

Instructions for Form 1994 1040



and Schedules A, B,
C, D, E, F, and SE

Check Your Social Security Numbers (SSNs)!

Incorrect or missing SSNs for you, your spouse, or dependents may delay your refund. See page 7 for details on how to get an SSN.

Can You Take the Earned Income Credit for 1994?

If a child didn't live with you, you earned less than \$9,000, and you or your spouse were at least age 25, you may be able to take this credit. If a child lived with you and you earned less than \$25,296, you may be able to take a larger credit. See the instructions for line 56 on page 27.

Would You Like To Get Your Refund Within 21 Days?

If you would, have your return filed electronically as millions of others do. See **Electronic Filing** on page 5.

Note: *This booklet does not contain any tax forms.*



Department of the Treasury
Internal Revenue Service

What's inside?

Answers to frequently asked questions (page 6)

Avoid common mistakes (page 33)

Commissioner's message (page 3)

Customer Service Standards (page 3)

What's new for 1994 (page 7)

How to make a gift to reduce the public debt (page 34)

Free tax help (page 5)

How to get forms and publications (page 35)

Tax table (page 41)

Index to Instructions

A	
Address Change	12 and 34
Addresses of Internal Revenue Service Centers	10
Adjustments to Income	19
Advance Earned Income Credit Payments	7 and 26
After School Child Care Expenses	24
Alimony Paid	22
Alimony Received	16
Alternative Minimum Tax	25
Amended Return	34
Amount You Owe (or Refund)	32
Annuities	17
At-Risk Rules	C-5*, E-2*, and F-5*
Attachments to the Return	33
Automated Refund Information	38
B	
Backup Withholding	27
Birth or Death of Dependent	13
Blindness—Proof of	23
Business Income and Expenses (Schedule C)	C-1*
Business Use of Home	A-5 and C-5*
C	
Capital Gains and Losses (Schedule D)	D-1*
Capital Gain Distributions	16
Casualty and Theft Losses	A-4
Charity—Gifts to	A-3
Child and Dependent Care Expenses— Credit for	24
Children of Divorced or Separated Parents— Exemption for	14
Community Property States	15
Contributions To Reduce the Public Debt	34
Corresponding With the IRS	34
Credits Against Tax	24
Customer Service Standards	3
D	
Day-Care Center Expenses	24
Death of Taxpayer	34
Debt, Gift To Reduce the Public	34
Dependent Care Benefits	15
Dependents— Exemptions for	13
Standard Deduction	23
Desert Storm	7
Dividends, Other Distributions	16 and B-1
Divorced or Separated Parents—Children of	14
Dual-Status Aliens	8 and 12
E	
Earned Income Credit	7 and 27
Educational Expenses	A-5
Electronic Filing	5
Elderly Persons— Expenses for Care of	24
Standard Deduction	23
Employee Business Expenses	A-5
Employer-Provided Vehicle	15
Estates and Trusts	E-4*
Estimated Tax	27 and 34
Excess Social Security and RRTA Tax Withheld	32
Exemptions	13
Extension of Time To File	9 and 32
F	
Farm Income and Expenses (Schedule F)	F-1*
Filing Requirements	8-11
Filing Status	12
Foreign Accounts and Trusts	B-2
Form W-2	15
Forms W-2, 1098, and 1099, Where To Report Certain Items From	11
Forms, How To Get	35
Frequently Asked Questions, Answers to	6

G	
General Information	34-39
Gifts to Charity	A-3
Golden Parachute Payments	27
Group-Term Life Insurance, Uncollected Tax on	26

H	
Head of Household	13
Health Insurance Deduction— Self-Employed	7 and 21
Home, Sale of	D-2*

I	
Income Tax Withholding (Federal)	27 and 34
Individual Retirement Arrangements (IRAs)— Contributions to (lines 23a and 23b)	19
Distributions from (lines 15a and 15b)	17
Nondeductible Contributions to	17 and 20
Injured Spouse Claim	32
Installment Payments	33
Interest You Paid	A-2
Interest Income— Exclusion of Interest From Savings Bonds	B-1
Taxable	15 and B-1
Tax-Exempt	16 and B-1
Interest—Late Payment of Tax	40
Interest—Penalty on Early Withdrawal of Savings	22
Itemized Deductions or Standard Deduction	23

K	
Keogh Plan—Deduction for	22

L	
Line Instructions for Form 1040	12
Lump-Sum Distributions	18

M	
Married Persons— Filing Joint or Separate Returns	12
Who Live Apart	13
Medical and Dental Expenses	A-1
Miscellaneous Itemized Deductions—Subject to 2% AGI Limit	A-4
Mortgage Interest Credit	25 and A-3
Moving Expenses	21 and A-5

N	
Name Change	12 and 34
National Debt, Gift To Reduce the	34
Nonresident Alien— Exemption for Spouse	13
Filing a Joint Return	12
Who Must File	8
Nontaxable Income (Examples)	18

O	
Order Blank for Forms, Instructions, and Publications	35
Original Issue Discount (OID)	B-1
Other Income	18
Other Taxes	25

P	
Partnerships	E-4*
Passive Activity— Losses	C-2*, E-3*, and F-1*
Material Participation	C-2* and F-1*
Payments	27
Penalty— Early Withdrawal of Savings	22
Estimated Tax	33
Frivolous Return	40
Late Filing	40
Late Payment	40
Other	40
Pensions and Annuities	17

Preparer—Tax Return	33
Presidential Election \$3 Check-Off	12
Privacy and Paperwork Reduction Act Notice	4
Problems, Unresolved Tax	5
Public Debt, Gift To Reduce the	34
Publications, How To Get	35

R	
Railroad Retirement Benefits— Treated as a Pension	17
Treated as Social Security	18
Records—How Long To Keep	34
Refund or Amount You Owe	32
Refunds, Credits, or Offsets of State and Local Income Taxes	16
Rental Income and Expenses (Schedule E)	E-1*
Retirement Plan Deduction, Keogh	22
Rights of Taxpayers	34
Rollovers	17
Rounding Off to Whole Dollars	15
Royalties	E-1*

S	
Sale of Home	D-2*
Schedules, Instructions for	A-1
Scholarship and Fellowship Grants	15
S Corporations	E-4*
Self-Employment Tax— Income Subject to	SE-2*
Deduction for One-Half of	21
Signing Your Return	33
Social Security and Equivalent Railroad Retirement Benefits	18
Social Security Number	7, 12, and 34
Standard Deduction or Itemized Deductions	23
State and Local Income Taxes— Taxable Refunds, Credits, or Offsets of	16
Statutory Employees	15, C-2*, and C-5*
Student Dependents—Exemption for	14

T	
Tax— Computation	23
Figured by the IRS	24
Other— Alternative Minimum Tax	25
Lump-Sum Distributions	18
Qualified Retirement Plans, Including IRAs	26
Recapture	26
Section 72(m)(5)	26
Self-Employment Tax	SE-1*
Tax Rate Schedules	53
Tax Table	41-52
Taxes You Paid	A-1
Telephone Assistance— Federal Tax Information	37-39
Tele-Tax Information	38-39
Tip Income	15 and 26
Tips Reported to Employer, Uncollected Tax On	26
Trusts—Foreign	B-2

U	
Unemployment Compensation	18
U.S. Citizens and Resident Aliens Living Abroad	8 and 15

W	
When To File	9
Where To File	10
Which Form To File	9
Who Must File	8-9
Who Should File	8
Widows and Widowers, Qualifying	13
Winnings—Prizes, Gambling, and Lotteries (Other Income)	18
Withholding—Federal Income Tax	27 and 34

* These items may not be included in this package. To reduce printing costs, we've sent you only the forms you may need based on what you filed last year.