 3.

### Line 4: Adjusted gross income

Add lines 1, 2, and 3, and enter the total on Line 4.

### Line 5: Can your parents (or someone else) claim you on their return?

No one is claiming you on their return this year, so check the *No* box. Enter 7,800.00 (the standard deduction for a single filer) on Line 5.

### Line 6: Taxable income

Subtract line 5 from line 4. Your tax is figured on this amount.

### Line 7: Federal income tax withheld

Enter the total federal income tax withheld, shown in box 2 of your Form W-2.

### Line 8: Earned income credit

The earned income credit is a tax credit for low-income parents who meet certain qualifications. In this scenario, you do not meet the qualifications, so enter *0.00* on this line.

### Line 9: Total payments

Add lines 7 and 8a to get the total payments you made this year.

### Line 10: Tax

Look up your taxable income (Line 6) on the tax table on the first page of this activity to find out what your tax is for this year.

### Line 11a: Refund

If Line 9 (total payments to the government) is larger than Line 10 (the tax you owe), you'll get a refund. Subtract Line 10 from Line 9.

### Line 12: Amount you owe

If Line 10 (the tax you owe) is larger than Line 9 (total payments to the government), you owe the government more money. Subtract Line 9 from Line 10.

Form  
1040EZ

Department of the Treasury—Internal Revenue Service  
**Income Tax Return for Single and  
Joint Filers With No Dependents (99) 2003**

OMB No. 1545-0675

**Label**  
(See page 12.)  
Use the IRS  
label.  
Otherwise,  
please print  
or type.

L A B E L  H E R E	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 page 12.	Apt. no.
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 12.	

Your social security number \_\_\_\_\_  
Spouse's social security number \_\_\_\_\_

**▲ Important! ▲**  
You must enter your  
SSN(s) above.

**Presidential  
Election  
Campaign**  
(page 12) ▶

**Note.** Checking "Yes" will not change your tax or reduce your refund.  
Do you, or your spouse if a joint return, want \$3 to go to this fund? . . . . . ▶

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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**Income**

Attach  
Form(s) W-2  
here.  
Enclose, but  
do not attach,  
any payment.

Note. You  
must check  
Yes or No. }  
}

<b>1</b> Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2.	1
<b>2</b> Taxable interest. If the total is over \$1,500, you cannot use Form 1040EZ.	2
<b>3</b> Unemployment compensation and Alaska Permanent Fund dividends (see page 14).	3
<b>4</b> Add lines 1, 2, and 3. This is your <b>adjusted gross income</b> .	4
<b>5</b> Can your parents (or someone else) claim you on their return? <b>Yes.</b> Enter amount from <input type="checkbox"/> worksheet on back. <b>No.</b> If <b>single</b> , enter \$7,800. If <b>married filing jointly</b> , enter \$15,600. See back for explanation.	5
<b>6</b> Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your <b>taxable income</b> .	6

**Payments  
and tax**

<b>7</b> Federal income tax withheld from box 2 of your Form(s) W-2.	7
<b>8</b> <b>Earned income credit (EIC).</b>	8
<b>9</b> Add lines 7 and 8. These are your <b>total payments</b> .	9
<b>10</b> <b>Tax.</b> Use the amount on <b>line 6 above</b> to find your tax in the tax table on pages 24–28 of the booklet. Then, enter the tax from the table on this line.	10

**Refund**

Have it directly  
deposited! See  
page 19 and fill  
in 11b, 11c,  
and 11d.

**11a** If line 9 is larger than line 10, subtract line 10 from line 9. This is your **refund**. ▶ 11a

▶ **b** Routing number  ▶ **c** Type:  Checking  Savings

▶ **d** Account number

**Amount  
you owe**

**12** If line 10 is larger than line 9, subtract line 9 from line 10. This is the **amount you owe**. For details on how to pay, see page 20. ▶ 12

**Third party  
designee**

Do you want to allow another person to discuss this return with the IRS (see page 20)?  Yes. Complete the following.  No

Designee's name ▶ Phone no. ▶ ( ) Personal identification number (PIN) ▶

**Sign  
here**

Joint return?  
See page 11.  
Keep a copy  
for your  
records.

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.

Your signature	Date	Your occupation	Daytime phone number ( )
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	

**Paid  
preparer's  
use only**

Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ▶	EIN	Phone no. ( )	