

GUIDE TO
**FREE TAX
SERVICES**
FOR TAX YEAR
1996



Department of the Treasury
Internal Revenue Service
Publication 910 (Rev. 12-96)
Catalog Number 15315W

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Guide to Free Tax Services

Guide to Free Tax Services has information about IRS tax materials you can get via the Internet and over the telephone, filing options, tax publications, tax education and assistance programs, and tax tips. Most of these materials and programs are free and most are **available year-round** through the IRS. This guide also lists telephone numbers for recorded tax information and for automated refund information and IRS mailing addresses.

Please read on to see which IRS tax services will help make your tax filing easier.

Tax Information—Where to Get It

The Internal Revenue Service produces and provides publications, forms, and other tax materials and information to help taxpayers comply with the tax laws. These materials can be obtained via the Internet, CD-ROM, fax-on-demand, over the telephone, through the mail, and at local IRS offices.

Electronic Tax Products

If you have access to a personal computer, you may download and print any of 600 federal tax forms with instructions, approximately 90 tax publications, and other tax information materials. Additionally, for your convenience, the IRS Federal Tax Forms CD-ROM contains forms and publications, and you can request and receive forms over a fax machine.

Internet

World Wide Web—

<http://www.irs.ustreas.gov>

FTP <ftp.irs.ustreas.gov>

Telenet—[iris.irs.ustreas.gov](telnet://iris.irs.ustreas.gov)

Modem: 703-321-8020

CD-ROM

An alternative to downloading files from the Internet is getting the Federal Tax Forms CD-ROM. This CD contains over 600 current year IRS tax forms with instructions and tax publications as well as prior-year tax forms and instructions beginning with 1991. The cost for the CD is \$25.

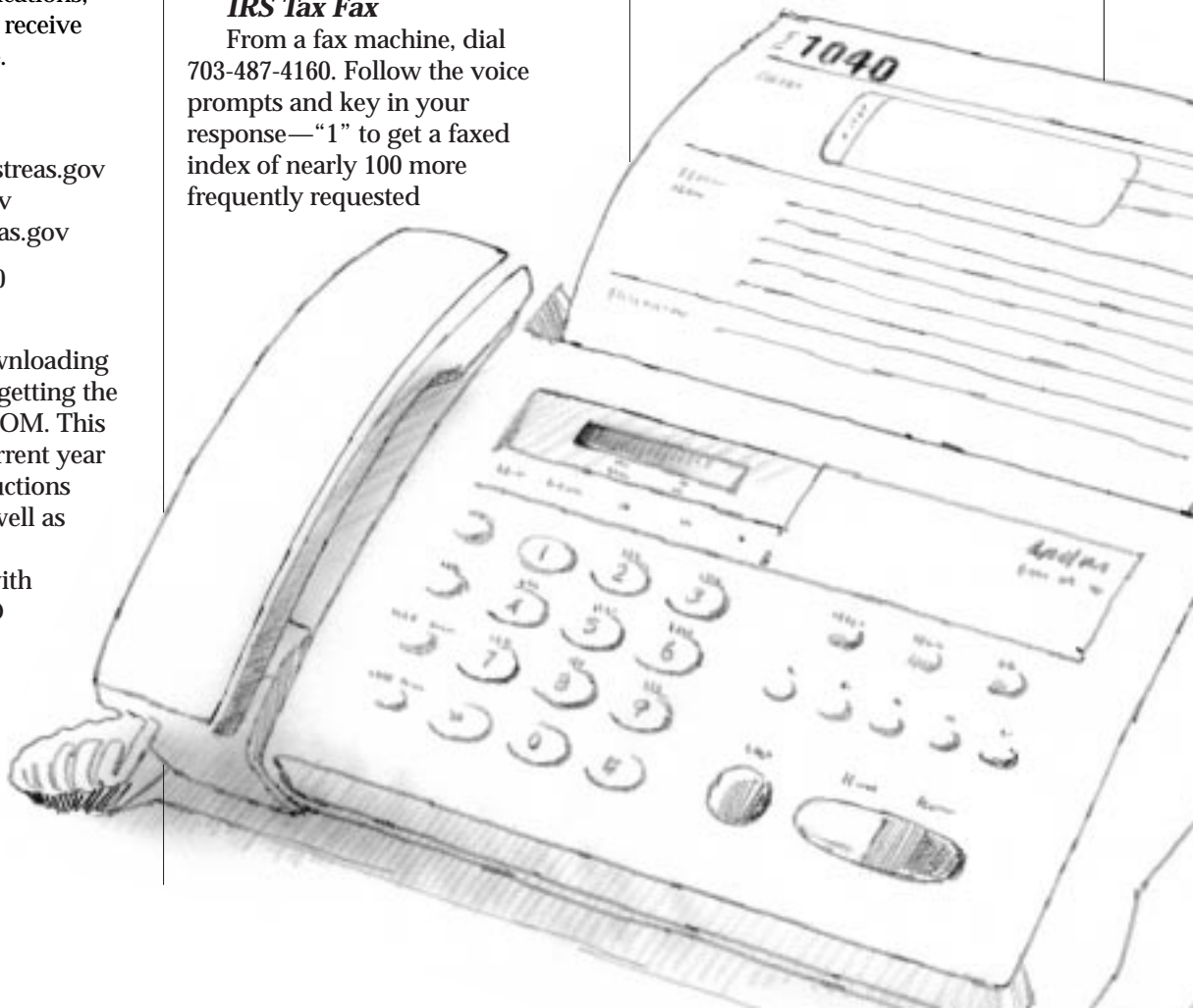
To order the 1997 Federal Tax Forms CD-ROM (stock number 648-096-00004-6),

contact the Government Printing Office's Superintendent of Documents, PO Box 371954, Pittsburgh PA 15250-7954, or call 202-512-1800. Fax request to 202-512-2250. To obtain CD information electronically through GPO's World Wide Web site enter http://www.gpo.gov/su_docs.

IRS Tax Fax

From a fax machine, dial 703-487-4160. Follow the voice prompts and key in your response—"1" to get a faxed index of nearly 100 more frequently requested

IRS tax forms (with a two digit item number for each form); or "2" to key in any two digit item number. You can select up to three items to order during a single call. The forms are generally available for fax transmission at all times. Your order will be faxed back to you through your fax machine.



TeleTax Recorded Tax Information and Automated Refund Information

TeleTax is the IRS toll-free telephone service that provides both recorded tax information and automated refund information.

Recorded Tax Information has about 140 recorded topics that provide basic tax information. You can listen to up-to-three topics on each call you make. A complete list of TeleTax topics follows. This touch-tone service is available 24 hours a day, 7 days a week. Select, by

number, the topic you want to hear. Then, call the appropriate phone number listed below. **For the directory of topics, listen to Topic 123.** Have paper and pencil handy to take notes.

Automated Refund Information allows you to check the status of your refund. Be sure to have a copy of your current tax return available since you will need to know the first social security number shown on your return, the filing status, and the exact whole dollar amount of your refund. Then call the appropriate phone number listed on this page

and follow the recorded instructions. The IRS updates refund information every 7 days. If you call to find out about the status of your refund and do not receive a refund mailing date, please wait 7 days before calling back. This touch-tone service is available Monday through Friday from 7:00 a.m. to 11:30 p.m. (Hours may vary in your area.)

TeleTax 1-800 Telephone Numbers

Use the following toll-free number for your area. Use a local city number if one is available.

2

Alabama
1-800-829-4477

Alaska
1-800-829-4477

Arizona
Phoenix, 602-640-3933
Elsewhere, 1-800-829-4477

Arkansas
1-800-829-4477

California
Oakland, 510-839-4245
Elsewhere, 1-800-829-4477

Colorado
Denver, 303-592-1118
Elsewhere, 1-800-829-4477

Connecticut
1-800-829-4477

Delaware
1-800-829-4477

District of Columbia
202-628-2929

Florida
1-800-829-4477

Georgia
Atlanta, 404-331-6572
Elsewhere, 1-800-829-4477

Hawaii
1-800-829-4477

Idaho
1-800-829-4477

Illinois
Chicago, 312-886-9614
Elsewhere, 1-800-829-4477

Indiana
Indianapolis, 317-631-1010
Elsewhere, 1-800-829-4477

Iowa
1-800-829-4477

Kansas
1-800-829-4477

Kentucky
1-800-829-4477

Louisiana
1-800-829-4477

Maine
1-800-829-4477

Maryland
Baltimore, 410-244-7306
Elsewhere, 1-800-829-4477

Massachusetts
Boston, 617-536-0709
Elsewhere, 1-800-829-4477

Michigan
1-800-829-4477

Minnesota
1-800-829-4477

Mississippi
1-800-829-4477

Missouri
St Louis, 314-241-4700
Elsewhere, 1-800-829-4477

Montana
1-800-829-4477

Nebraska
1-800-829-4477

Nevada
1-800-829-4477

New Hampshire
1-800-829-4477

New Jersey
1-800-829-4477

New Mexico
1-800-829-4477

New York
1-800-829-4477

North Carolina
1-800-829-4477

North Dakota
1-800-829-4477

Ohio
Cincinnati, 513-421-0329
Cleveland, 216-522-3037

Oklahoma
1-800-829-4477

Oregon
Portland, 503-294-5363
Elsewhere, 1-800-829-4477

Pennsylvania
Philadelphia, 215-627-1040
Pittsburgh, 412-261-1040
Elsewhere, 1-800-829-4477

Puerto Rico
1-800-829-4477

Rhode Island
1-800-829-4477

South Carolina
1-800-829-4477

South Dakota
1-800-829-4477

Tennessee
Nashville, 615-781-5040
Elsewhere, 1-800-829-4477

Texas
Dallas, 214-767-1792
Houston, 713-541-3400
Elsewhere, 1-800-829-4477

Utah
1-800-829-4477

Vermont
1-800-829-4477

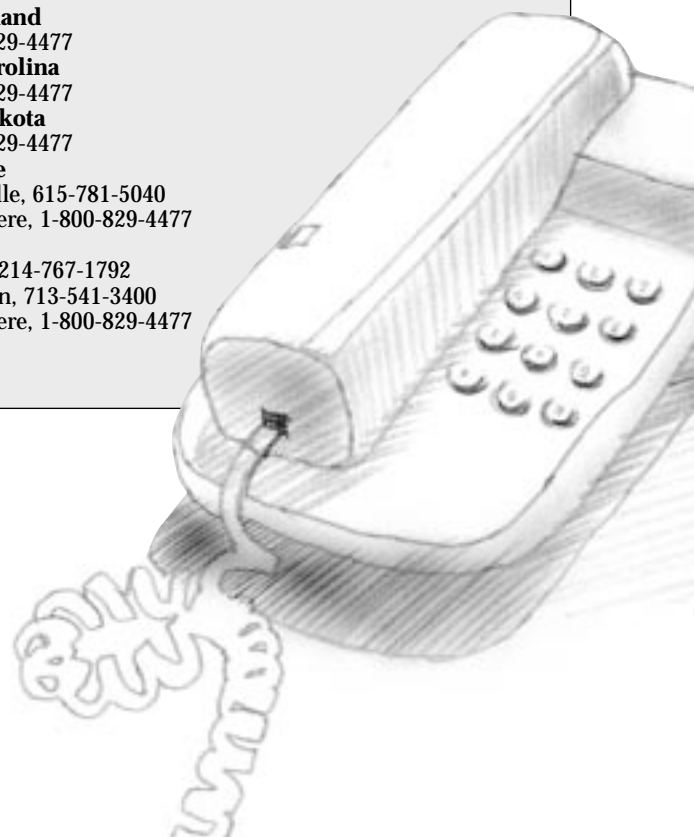
Virginia
Richmond, 804-783-1569
Elsewhere, 1-800-829-4477

Washington
Seattle, 206-343-7221
Elsewhere, 1-800-829-4477

West Virginia
1-800-829-4477

Wisconsin
1-800-829-4477

Wyoming
1-800-829-4477



TeleTax Topic Menu Numbers

Topic numbers are effective January 1, 1997.

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- 102 Tax assistance for individuals with disabilities and the hearing impaired
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- 402 Tips
- 403 Interest received
- 404 Dividends
- 405 Refunds of state and local taxes
- 406 Alimony received
- 407 Business income
- 408 Sole proprietorship
- 409 Capital gains and losses
- 410 Pensions and annuities
- 411 Pensions—the general rule and the simplified general rule
- 412 Lump-sum distributions
- 413 Rollovers from retirement plans
- 414 Rental income and expenses
- 415 Renting vacation property and renting to relatives
- 416 Farming and fishing income
- 417 Earnings for clergy
- 418 Unemployment compensation
- 419 Gambling income and expenses



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506	Contributions
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512	Business entertainment expenses
513	Educational expenses
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555	Five- or ten-year tax options for lump-sum distributions
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702	Sale of your home—how to report gain
703	Sale of your home—exclusion of gain, age 55 and over
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Did You Know?
Recorded tax information is an IRS touch-tone service available 24 hours a day, 7 days a week?

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752	Form W-2—where, when, and how to file
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756	Employment taxes for household employees
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<i>Menu #s</i>	<i>Subject</i>
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959	Earned income tax credit (EITC)
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961	Alien tax clearance

Tax Publications

The IRS produces many free publications to help you fill out your tax return and to answer your tax questions. All IRS publications and forms can be downloaded from the Internet or ordered at no charge by calling the IRS at 1-800-829-3676. You can also get forms faxed to you. See section IRS Tax Fax under **Electronic Tax Products**.

Tax Publications and Related Forms

You may want to get one or more of the publications listed below for information on a specific topic. Where the publication title may not be enough to describe the contents of the publication, there is a brief description. Forms and schedules related to the contents of each publication are shown after each listing.

Pub 1, *Your Rights as a Taxpayer*—explains your rights at each step in the tax process. To ensure that you always receive fair treatment in tax matters, you should know what your rights are.

Pub 1SP, *Derechos del Contribuyente* (Your Rights as a Taxpayer)—(Publication 1 in Spanish.)

Pub 3, *Armed Forces' Tax Guide*—gives information about the special tax situations of active members of the Armed Forces. This publication contains information on items that are included in and excluded from gross income, combat zone exclusion, alien status, dependency exemptions, sale of residence, itemized deductions, tax liability, extension of deadline, and filing returns. **ALSO CONTAINS BOSNIA PROVISIONS.**

Forms 1040, 1040A, 1040EZ, 1040NR, 1040X, 1310, 2106, 2688, 2848, 3903, 3903F, 4868, W-2.

Pub 4, *Student's Guide to Federal Income Tax*—explains the federal tax laws that are of particular interest to high school and college students. It describes student's responsibilities to pay taxes and file returns and explains how to file and get help, if needed.

Forms 1040EZ, 4070, W-2, W-4.

Pub 15, *Employer's Tax Guide (Circular E)*—Forms 940, 941.

Pub 15A, *Employer's Supplemental Tax Guide*

Pub 51, *Agricultural Employer's Tax Guide (Circular A)*—Form 943.

Pub 54, *Tax Guide for U.S. Citizens and Resident Aliens Abroad*—explains the special tax rules for U.S. citizens and resident aliens who live and work abroad or who have income earned in foreign countries. In particular, this publication explains the rules for excluding income and excluding or deducting certain housing costs.

Forms 1040 (Schedule SE), 1116, 2555, 2555-EZ.

Pub 80, *Federal Tax Guide for Employers in the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands (Circular SS)*—Forms 940, 941SS, 943.

Pub 179, *Guía Contributiva Federal Para Patronos Puertorriqueños (Circular PR)* (Federal Tax Guide for Employers in Puerto Rico)—Forms 940PR, 941PR, 943PR, W-3PR.

Pub 225, *Farmer's Tax Guide*—identifies the kind of farm income

you must report and the different deductions you can take.

Forms 1040 (Schedules D, F, SE), 4562, 4684, 4797.

Pub 378, *Fuel Tax Credits and Refunds*—explains the credit or refund allowable for the federal excise taxes paid on certain fuels.

Forms 720, 4136, 8849.

Pub 463, *Travel, Entertainment, Gift, and Car Expenses*—identifies business-related travel, entertainment, gift, and local transportation expenses that may be deductible.

Forms 2106, 2106EZ.

Pub 501, *Exemptions, Standard Deduction, and Filing Information*—Forms 2120, 8332.

Pub 502, *Medical and Dental Expenses*—explains which medical and dental expenses are deductible, how to deduct them, and how to treat insurance reimbursements you may receive for medical care.

Form 1040 (Schedule A).

Pub 503, *Child and Dependent Care Expenses*—explains that you may be able to take a credit if you pay someone to care for your dependent who is under age 13, your disabled dependent, or your disabled spouse.

Popular Publications

Pub 17, *Your Federal Income Tax (For Individuals)*—can help you prepare your individual tax return. This publication takes you step-by-step through each part of the return. It explains the tax laws in a way that will help you better understand your taxes so that you pay only as much as you owe and no more. **(Note to Practitioners only: There is a fee of \$10.00 to order this publication.)**

Forms 1040 (Schedules A, B, D, E, EIC, R, SE) 1040A, 1040EZ, 2106, 2119, 2441, 3903, W-2.

Pub 334, *Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)*—explains federal tax laws that apply to sole proprietorships and statutory employees. **(Note to Practitioners only: There is a fee of \$6.50 for this publication.)**

Forms 1040 (Schedules C, C-EZ, SE), 4562.

Pub 579SP, *Cómo Preparar la Declaración de Impuesto Federal* (How to Prepare the Federal Income Tax Return)—Forms 1040, 1040A, (Schedules 1 and 2), 1040EZ, and Schedule EIC.

For purposes of the credit, “disabled” refers to persons physically or mentally unable to care for themselves. Tax rules covering benefits paid under a dependent care assistance plan are also explained.

See Publication 926, for information on the employment taxes you may have to pay if you are a household employer.

Forms 1040A (Schedule 2), 2441.

Pub 504, *Divorced or Separated Individuals*—Form 8332.

Pub 505, *Tax Withholding and Estimated Tax*—Forms 1040-ES, 2210, 2210F, W-4, W-4P, W-4S, W-4V.

Pub 508, *Educational Expenses*—identifies work-related educational expenses that may be deductible. Also discusses the exclusion for employer-provided educational assistance.

Forms 1040 (Schedule A), 2106, 2106EZ.

Pub 509, *Tax Calendars for 1997*

Pub 510, *Excise Taxes for 1997*—covers in detail the various federal excise taxes reported on Form 720. These include environmental taxes; facilities and service taxes on communications and air transportation; fuel taxes; manufacturers’ taxes; vaccines; tax on heavy trucks, trailers, and tractors; luxury taxes; and tax on ship passengers. This publication briefly describes other excise taxes and which forms to use in reporting and paying the taxes.

Forms 11-C, 637, 720, 730, 6197, 6627.

Pub 513, *Tax Information for Visitors to the United States*—briefly reviews the general requirements of U.S. income tax rules for foreign visitors who may have to file a U.S. income tax return during their visit. Most visitors who come to the United States are not allowed to work in this country. Check with the Immigration and Naturalization Service before taking a job.

Forms 1040C, 1040-ES (NR), 1040NR, 2063.

Pub 514, *Foreign Tax Credit for Individuals*—explains the foreign tax

credit that is allowed for income taxes paid to a foreign government on income taxed by both the United States and a foreign country.

Form 1116.

Pub 515, *Withholding of Tax on Nonresident Aliens and Foreign Corporations*—provides information for withholding agents who are required to withhold and report tax on payments to nonresident aliens and foreign corporations. This publication includes information



on required withholding upon the disposition of a U.S. real property interest by a foreign person. Also, it includes three tables listing U.S. tax treaties and some of the treaty provisions that provide for reduction of or exemption from withholding for certain types of income.

Forms 1001, 1042, 1042S, 1078, 4224, 8233, 8288, 8288-A, 8288-B, 8709, 8804, 8805, 8813, W-8.

Pub 516, *U.S. Government Civilian Employees Stationed Abroad*

Pub 517, *Social Security and Other Information for Members of the Clergy and Religious Workers*—discusses social security and Medicare taxes for ministers and religious workers. This publication explains the income tax treatment of certain income items of interest to the clergy.

Forms 1040 (Schedules C-EZ, SE), 2106EZ, 4029, 4361.

Pub 519, *U.S. Tax Guide for Aliens*—gives guidelines on how aliens determine their U.S. tax status and figure their U.S. income tax.

Forms 1040, 1040C, 1040NR, 1040NR-EZ, 2063.

Pub 520, *Scholarships and Fellowships*—explains the tax rules that apply to U.S. citizens and resident aliens who study, teach, or conduct research in the United States or abroad under scholarships and fellowship grants.

Forms 1040A, 1040EZ.

Pub 521, *Moving Expenses*—explains whether certain expenses of moving are deductible. For example, if you changed job locations last year or started a new job, you may be able to deduct your moving expenses. You also may be able to deduct expenses of moving to the United States if you retire while living and working overseas or if you are a survivor or dependent of a person who died while living and working overseas.

Forms 3903, 3903F, 4782.

Pub 523, *Selling Your Home*—explains how to treat any gain or loss from selling your main home.

Forms 2119, 8828.

Pub 524, *Credit for the Elderly or the Disabled*—explains who qualifies for the credit and how to figure this credit.

Forms 1040 (Schedule R), 1040A (Schedule 3).

Pub 525, *Taxable and Nontaxable Income*

Pub 526, *Charitable Contributions*—describes organizations that are qualified to receive charitable contributions. It also describes contributions you can (and cannot) deduct and explains deduction limits.

Forms 1040 (Schedule A), 8283.

Pub 527, *Residential Rental Property*—explains rental income and expenses and how to report them on your return. This publication also defines other special rules that apply to rental activity.

Forms 1040 (Schedule E), 4562, 4797.

Pub 529, Miscellaneous Deductions

—identifies expenses you may be able to take as miscellaneous deductions on Form 1040 (Schedule A), such as employee business expenses and expenses of producing income. This publication does not discuss other itemized deductions, such as the ones for charitable contributions, moving expenses, interest, taxes, or medical and dental expenses.

Forms 1040 (Schedule A), 2106EZ.

Pub 530, Tax Information for First-Time Homeowners—Forms 1040 (Schedule A), 8396.

Pub 531, Reporting Tip Income—explains how tip income is taxed and the rules for keeping records and reporting tips to your employers. This publication focuses on employees of food and beverage establishments, but record keeping rules and other information may also apply to other workers who receive tips, such as hairdressers, cab drivers, and casino dealers. (See Publication 1244.)

Forms 4070, 4070A.

Pub 533, Self-Employment Tax—explains how people who work for themselves figure and pay self-employment tax on their earned income. Self-employment tax consists of social security and Medicare taxes.

Form 1040 (Schedule SE).

Pub 534, Depreciating Property Placed in Service Before 1987—Form 4562.**Pub 535, Business Expenses****Pub 536, Net Operating Losses**—Form 1045.

Pub 537, Installment Sales—explains the tax treatment of property sales arrangements (called installment sales) that provide part or all of the selling price be paid in a later year. If you finance the buyer's purchase of your property, instead of having the buyer get a loan or mortgage from a bank (or other lender), you probably have an installment sale.

Form 6252.

Pub 538, Accounting Periods and Methods

Pub 541, Partnerships—Form 1065 (Schedules K, K-1).

Pub 542, Corporations—Forms 1120, 1120A.

Pub 544, Sales and Other Dispositions of Assets—explains how to figure gain and loss on various transactions, such as trading, selling, or exchanging an asset used in a trade or business. This publication defines capital and noncapital assets and the tax results of different types of gains and losses.

Forms 1040 (Schedule D), 4797, 8824.

Pub 547, Casualties, Disasters, and Thefts (Business and Non-Business)

—helps you identify a deductible disaster, casualty, or theft loss. This publication also explains how to figure and prove your loss and how to treat the reimbursement you receive from insurance or other sources.

Form 4684.

Pub 550, Investment Income and Expenses—covers investment income such as interest and dividends, expenses related to investments, and sales and trades of investment property including capital gains and losses.

Forms 1040 (Schedules B, D), 1099-DIV, 1099-INT, 4952, 6781, 8815.

Pub 551, Basis of Assets—explains how to determine the basis of property, which is usually its cost.

Pub 552, Record keeping for Individuals—highlights and serves as a ready reference on general record keeping for individual income tax filing.

Pub 553, Highlights of 1996 Tax Changes

Pub 554, Older Americans' Tax Guide—is a guide of tax matters that may affect older Americans.

Forms 1040 (Schedules B, D, R), 1040A, 2119.

Pub 555, Community Property—provides helpful information to married taxpayers who reside in a

community property state—Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, or Wisconsin. If you and your spouse file separate tax returns, you should understand how community property laws affect the way you figure your income on your federal income tax return.

Pub 556, Examination of Returns, Appeal Rights, and Claims for Refund—Forms 1040X, 1120X.

Pub 557, Tax-Exempt Status for Your Organization—explains the rules and procedures that apply to organizations obtaining and keeping exemption from federal income tax under section 501(a) of the Internal Revenue Code of 1986.

Forms 990, 990EZ, 990PF, 1023, 1024.

Pub 559, Survivors, Executors, and Administrators—provides helpful information for reporting and paying the proper federal income tax if you are responsible for settling a decedent's estate. This publication answers many questions that a spouse or other survivor faces when a person dies.

Forms 1040, 1041, 4810.

Pub 560, Retirement Plans for the Self-Employed—explains tax considerations relevant to retirement plans available to self-employed employers, such as the simplified employee pensions (SEPs) and Keogh (H.R. 10) plans.

Forms 5305-SEP, 5500EZ.

Pub 561, Determining the Value of Donated Property—defines fair market value and provides other guidance that may help you determine the value of property you donated to a qualified organization.

Form 8283.

Pub 564, Mutual Fund Distributions—explains the tax treatment of distributions paid or allocated to an individual shareholder of a mutual fund, and explains how to figure gain or loss on the sale of mutual fund shares.

Forms 1040 (Schedules B, D), 1099-DIV.

Pub 570, *Tax Guide for Individuals With Income From U.S. Possessions*—provides tax guidance for individuals with income from American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, Puerto Rico, or the U.S. Virgin Islands. This publication also gives information and addresses for filing U.S. possession tax returns, if required.

Forms 1040, 1040-SS, 4563, 5074, 8689.

Pub 571, *Tax-Sheltered Annuity Programs for Employees of Public Schools and Certain Tax-Exempt Organizations*—explains the rules that apply to tax-sheltered annuities offered by qualified employers to eligible employees. Rules discussed include those affecting the deferral limit, the exclusion allowance, and the limit on employer contributions.

Form 5330.

Pub 575, *Pension and Annuity Income (Including Simplified General Rule)*—explains how to report pension and annuity income and discusses the optional tax treatment you can choose to use for lump-sum distributions from pension, stock bonus, or profit-sharing plans. Also discusses rollovers from qualified retirement plans.

Forms 1040, 1040A, 1099-R, 4972.

Pub 583, *Starting a Business and Keeping Records*—provides basic federal tax information for people who are starting a business. It also provides information on keeping records and illustrates a record keeping system.

Forms 1040 (Schedule C), 4562.

Pub 584, *Nonbusiness Disaster, Casualty, and Theft Loss Workbook*—contains worksheets for listing contents of your residence that were lost due to casualty or theft. It also includes schedules to help you determine item losses.

Pub 584SP, *Registro de Pérdidas Personales Causadas por Hechos Fortuitos (Imprevistos) o Robos*—(Publication 584 in Spanish.)

Pub 587, *Business Use of Your Home (Including Use by Day-Care*

Providers)—explains rules for claiming deductions for business use of your home and what expenses may be deducted.

Pub 590, *Individual Retirement Arrangements (IRAs)*—explains the tax rules that apply to IRAs and the penalties for not following them. Rules discussed include those affecting contributions, deductions, transfers (including rollovers) and withdrawals. This publication also includes tax rules for simplified employee pension (SEP) plans.

Forms 1040, 1040A, 5329, 8606.

Pub 593, *Tax Highlights for U.S. Citizens and Residents Going Abroad*—provides a brief overview of various U.S. tax provisions that apply to U.S. citizens and resident aliens who live or work abroad and expect to receive income from foreign sources.

Pub 594, *Understanding the Collection Process*—defines your rights and duties as a taxpayer who owes federal taxes. This publication also explains how the IRS fulfills its legal obligation to collect these taxes.

Pub 594SP, *Comprendiendo el Proceso de Cobro* (Understanding the Collection Process)—(Publication 594 in Spanish.)

Pub 595, *Tax Highlights for Commercial Fishermen*—is intended for sole proprietors who use Form 1040 (Schedule C) to report profit or loss from fishing. This publication does not cover corporations or partnerships.

Forms 1040 (Schedule C), 1099-MISC, 4562.

Pub 596, *Earned Income Credit*—explains who may receive the credit, how to figure and claim the credit, and how to receive advance payments of the credit.

Forms 1040, 1040A, Schedule EIC, EIC Worksheets, W-5.

Pub 596SP, *Crédito por Ingreso del Trabajo* (Earned Income Credit)—(Publication 596 in Spanish.)

Pub 597, *Information on the United States-Canada Income Tax Treaty*—

reproduces the text of the U.S.-Canada income tax treaty and defines its key provisions. This publication also explains certain tax problems that may be encountered by U.S. residents who temporarily work in Canada.

Pub 598, *Tax on Unrelated Business Income of Exempt Organizations*—explains the tax provisions, that apply to most tax-exempt organizations, and explains that the tax may apply if an organization regularly operates a trade or business that is not substantially related to its exempt purpose.

Form 990-T.

Pub 686, *Certification for Reduced Tax Rates in Tax Treaty Countries*—explains how U.S. citizens, residents, and domestic corporations may certify to a foreign country that they are entitled to tax treaty benefits.

Pub 721, *Tax Guide to U.S. Civil Service Retirement Benefits*—Forms 1040, 1040A.

Pub 850, *English-Spanish Glossary of Words and Phrases Used in Publications Issued by the Internal Revenue Service*

Pub 901, *U.S. Tax Treaties*—explains the reduced tax rates and exemptions from U.S. taxes provided under U.S. tax treaties with foreign countries. This publication provides helpful information for residents of those countries who receive income from U.S. sources. It may be useful to U.S. citizens and residents with income from abroad.

Forms 1040NR, 1040NR-EZ, 8833.

Pub 907, *Tax Highlights for Persons with Disabilities*—briefly explains tax laws that apply to persons with disabilities and directs readers to sources of detailed information, such as Pub 502, *Medical and Dental Expenses*; Pub 503, *Child and Dependent Care Expenses*; Pub 524, *Credit for the Elderly or the Disabled*; Pub 525, *Taxable and Nontaxable Income*; and Pub 915, *Social Security and Equivalent Railroad Retirement Benefits*. For information on the disabled access credit, see Pub 334, *Tax Guide for*

Small Business. For business tax information on deducting costs of removing architectural or transportation barriers, see Pub 535, *Business Expenses*.

Pub 908, *Bankruptcy Tax Guide*—Forms 982, 1040, 1041.

Pub 911, *Direct Sellers*—provides information on figuring income from direct sales and identifies deductible expenses. A direct seller is a person who sells consumer products to others on a person-to-person basis, such as door-to-door, at sales parties, or by appointment in someone's home.

Form 1040 (Schedules C, SE).

Pub 915, *Social Security and Equivalent Railroad Retirement Benefits*—Forms SSA-1042S and RRB-1042S, SSA-1099 and RRB-1099, Social Security Benefits Worksheets.

Pub 919, *Is My Withholding Correct for 1997?*—discusses Form W-4 and offers guidance for getting the right amount of tax withheld from your pay.

Form W-4.

Pub 925, *Passive Activity and At-Risk Rules*—Form 8582.

Pub 926, *Household Employer's Tax Guide*—identifies "household employers." You may be a household employer if you have a babysitter, maid, yard worker, or other person who works at your house. This publication explains what taxes to withhold and pay and what records to keep.

Forms 1040 (Schedule H), W-2, W-4, W-5.

Pub 929, *Tax Rules for Children and Dependents*—explains filing requirements and the standard deduction amount for dependents. This publication also explains when and how a child's parents may include their child's interest and dividend income on their return and when and how a child's interest, dividends, and other investment income are taxed at the parents' tax rate.

Forms 8615, 8814.

Pub 936, *Home Mortgage Interest Deduction*—Form 1040 (Schedule A).

Pub 938, *Real Estate Mortgage Investment Conduits (REMICs) Reporting Information*—explains reporting requirements for issuers of REMICs and Collateralized Debt Obligations (CDOs) and contains a directory of REMICs and CDOs to assist brokers and middlemen with their reporting requirements. AVAILABLE ELECTRONICALLY ON THE IRS-MARTINSBURG BULLETIN BOARD ONLY. Using a modem, dial 1-304-264-7070 and follow the instructions. This is not a toll-free call.

Did You Know?

You can order the Federal Tax Forms CD-Rom that contains over 600 IRS forms and publications.

See section on CD-Rom for more details.

Pub 939, *Pension General Rule (Nonsimplified Method)*—covers the General Rule for the taxation of pensions and annuities, which must be used if the Simplified General Rule does not apply or is not chosen. For example, this nonsimplified method must be used for payments under commercial annuities. The publication contains needed actuarial tables.

Pub 946, *How to Depreciate Property*—Form 4562

Pub 947, *Practice Before the IRS and Power of Attorney*—explains who can represent a taxpayer before the IRS and what forms or documents are used to authorize a person to represent a taxpayer.

Forms 2848, 8821.

Pub 950, *Introduction to Estate and Gift Taxes*—outlines some of the topics covered in Publication 448, *Federal Estate and Gift Taxes*.

Pub 953, *International Tax Information for Businesses*—covers topics of interest to U.S. citizens and resident aliens with foreign investments and nonresident aliens who want to invest in U.S. businesses.

Pub 954, *Tax Incentives for Empowerment Zones and Enterprise Communities*

Pub 957, *Reporting Back Pay to the Social Security Administration*

Pub 967, *The IRS Will Figure Your Tax*—explains the procedures for choosing to have the IRS figure the tax on Forms 1040, 1040A, and 1040EZ.

Pub 1004, *Identification Numbers Under ERISA*

Pub 1045, *Information for Tax Practitioners*

Pub 1212, *List of Original Issue Discount Instruments*—explains the tax treatment of original issue discount (OID) by brokers and other middlemen and by owners of OID debt instruments.

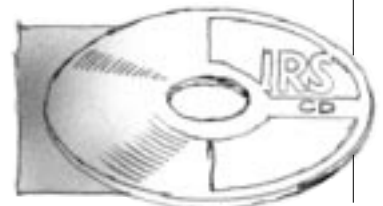
Pub 1244, *Employee's Daily Record of Tips and Report to Employers*—Forms 4070, 4070-A.

Pub 1542, *Per Diem Rates*

Pub 1544, *Reporting Cash Payments of Over \$10,000 (Received in a Trade or Business)*—explains when and how persons in a trade or business must file a Form 8300 when they receive cash payments of more than \$10,000 from one buyer. It also discusses the substantial penalties for not filing the form.

Form 8300.

Pub 1546, *How to Use the Problem Resolution Program of the IRS*



Index of Topics and Related Publications

Look over the following index to find the topic you have questions about. The number listed after each topic is the related publication. Where more than one number is listed after a topic, bold type has been used to identify the publication that provides the most detailed information about that topic. Refer to the previous section titled **Tax Publications** for a brief description of many of the publications listed below.

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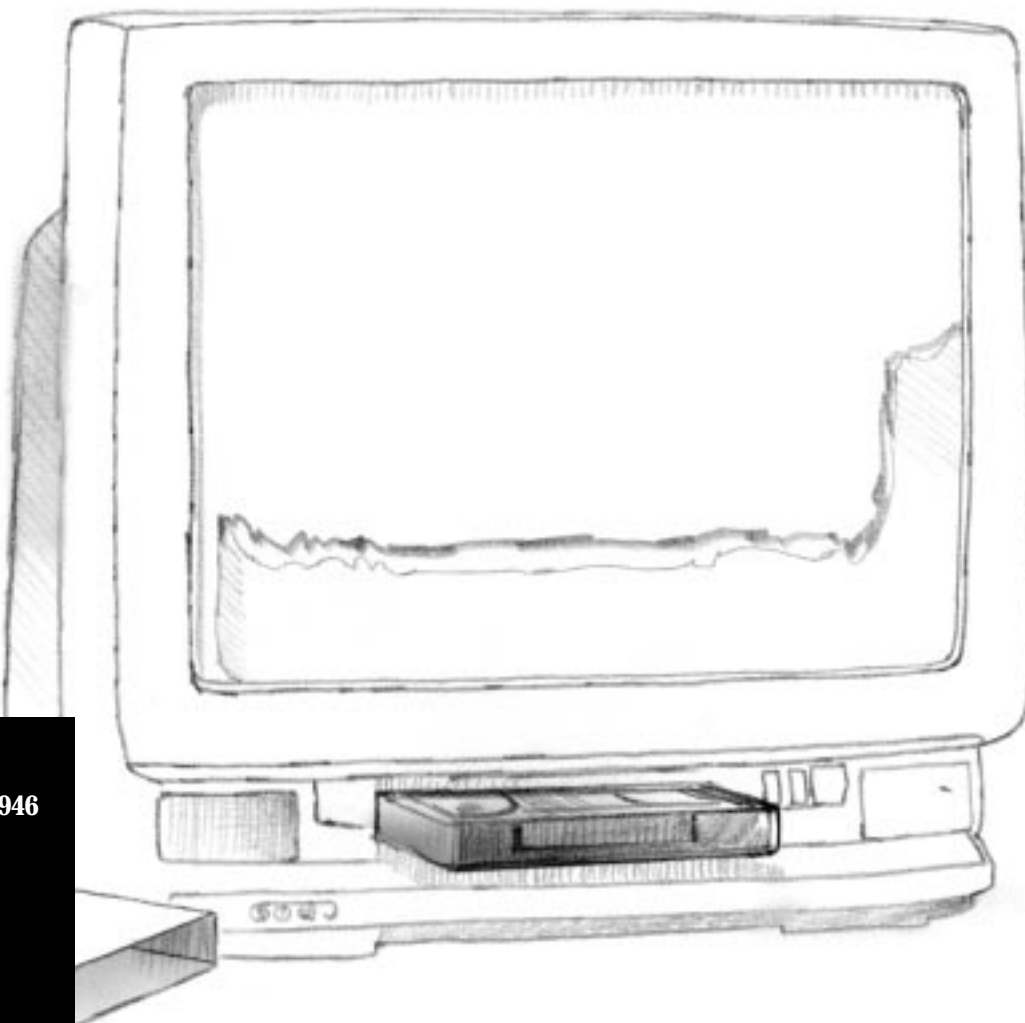
Videotapes and Brochures on Specific Tax Topics

The IRS produces a variety of audiovisual materials and printed information materials (brochures, posters, flyers) to keep you “in the know” of the latest tax law changes, ongoing tax issues, and programs. Many of these materials are available in Spanish.

Videotapes on selected topics are available year-round for loan (without charge) to interested groups or organizations. You can call your local IRS Public Affairs Officer or Taxpayer Education

Coordinator to order a flyer describing the videotapes available, or call 1-800-829-3676 and ask for Publication 1237, *Free Tax Help on Video*. Your local IRS office can provide tapes.

Free printed materials are available year-round through the IRS. Brochures, flyers, and posters can be used by educational facilities, libraries, and community service groups. Many print materials can be downloaded from the Internet and almost all print products can be ordered by calling 1-800-829-3676.



1-800 Tax Assistance Telephone Numbers

If you cannot answer your tax question by reading the tax form instructions or one of our free tax publications, please call the IRS for assistance Monday through Friday from 7:30 a.m. to 5:30 p.m. Hours in Alaska and Hawaii may vary. If you want to check on the status of your refund, call TeleTax.

Choose the Right Number

Use the toll-free number listed on this page for your area. Use a local city number if one is available.

Before You Call

Your IRS representative can better provide you with accurate and complete answers to your tax questions if you have the following information available.

- The tax form, schedule, or notice to which your question relates.
- The facts about your particular situation (the answer to the same question often varies from one taxpayer to another because of differences in their age, income, whether they can be claimed as a dependent, etc.).
- The name of any IRS publication or other source of information that you used to look for the answer.

Before You Hang Up

If you do not fully understand the answer you receive, or you feel the IRS representative may not fully understand your question, the representative needs to know. The representative will be happy to take additional time to be sure he or she has answered your question fully.

By law, you are responsible for paying your fair share of federal income tax. If we should make an error in answering your question, you are still responsible for the payment of the correct tax. Should this occur, however, you will not be charged any penalty. To make sure that IRS representatives give accurate and courteous answers, a second IRS representative sometimes listens in on telephone calls. No record is kept of any taxpayer's identity.

Tax Help Telephone Numbers

Alabama 1-800-829-1040	Indiana 1-800-829-1040	Nevada 1-800-829-1040	Rhode Island 1-800-829-1040
Alaska 1-800-829-1040	Iowa 1-800-829-1040	New Hampshire 1-800-829-1040	South Carolina 1-800-829-1040
Arizona 1-800-829-1040	Kansas 1-800-829-1040	New Jersey 1-800-829-1040	South Dakota 1-800-829-1040
Arkansas 1-800-829-1040	Kentucky 1-800-829-1040	New Mexico 1-800-829-1040	Tennessee Nashville, 615-834-9005 Elsewhere, 1-800-829-1040
California Oakland, 510-839-1040 Elsewhere, 1-800-829-1040	Louisiana 1-800-829-1040	New York Buffalo, 716-685-5432 Elsewhere, 1-800-829-1040	Texas Dallas, 214-742-2440 Houston, 713-541-0440 Elsewhere, 1-800-829-1040
Colorado Denver, 303-825-7041 Elsewhere, 1-800-829-1040	Maine 1-800-829-1040	North Carolina 1-800-829-1040	Utah 1-800-829-1040
Connecticut 1-800-829-1040	Maryland Baltimore, 410-962-2590 Elsewhere, 1-800-829-1040	North Dakota 1-800-829-1040	Vermont 1-800-829-1040
Delaware 1-800-829-1040	Massachusetts Boston, 617-536-1040 Elsewhere, 1-800-829-1040	Ohio Cincinnati, 513-621-6281 Cleveland, 216-522-3000 Elsewhere, 1-800-829-1040	Virginia Richmond, 804-698-5000 Elsewhere, 1-800-829-1040
District of Columbia 1-800-829-1040	Michigan 1-800-829-1040	Oklahoma 1-800-829-1040	Washington Seattle, 206-442-1040 Elsewhere, 1-800-829-1040
Florida Jacksonville, 904-354-1760 Elsewhere, 1-800-829-1040	Minnesota 1-800-829-1040	Oregon Portland, 503-221-3960 Elsewhere, 1-800-829-1040	West Virginia 1-800-829-1040
Georgia Atlanta, 404-522-0050 Elsewhere, 1-800-829-1040	Mississippi 1-800-829-1040	Pennsylvania Philadelphia, 215-574-9900 Pittsburgh, 412-281-0112 Elsewhere, 1-800-829-1040	Wisconsin 1-800-829-1040
Hawaii 1-800-829-1040	Missouri St Louis, 314-342-1040 Elsewhere, 1-800-829-1040	Puerto Rico San Juan Metro Area, 809-766-5040 Elsewhere, 1-800-829-1040	Wyoming 1-800-829-1040
Idaho 1-800-829-1040	Montana 1-800-829-1040		
Illinois 1-800-829-1040	Nebraska 1-800-829-1040		

TTY/TDD Telephone Service

Toll-free telephone tax assistance is available for deaf and hearing-impaired people with access to teletypewriter/telecommunications device for the deaf (TTY/TDD) equipment. Days of operation are Monday through Friday.

Residents of all areas in U.S., including Alaska, Hawaii, U.S. Virgin Islands, and Puerto Rico: 1-800-829-4059.

Note: This number is answered by TTY/TDD equipment only.

Hours of TTY/TDD Operation:

January 1–April 5

8:00 a.m. to 6:30 p.m. EST

April 6–April 15

9:00 a.m. to 7:30 p.m. EDT

April 16–October 25

9:00 a.m. to 5:30 p.m. EDT

October 26–December 31

8:00 a.m. to 4:30 p.m. EST

Braille Tax Materials

Braille tax materials are available for review at regional libraries for the visually impaired in conjunction with the National Library Service for the Blind and Physically Handicapped. Currently, these materials are limited to copies of Publication 17, *Your Federal Income Tax*; Publication 334, *Tax Guide for Small Business*; Forms 1040, 1040A, and 1040EZ, and related instructions; and the Tax Tables.

International Service

If you are a taxpayer who lives outside the United States, the IRS has a full-time permanent staff at roughly 10 U.S. Embassies and Consulates. These offices have tax forms and publications, can help you with account problems, and answer your questions about notices and bills.

From January 1 through June 15 each year, taxpayer service representatives travel to many cities worldwide to assist taxpayers outside the U.S.

You may call your nearest U.S. Embassy, Consulate, or IRS office listed below to find out when and where assistance will be available. These IRS telephone numbers include the country or city codes required if you are outside the local dialing area.

Bonn, Germany
{49} (228) 339-2119
London, England
{44} (171) 408-8077
Mexico City, Mexico
{52} (5) 211-0042 ext. 3557 or 3559
Ottawa, Canada
(613) 563-1834
Paris, France
{33} (1) 4312-2555
Rome, Italy
{39} (6) 4674-2560
Santiago, Chile
{56} (2) 330-3424
Singapore
{65} 476-9413
Sydney, Australia
{61} (2) 9373-9194
Tokyo, Japan
{81} (3) 3224-5466

Taxpayers residing in the island nations of the Caribbean basin should call the IRS office in Puerto Rico at 787-759-5100 for tax help. Taxpayers in the Bahamas and the U.S. Virgin Islands may use the IRS toll-free assistance number 1-800-829-1040.

You can also write to the Assistant Commissioner (International), 950 L'Enfant Plaza, SW, CP:IN:D:CS, Washington, DC, 20024, USA, for answers to your technical or tax account questions or you may call that office at 202-874-1460. The fax number is 202-874-5440.



Alternative Ways to File

The IRS offers alternatives to paper return filing—telephone filing, electronic filing, on-line filing, and 1040PC return filing. These methods can make filing faster, easier, and more accurate; and they offer direct deposit, which means a faster refund. You may even be able to electronically file your state and federal income taxes together. (See **Federal/State Electronic Tax Filing** below.)

TeleFile

Eligible 1040EZ filers can file their federal income taxes using a touch tone telephone.

If you filed taxes using Form 1040EZ last year and have the same address as last year, then you may be able to TeleFile.

The IRS sends a TeleFile tax booklet to those who qualify. You simply complete the TeleFile Tax Record before calling. Then dial the toll-free number listed in the package and follow the recorded instructions. The call takes about 10 minutes. The TeleFile system calculates and files your tax return. You do not mail any forms to the IRS, not even W-2s. TeleFile is available 24 hours a day.

Users of TDD/TTY equipment may access TeleFile through the relay system—1-800-829-4059.

On-line Filing

On-line filing is a program that allows you to file your tax return from home through an on-line service company or through an electronic filing transmitter—there are several to choose from. All that is needed is a computer, a modem, and the software to send the return data. On-line filing can accommodate basic individual tax filing returns and the same forms/schedules as ELF.

To file using this method, you must complete a tax return via a computer and send it to a transmitter/on-line service company via a modem. The transmitter/on-line service company will then convert the file from the tax preparation software's format to the format that meets IRS specifications and then transmit it to the IRS. The IRS will notify you through the participating on-line service company or transmitter whether the return is accepted or not. After the IRS accepts your

return, you sign (both signatures if married filing joint) and mail Form 8453-OL (the electronic filing signature form) along with Copy B of all W-2s and other required documents.

Electronic Tax Filing

Electronic filers (those who prepare tax returns and those who transmit them) can send your tax return over telephone lines directly to the IRS, where computers automatically check for errors and missing information. The IRS will notify your electronic filer that your return has been received and accepted within 48 hours after the transmission.

When expecting a refund, you can get it directly deposited into your checking or savings account. If you expect to owe taxes, you can go ahead and file electronically and then pay by April 15.

Many employers set up electronic filing sites in the workplace for employees, free or for a small fee. Your employer may have staff members or a contractor input, transmit, and even help prepare employees' tax data. Or, representatives from the IRS (Volunteer Income Tax Assistance (VITA) program) may be able to come to your workplace and assist you for free. Similarly, many financial institutions set up these sites for employees and customers. Check with your employer or your financial institution to see if he/she will offer electronic filing this tax season.

Also, electronic filing may be available in some IRS walk-in offices for free or through the VITA program in community locations such as shopping malls or libraries.

Look in your local telephone directory for tax professionals who, for a fee, can transmit your return, whether they prepare the return or you do it yourself.

Federal/State Electronic Tax Filing

You may be able to electronically file your state income taxes together with your federal income taxes. The IRS has teamed up with state tax agencies to offer this one-stop service.

Many tax preparers who offer electronic tax filing offer joint federal/state electronic tax filing. Call your local IRS office or your tax preparer to find out if your state participates in this program.

1040PC Tax Return Filing

The 1040PC return is prepared on a personal computer using an IRS-accepted print option. This option is included in various tax preparation software packages, which are available at many computer software stores. The program automatically prints the return in a three-column "answer sheet" format. It prints only the line numbers, dollar amounts, and, when called for, brief descriptions of line entries. Since the format is condensed, an 11 page traditional paper return can be reduced to a two-to-three page 1040PC return. For easy understanding, a legend "description" paper, which explains each line entry made by the taxpayer, should accompany the return.

If you choose direct deposit of your refund, you can expect it within three weeks. If you owe taxes, you can file early and pay by April 15 using a payment voucher.

Business Tax Services and Information

The IRS has many publications containing information about the federal tax laws that apply to businesses. Publication 334, *Tax Guide for Small Business*, is a good place to start to learn more about sole proprietorships and statutory employees. Publication 583, *Starting a Business and Keeping Records*, covers basic tax information for those who are starting a business. Look in section **Tax Publications** for other materials that can explain your business tax responsibilities.

941 TeleFile

Selected small businesses located in areas serviced by the Tennessee Computing Center (TCC), who meet certain qualifications, will be invited to participate in a pilot paperless processing system—941 TeleFile. This system will allow Form 941 returns to be processed over a touch tone telephone. The pilot will begin with the first quarter returns in April 1997. Small businesses serviced by TCC should be on the lookout for the special Form 941 TeleFile tax package.



Form 941 Electronic Filing (ELF) Program

This program processes Form 941, Employer's Quarterly Federal Tax Return (and Schedule B) in Electronic Data Interchange (EDI) format. EDI Software Directory (1-800-336-4887) and Buyer's Guide to Electronic Commerce (770-578-4980) can provide a list of vendors who offer commercial off-the-shelf software for EDI.

The returns are electronically transmitted (via dial-up telephone lines and menu-driven software) directly to the IRS. All participants must contact the ELF Help Desk at 901-546-2690 ext. 7519 for the required "application and testing

process" before live data can be transmitted to the IRS. To participate with the program, businesses need the following:

- Revenue Procedure 96-19, 1996-4.I.R.B. 80 for Form 941 ELF program requirements.
- EDI translation software which you can develop using the IRS Publication 1855, *Technical Specifications Guide for the Electronic Filing of Form 941, Employer's Quarterly Federal Tax Return (941ELF)* (Catalog Number 21595A). Publication 1855 is particularly suited for larger payroll processors.

You can order these items through the IRS at 1-800-829-3676.

For small reporting agents, a start-up kit containing tax preparation for the electronic filing of Form 941 and Schedule B in EDI format is available from Taxtronic Professional Software at toll-free 1-888-355-6657.

Electronic Federal Tax Payment System (EFTPS)

The EFTPS, open to business and individual taxpayers, is designed to utilize electronic-funds transfer to make federal tax deposits. This improved service to taxpayers offers a variety of payment options including telephone dial-up, PC dial-up, and electronic payment options arranged with a bank. All taxpayers who had a yearly employment tax obligation of more than \$50,000 in 1995 are subject to the semi-weekly deposit requirements and must begin making federal tax deposit payments electronically.

EFTPS replaces the prototype TAXLINK system used by nearly 65,000 businesses to pay Federal Tax Deposits (FTDs). The Internal Revenue Service will assist TAXLINK participants to transfer to EFTPS. In late June/early July 1996, the IRS

sent letters to approximately 1.2 million taxpayers to inform them of their obligations to begin making their federal tax deposits electronically by January 1997—thereby avoiding penalty assessments for failing to use the system. However, due to a recently enacted legislative change (Small Business Job Protection Act of August 20, 1996), **taxpayers now have until July 1, 1997**, to learn about, enroll in, and begin using EFTPS. After July 1, 1997, penalties will be assessed if taxpayers fail to meet their electronic payment obligation.

NationsBank and First National Bank of Chicago are the U.S. Department of Treasury's Financial Agents managing EFTPS. Both banks enroll taxpayers in EFTPS and provide customer service to taxpayers nationwide on the enrollment and payment processes, direct the payment in a timely manner to the government account, and provide tax payment information to the IRS to update taxpayer's tax account. You can call either bank for information.

NationsBank:

1-800-555-4477

First National Bank of Chicago:

1-800-945-8400

Independent Contractor or Employee

For federal tax purposes, this is an important distinction. Worker classification affects how you pay your federal income tax, social security and Medicare taxes, and how you file your return. Classification affects your eligibility for benefits and your tax responsibilities.

A worker is either an independent contractor or an employee. The classification is determined by relevant facts that fall into three main categories: behavioral control;

financial control; and relationship of the parties. In each case, it is very important to consider all the facts—no single fact provides the answer. Publication 1779, *Independent Contractor or Employee*, has detailed information about these facts.

An independent contractor will usually maintain an office and staff, advertise, and have a financial investment risk. Independent contractors will file a Schedule C and be able to deduct certain expenses that an employee would not.

Generally, an employee is controlled by an employer in ways that a true independent contractor is not. If the employer has the legal right to control the details of how the services are performed, the worker is an employee, not an independent contractor.

Those who should be classified as employees, but aren't, may lose out on social security benefits, workers' compensation, unemployment benefits, and, in many cases, group insurance (including life and health), and retirement benefits.

If you are not sure whether you are an independent contractor or an employee, get Form SS-8, *Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax Withholding*. Form SS-8 and the following IRS publications can help you:

- Publication 15-A, *Employer's Supplemental Tax Guide*
- Publication 334, *Small Business Tax Guide*
- Publication 505, *Tax Withholding and Estimated Tax*
- Publication 533, *Self-Employment Tax*
- Publication 1779, *Independent Contractor or Employee*

IRS publications can be downloaded from the Internet—<http://www.irs.ustreas.gov> or you can order a free copy through the IRS at 1-800-829-3676.

Publication 1518, 1997 Tax Tips Calendar for New Small Businesses

Business owners who are opening their doors for the first time or are

hiring their first employees may benefit from this new publication. Publication 1518 shows all the 1997 due dates for making payroll deposits, paying estimated taxes, and for filing major business tax forms. It also includes general information on basic business tax law, where to go for assistance, helpful bookkeeping and record keeping hints, and facts about IRS notices and penalties.

Small Business Affairs Office (SBAO)

One of the ways the IRS is listening and responding to concerns regarding tax laws, regulations, and policy raised by small businesses is through its Small Business Affairs Office (SBAO). Established in March 1994, this office is a national contact within IRS for small business representatives to voice concerns.

The SBAO recommends changes to tax laws and IRS policies and procedures with regard to record-keeping requirements, payroll tax reporting, and simplifying tax forms. SBAO works with IRS organizational components to help them understand the needs and concerns of small businesses. SBAO also works with the Small Business Administration and other government agencies to initiate and foster actions that will reduce small business burdens governmentwide.

This office, however, does not handle small business owners' individual tax problems. If a problem has not been resolved after repeated attempts through normal IRS channels, small business owners should contact their local IRS Problem Resolution Office for assistance. See section on *Problem Resolution Program (PRP)* under **Taxpayer Assistance Programs** for more information.

Write to the IRS Small Business Affairs office if you have suggestions regarding tax laws, regulations, or policy.

Internal Revenue Service
Small Business Affairs Office C:SB
ICC Building, Room 1211
1111 Constitution Avenue NW
Washington, DC 20224

SSA/IRS (Social Security Administration/Internal Revenue Service) Reporter (Newsletter)

If you are an employer and have not been receiving a copy of the *SSA/IRS Reporter*, tell your local IRS Public Affairs Office.

The *SSA/IRS Reporter* is a quarterly newsletter that keeps you up-to-date on changes to taxes and employee wage obligations. This newsletter, produced jointly by the Social Security Administration and the IRS, is mailed to over six million employers along with each quarterly Form 941 and instructions.

Small Business Tax Education Program (STEP)

Small business owners and other self-employed individuals can learn about business taxes through a unique partnership between the IRS and local organizations. Through workshops or in-depth tax courses, instructors provide training on starting a business, record keeping, preparing business tax returns, self-employment tax issues, and employment taxes.

Some courses are offered free as a community service. Courses given by an educational facility may include costs for materials and tuition. Other courses may have a nominal fee to offset administrative costs of sponsoring organizations.

Your Business Tax Kit (YBTK)

YBTK is a free kit of various IRS business tax forms and publications that may be used to prepare and file business tax returns. Besides the forms and publications, the kit includes Publication 454-A, *Your Business Tax Kit Content Sheet*, which can be used to order additional forms and publications that are not included in the kit. To order, call 1-800-829-3676 and ask for *Your Business Tax Kit*.

Taxpayer Assistance Programs

The IRS has programs that offer free assistance with tax return preparation and tax counseling using volunteers trained by the IRS. Call the IRS office in your area and ask for the Taxpayer Education Coordinator or the Public Affairs Officer for more information on these programs. They can provide you with times and locations of services and information on becoming a volunteer

Volunteer Income Tax Assistance (VITA)

VITA provides free tax help to people with a low to moderate income who cannot afford paid professional tax assistance, people with disabilities, people uncomfortable speaking and understanding English, the elderly, and others with special needs.

After completing IRS training, VITA volunteers help prepare basic tax returns, including Forms 1040, 1040A, 1040EZ, and some basic schedules.

VITA sites are generally located at community and neighborhood centers, libraries, schools, shopping malls, houses of worship, and other convenient locations.

Tax Counseling for the Elderly (TCE)

The TCE program provides free tax help to people age 60 or older. Volunteers who provide tax counseling are often retired individuals associated with non-profit organizations that receive grants from the IRS. Grant funds are used to reimburse volunteers for out-of-pocket expenses. These include transportation, meals, and other expenses incurred in training or in providing tax counseling assistance in any of the locations where the elderly are located, such as retirement homes, neighborhood sites, or private houses of the homebound.

Call your local IRS office for more information on this program and to find locations of TCE assistance in your area.

Student Tax Clinics

Student Tax Clinics are sponsored by law and graduate accounting schools. They are staffed by student volunteers who provide free tax assistance to people

who would not normally obtain counsel when faced with a tax audit or examination. Students who have received special permission from the IRS may represent these people before the IRS during examination and appeal proceedings.

Bank, Post Office, and Library Program

The IRS supplies free tax preparation materials to many post offices, libraries, and reference areas in technical schools, military bases, prisons, and community colleges. Participating libraries have tax forms available for distribution or copying, reference sets of IRS publications on preparing Forms 1040, 1040A, 1040EZ, and general tax information. Post offices stock Forms 1040, 1040A, 1040EZ, and the instructions and related schedules.

Banks are no longer tax forms distribution outlets. However, banks that participate in the electronic filing program may distribute tax forms.

Problem Resolution Program (PRP)

If you have a tax problem with the IRS and have been unable to resolve it through normal IRS procedures, you may qualify for PRP assistance.

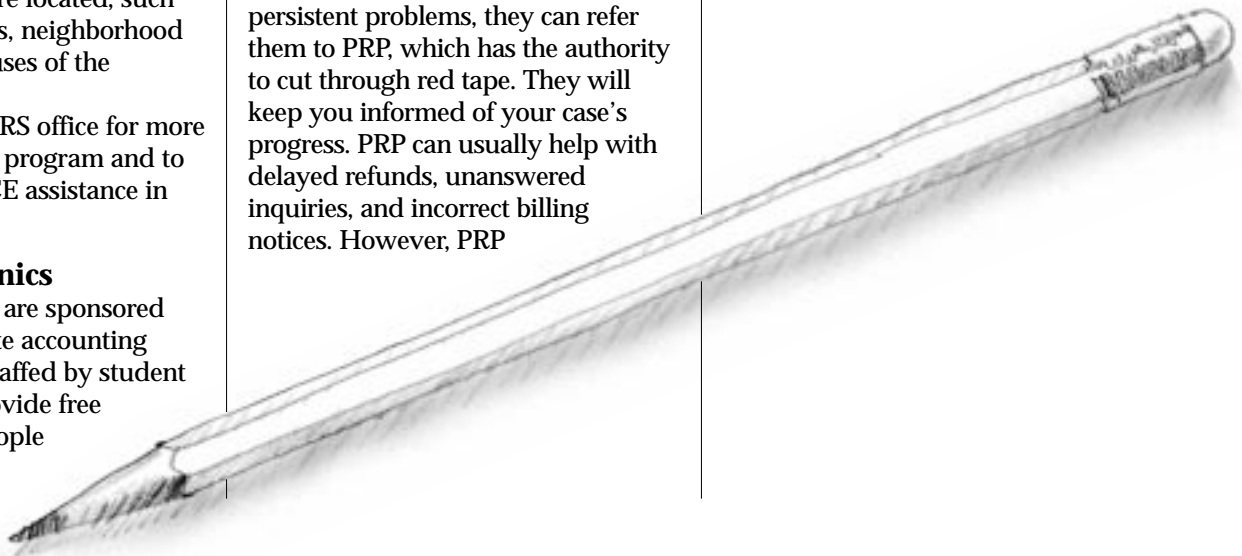
When IRS employees recognize persistent problems, they can refer them to PRP, which has the authority to cut through red tape. They will keep you informed of your case's progress. PRP can usually help with delayed refunds, unanswered inquiries, and incorrect billing notices. However, PRP

cannot help when there is an administrative or formal appeals procedure available or when an inquiry only questions the constitutionality of the tax system.

PRP may also be able to help if you are suffering or about to suffer a significant hardship because of your tax problem. Request Form 911, *Application for Taxpayer Assistance Order (TAO) to Relieve Hardship*, at your local IRS office or by calling 1-800-829-1040. A significant hardship usually means being unable to provide the necessities of life, such as food, shelter, clothing, or medical care for you or your family. The Problem Resolution Officer (PRO) or other official will review your case and advise you of action taken.

Call your local IRS office, write your local PRO, or call 1-800-829-1040 for PRP assistance. Deaf and hearing-impaired people who have access to teletypewriter/telecommunication device for the deaf (TTY/TDD) equipment may call 1-800-829-4059.

For more information about PRP and for a list of PRP addresses download Publication 1546, *How to Use the Problem Resolution Program of the IRS*, via the Internet or order by calling 1-800-829-3676.



Taxpayer Education Programs

The IRS has year-round education programs designed to help you understand the tax laws and IRS procedures. Volunteers trained by the IRS are an important part of these programs. For times and locations of available services in your community, or to become a volunteer, call the IRS office in your area and ask for the Taxpayer Education Coordinator or the Public Affairs Officer.

Community Outreach Tax Education

Groups of people with common tax concerns, such as retirees, farmers, small business owners, and employees, can get free tax help from IRS staff or trained volunteers at convenient community locations.

This program offers two kinds of assistance. One provides line-by-line self-help income tax return preparation for people who want to prepare their own returns. The other provides tax seminars on various tax topics. Outreach sessions may be co-sponsored by community organizations and other government agencies.

Understanding Taxes Program for Students

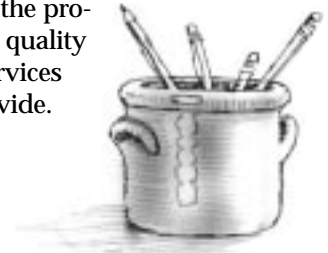
Understanding Taxes consists of three separate tax education courses designed to teach students about their federal tax rights and responsibilities and the economics and history on which our tax system is based.

- The eighth grade program, *Taxes in U.S. History*, details the roles that taxes have played in our nation's history. It is designed for U.S. history classes. Students learn how tax policies of the past have contributed to tax policies in effect today. Teachers can integrate the program into standard curricula.
- The high school program, *Understanding Taxes*, explains how to prepare and file a simple tax return and teaches about the history, politics, and economics of our tax system. The variety of topics covered in the modular format allow the course to be used in a number of different classes, such as history, economics, consumer education, social studies, government, civics, and business education.
- The post-secondary program, *Taxes and You*, is designed to assist adult learners in becoming responsible participants in the tax system.

Students will learn how taxes affect people and the economy and how to interpret and prepare tax forms. By learning how to pay only what is owed, managing personal finances will become a lot easier.

Practitioner Education

Practitioner Education provides training to people who prepare tax returns for a fee. As part of this program, practitioner institutes are held in every state in cooperation with colleges, state bureaus of revenue, and professional associations. Tax professionals can learn about recent tax law changes at these institutes, which will enhance the professional quality of the services they provide.



Taxpayer Bill of Rights 2

The Taxpayer Bill of Rights 2 preserves the balance between safeguarding the rights of individual taxpayers and enabling the Internal Revenue Service to administer the tax laws efficiently, fairly, and with the least amount of burden to the taxpayer. It is the culmination of a cooperative effort among the IRS, the Treasury Department, and the Congress. This bill was signed on July 30, 1996.

The law established the Office of Taxpayer Advocate (within the IRS) to help taxpayers resolve tax issues. For example, the advocate could direct the IRS to immediately pay a refund to a taxpayer to relieve severe hardship; or temporarily halt a collection until the IRS reviews the appropriateness of its action.

Other Taxpayer Bill of Rights 2 provisions include:

- extending the interest free period for tax liabilities from 10 days to 21 days.
- allowing the IRS to inform a divorced or separated spouse of any IRS actions against the other spouse. This would help protect the first spouse from joint tax liability.
- requiring the IRS to notify a taxpayer 30 days before altering or ending an installment agreement.

Publication 1, *Your Rights As a Taxpayer*, explains some of the most important rights as a taxpayer and also discusses examination, appeal, collection, and refund processes. This publication can be downloaded from the Internet or ordered through the IRS at 1-800-829-3676.

Important Tax Subjects You Should Know About

The IRS has many programs and processes that can reduce anxieties of taxes. A description of some of the more popular ones follows. In most cases, the description lists free IRS publications for additional information.

Amending a Return

If you find that you made a mistake on your tax return, you can correct it by filing a Form 1040X, *Amended U.S. Individual Income Tax Return*. Generally, you must file this form within three years from the date you filed your original return or within two years from the date you paid your tax, whichever is later. File Form 1040X with the Internal Revenue Service Center for your area. (Your state tax liability may be affected by a change made on your federal income tax return. For more information on this, contact your state tax authority.)

Collection Process

The IRS checks tax returns for accuracy and to confirm that payment has been made. If there is an amount due, the IRS will send you a notice of tax due that you must pay. If you ignore the notice of tax due, the IRS may enforce collection by taking your assets, including your income and other property. The collection process can be stopped at any stage if the amount you owe is paid in full.

If you believe a bill from the IRS is incorrect, contact the IRS immediately. You will need to provide information showing why you think the bill is wrong. If the IRS agrees with you, then your account will be corrected. However, if the bill is correct and it is not paid, interest and penalties will be charged on the amount you owe until the full amount due is paid. If the taxes, interest, and penalties are not paid, then a federal tax lien may also be filed on your property. If you cannot pay the entire amount due, contact your local IRS office. Depending on your financial condition, an installment agreement or other payment arrangements may be approved. (See **Payment Methods** below.)

More information on the collection process and about your rights are found in Publication 594,

Understanding the Collection Process, and Publication 1, *Your Rights As a Taxpayer*. Both publications are available in Spanish.

Payment Methods

If you are not able to pay in full the taxes you owe, IRS staff will work with you to find the best way to meet your tax obligations. This may include an installment agreement or acceptance of an offer to settle the account for less than the amount owed. Call your local IRS office or call toll-free 1-800-829-1040 for assistance. More information is in Publication 594, *Understanding the Collection Process*.

Copies of Prior Year Returns

There are occasions when you may need a copy of your prior year(s) Federal Tax Forms 1040, 1040A, or 1040EZ, a transcript of return, or account information.

A transcript of return contains information from the original return. It does not contain information regarding amended returns or subsequent payments. If amended returns or subsequent payment summary is needed, account information can be secured.

Examples of when you may need a copy of a return or a return transcript include applying for a home mortgage loan or financial aid for education. While there is a fee for requesting a photocopy of a return, transcripts are free of charge. Ask the requester if a transcript will meet their needs.

- You can get a copy of a prior year(s) tax return by completing Form 4506, *Request for Copy or Transcript of Tax Form*, and mailing it to the IRS address for your area. See **Mailing Addresses of Internal Revenue Service Centers** on last page. There is a fee for each return requested. Please allow up to 60 days to receive your copy.

- For a transcript that reflects most items from your return, send a completed Form 4506 to the IRS address where the return was filed. There is no charge at this time. You should receive the transcript within 10 working days from the IRS office's receipt of your request.
- For tax account information, you can visit an IRS office or call the IRS toll-free number listed in your telephone directory. This list of basic tax data, like marital status, type of return filed, adjusted gross income, and taxable income, is available free of charge. Do not use Form 4506 to request this information. Please allow 30 days for delivery.

To obtain Form 4506, download from the Internet, dial IRS Tax Fax (See **IRS Tax Fax** under **Electronic Tax Products**), or call the IRS at 1-800-829-3676.

Credits

The tax laws include a number of credits you may be entitled to take. The following are several of the more popular credits available.

- earned income tax credit
- child and dependent care credit
- mortgage interest credit
- foreign tax credit

Turn to the **Index of Topics and Related Publication** section and look under "Credits" for a list of the credits and the related publications for details.

Disaster/Casualty Losses

When property is damaged or lost in a hurricane, earthquake, fire, flood, or similar event that is sudden, unexpected, or unusual, it is called a casualty. Your unreimbursed loss from a casualty may be deductible on your tax return for the year the casualty occurred. If the loss happened in an area the president designated a disaster area, you may not have to wait until the end of the year to file a tax

return and claim a loss. You may be able to file an amended return for last year right now and get a refund of taxes you have already paid. For details, get Publication 547, *Casualties, Disasters, and Thefts (Business and Nonbusiness)*. You can also download a copy of Publication 1600, *Disaster Losses*, from the Internet.

Estimated Tax

If you are self-employed or have other income not subject to income tax withholding, you may have to make estimated tax payments. For details on who must pay estimated taxes and how and when to make payments, get Publication 505, *Tax Withholding and Estimated Tax*.

Examination of Returns

If the IRS selects your return for examination, you may be asked to show records such as canceled checks, receipts, or other supporting documents to verify entries on your return. You can appeal if you disagree with the examination results. Your appeal rights will be explained to you.

You may act on your own behalf or have an attorney, a certified public accountant, or an individual enrolled to practice before the IRS represent or accompany you. Student Tax Clinics are available in some areas to help people during examination and appeal proceedings. Call your local IRS office and ask the Taxpayer Education Coordinator or the Public Affairs Officer about these clinics.

For more information, get Publication 556, *Examination of Returns, Appeal Rights, and Claims for Refund*, and Publication 1, *Your Rights as a Taxpayer*. Also see Publication 947, *Practice Before the IRS and Power of Attorney*. Publication 1 is available in Spanish.

Form W-4, Employee's Withholding Allowance Certificate

Each time you start working for an employer, you should complete a Form W-4. This information will help your employer know how much federal tax to withhold from your wages. If your tax situation changes,

complete a new Form W-4 so that the correct amount of tax will be withheld. For more information, get Publication 919, *Is My Withholding Correct for 1997?*

Form W-5, Earned Income Credit Advance Payment Certificate

You can file a Form W-5 with your employer if you are eligible for the earned income tax credit (EITC) and have a qualifying child. This will allow you to receive payment of the credit during the year instead of when you file your tax return. The amount of the advance EITC payment you receive will be shown on your Form W-2. For more information, get Publication 596, *Earned Income Credit*. This publication is available in Spanish.

Form W-7, Application for IRS Individual Taxpayer Identification Number

The IRS will issue you an IRS Individual Taxpayer Identification Number (ITIN) if you are a nonresident or resident alien and you do not have and are not eligible to get a social security number. To apply for an ITIN, file Form W-7 with the IRS.

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.

Late (Overdue) Returns

Sometimes people do not file their tax return(s) because of personal problems, no money to pay, lost records, or confusion over complex tax rules.

If you have not filed your federal income tax return for a year or so and should have filed, IRS staff will work with you to help you get back on track. Copies of missing documents like Form W-2, *Wage and Tax Statement*, can often be retrieved. If you owe taxes, the IRS will explain your payment options. And if you have a refund coming, they will explain the time limit on getting it.

Call your local IRS office or call toll-free 1-800-829-1040 for assistance. Remember, interest and penalties are adding up if you owe taxes, and time

is running out if you are due a refund. For more information, get Publication 1715, *It's Never Too Late*. This publication is available in Spanish.

Social Security Number (SSN)

List the correct social security number for yourself, spouse, or dependent on your tax return. Other supporting forms and schedules you fill out for certain credits require SSNs, too. Be sure each SSN is complete and correct. If not, your tax could increase or your refund could be reduced.

Name Change

If your name has changed for some reason, like marriage or divorce, notify the Social Security Administration (SSA) immediately.

If the name and social security number you show on your tax return does not match the one SSA has on record, there can be a processing delay, which could hold up your refund.

Dependent's SSN

If you claim an exemption for a dependent, you are required to show his or her social security number on your tax return. (You do not need to show a social security number for a child born in December of 1996.) If you do not list a complete and correct social security number, the IRS may disallow the exemption for that dependent.

To get a social security number, contact the nearest Social Security Administration Office to get Form SS-5, *Application for a Social Security Card*.

If you are not eligible to obtain a social security number, use an IRS individual taxpayer identification number (ITIN) instead of a social security number. To get an ITIN, contact the IRS to get Form W-7, Application for Individual Taxpayer Identification Number.

Tips When Filing Your Return

Gathering forms, receipts, and other paperwork to file your taxes is only half the battle. Once you've completed your forms, it is equally important to double-check your figures, information, and packaging procedures (as applicable to your filing method).

Always review your filing entries for misprinted or overlooked data. And with a paper return, also review your forms for miscalculations. Any mistake can cause processing delays that may hold up your refund. When mailing a paper return, make sure you have enough postage and your complete return address on the IRS envelope to avoid mailing delays. If you owe taxes, remember any delay could cause you notices, penalties, and interest charges.

The tips below can serve as your checklist to prevent filing mistakes.

Important Parts of Your Return

Age/Blindness Box Checked?

If you are age 65 or older or blind, or your spouse is age 65 or older or blind, make sure you notate the appropriate box(es) on Form 1040 or Form 1040A.

- Earned Income Credit Claimed, Figured Correctly?**—This is a tax credit that can help some people who work and have incomes below a certain level. For more information on whether you qualify and how to figure the credit, get Publication 596, *Earned Income Credit*, or Publication 596SP, *Crédito por Ingreso del Trabajo*.

- Federal Income Tax Withheld, not Social Security Tax, Entered on the Return?**—Form W-2 shows both the federal income tax and FICA (social security tax) withheld. Remember to use the amount for federal income tax on your return to calculate your total income tax withheld.

- Entry for Standard Deduction Amount Correct?**—If you do not itemize deductions, use the correct standard deduction chart to find the right amount.

- Refund or Balance Due Correct?**—Check your addition and subtraction. If your total payments are more than your total tax, you are

due a refund. A balance due is figured when your taxes due are more than the amount you have already paid.

- Tax from Tax Tables Entered Correctly?**—When using the tax table, first you have to take the amount shown on the taxable income line of your Form 1040, 1040A, or 1040EZ and find the line in the tax table showing that amount. Next, find the column for your marital status (married filing joint, single, etc.) and read down the column. The amount shown where the income line and filing status column meet is your tax.

Important Double-Checks on Your Paper Return Before Mailing

- Check for math errors.
- Attach Copy B of all Forms W-2.
- Attach all required forms and related schedules.
- Place preprinted address label on your return and make any necessary changes on it.
- Check all SSNs for accuracy.
- Sign and date your return (both husband and wife must sign a joint return).
- If you owe tax, include your check or money order payable to "Internal Revenue Service," not the "IRS." You must write your social security number, daytime telephone number, tax form number, and tax year on your check or money order.
- Make a copy of the return for your records.

Important Mailing Procedures

- Use the preprinted envelope that came in the tax package to mail your return. If you do not have one, address an envelope to the Internal Revenue Service Center for your state.
- Write your complete return address on the envelope.
- Attach the correct postage.

Mailing Addresses of Internal Revenue Service Centers

If an addressed envelope came with your return, and you are filing a paper return, please use it. If you do not have one, or if you moved during the year, mail your return to the Internal Revenue Service Center indicated for the state where you live. A street address is not needed.

Alabama—Memphis, TN 37501

Alaska—Ogden, UT 84201

Arizona—Ogden, UT 84201

Arkansas—Memphis, TN 37501

California—*Counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba*—Ogden, UT 84201
All other counties—Fresno, CA 93888

Colorado—Ogden, UT 84201

Connecticut—Andover, MA 05501

Delaware—Philadelphia, PA 19255

District of Columbia—

Philadelphia, PA 19255

Florida—Atlanta, GA 39901

Georgia—Atlanta, GA 39901

Hawaii—Fresno, CA 93888

Idaho—Ogden, UT 84201

Illinois—Kansas City, MO 64999

Indiana—Cincinnati, OH 45999

Iowa—Kansas City, MO 64999

Kansas—Austin, TX 73301

Kentucky—Cincinnati, OH 45999

Louisiana—Memphis, TN 37501

Maine—Andover, MA 05501

Maryland—Philadelphia, PA 19255

Massachusetts—

Andover, MA 05501

Michigan—Cincinnati, OH 45999

Minnesota—Kansas City, MO 64999

Mississippi—Memphis, TN 37501

Missouri—Kansas City, MO 64999

Montana—Ogden, UT 84201

Nebraska—Ogden, UT 84201

Nevada—Ogden, UT 84201

New Hampshire—

Andover, MA 05501

New Jersey—Holtsville, NY 00501

New Mexico—Austin, TX 73301

New York—*New York City and counties of Nassau, Rockland, Suffolk, and Westchester*—Holtsville, NY 00501

All other counties—

Andover, MA 05501

North Carolina—

Memphis, TN 37501

North Dakota—Ogden, UT 84201

Ohio—Cincinnati, OH 45999

Oklahoma—Austin, TX 73301

Oregon—Ogden, UT 84201

Pennsylvania—

Philadelphia, PA 19255

Rhode Island—Andover, MA 05501

South Carolina—Atlanta, GA 39901

South Dakota—Ogden, UT 84201

Tennessee—Memphis, TN 37501

Texas—Austin, TX 73301

Utah—Ogden, UT 84201

Vermont—Andover, MA 05501

Virginia—Philadelphia, PA 19255

Washington—Ogden, UT 84201

West Virginia—

Cincinnati, OH 45999

Wisconsin—

Kansas City, MO 64999

Wyoming—Ogden, UT 84201

American Samoa—

Philadelphia, PA 19255

Guam:

Nonpermanent residents—

Philadelphia, PA 19255

Permanent residents—

Department of Revenue
and Taxation

Government of Guam

PO Box 23607

GMF, GU 96921

Puerto Rico—

Philadelphia, PA 19255

Virgin Islands:

Nonpermanent residents—

Philadelphia, PA 19255

Permanent residents—

V.I. Bureau of Internal Revenue
9601 Estate Thomas

Charlotte Amalie

St. Thomas, VI 00802

Foreign country: *U.S. citizens and those filing Form 2555, Form*

2555-EZ, or Form 4563—

Philadelphia, PA 19255

All A.P.O. and F.P.O. addresses—

Philadelphia, PA 19255





If you get this booklet, you won't need a form. Just a phone.

This year, join the millions who will use TeleFile to file their taxes by phone. With TeleFile from the IRS, you file your tax return with one quick, easy call from a Touch-Tone™ phone. TeleFile service is completely free. And since there are no forms, the IRS can get your refund to you within three weeks. Check your mail for a TeleFile booklet. If you qualify, take advantage of this convenient service. Filing doesn't get any easier than TeleFile.



Department of the Treasury
Internal Revenue Service

<http://www.irs.ustreas.gov>

TeleFile

It's free. It's fast. It works.