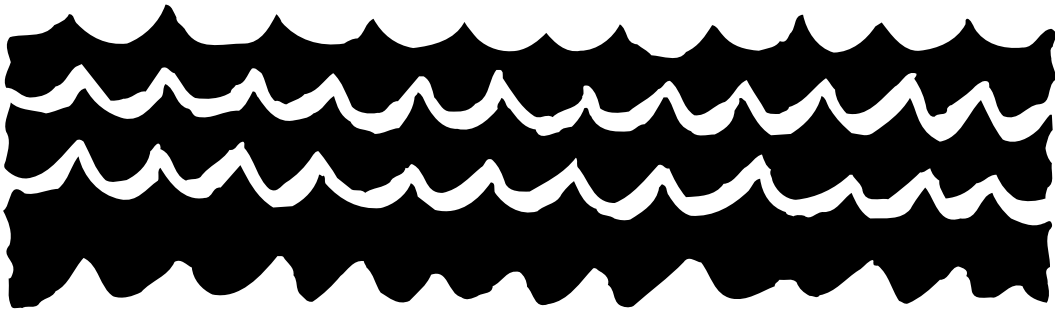
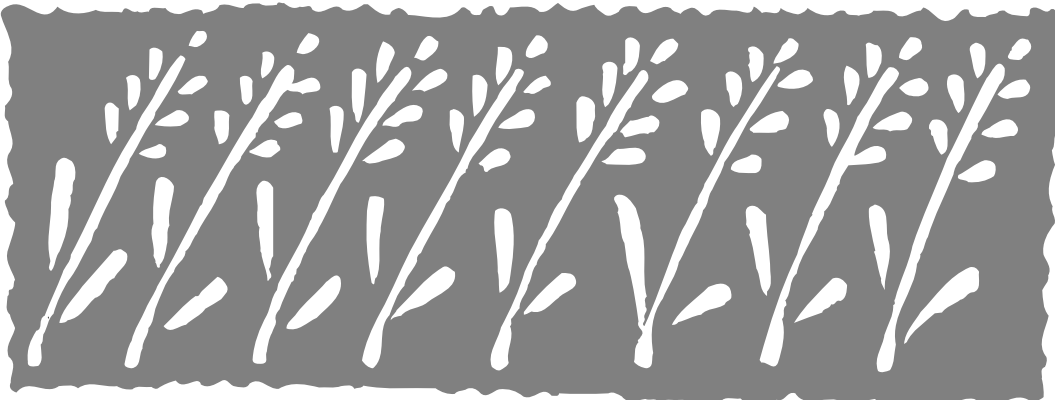




# 1995 1040

## Instructions



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

### Want an Easier Way To File?

See page 6.

### Get the Credit You Deserve!

See page 5 to find out if you qualify for the earned income credit.

### Did You Have any Household Help (babysitter, housekeeper, etc.)?

You now pay household employment taxes with your return. See page 5.

### Check Your Social Security Numbers (SSNs)!

Incorrect or missing SSNs may delay your refund. To get an SSN, see page 11.

### Will You Owe Money With Your Return?

Please use **Form 1040-V**, Payment Voucher. See page 33.

### Expecting a Refund?

Now you can have your refund directly deposited into your bank account. See the line 63 instructions on page 32.

## Index to Instructions

<b>A</b>	
Address Change . . . . .	11 and 34
Addresses of Internal Revenue Service Centers . . . . .	Back Cover
Adjustments to Income . . . . .	19
Advance Earned Income Credit Payments . . . . .	5 and 26
After School Child Care Expenses . . . . .	24
Alimony Paid . . . . .	21
Alimony Received . . . . .	16
Alternative Minimum Tax . . . . .	25
Alternative Ways of Filing . . . . .	6
Amended Return . . . . .	34
Amount You Owe (or Refund) . . . . .	32
Annuities . . . . .	16
At-Risk Rules . . . . .	C-5*, E-2*, and F-5*
Attachments to the Return . . . . .	33
Automated Refund Information . . . . .	36
<b>B</b>	
Birth or Death of Dependent . . . . .	12
Blindness—Proof of . . . . .	23
Business Income and Expenses (Schedule C) . . . . .	C-1*
Business Use of Home . . . . .	A-5 and C-5*
<b>C</b>	
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 . . . . .	13
Community Property States . . . . .	14
Contributions To Reduce the Public Debt . . . . .	34
Corresponding With the IRS . . . . .	34
Credits Against Tax . . . . .	24
Customer Service Standards . . . . .	4
<b>D</b>	
Day-Care Center Expenses . . . . .	24
Death of Taxpayer . . . . .	35
Debt, Gift To Reduce the Public . . . . .	34
Dependent Care Benefits . . . . .	14
Dependents—	
Exemptions for . . . . .	12
Standard Deduction . . . . .	23
Direct Deposit of Refund . . . . .	32
Dividends—	
Nominee . . . . .	B-1
Other Distributions . . . . .	15 and B-1
Divorced or Separated Parents—Children of . . . . .	13
Dual-Status Aliens . . . . .	8 and 11
<b>E</b>	
Earned Income Credit . . . . .	5 and 27
Educational Expenses . . . . .	A-5
Elderly Persons—	
Expenses for Care of . . . . .	24
Standard Deduction . . . . .	23
Electronic Filing . . . . .	6
Employee Business Expenses . . . . .	A-5
Employer-Provided Vehicle . . . . .	14
Estates and Trusts . . . . .	E-4*
Estimated Tax . . . . .	26 and 34
Excess Social Security and RRTA Tax Withheld . . . . .	32
Exemptions . . . . .	12
Extension of Time To File . . . . .	9 and 32
<b>F</b>	
Farm Income and Expenses (Schedule F) . . . . .	F-1*
Filing Requirements . . . . .	8-10
Filing Status . . . . .	11
Foreign Accounts and Trusts . . . . .	B-2
Form W-2 . . . . .	14
Forms W-2, 1098, and 1099, Where To Report Certain Items From . . . . .	10
Forms, How To Get . . . . .	34

<b>G</b>	
Gambling . . . . .	18 and A-5
Gifts to Charity . . . . .	A-3
Golden Parachute Payments . . . . .	26
Group-Term Life Insurance, Uncollected Tax on . . . . .	26
<b>H</b>	
Head of Household . . . . .	12
Health Insurance Deduction—Self-Employed . . . . .	5 and 21
Home, Sale of . . . . .	D-2*
Household Employment Taxes . . . . .	5 and 26
<b>I</b>	
Income Tax Withholding (Federal) . . . . .	26 and 34
Individual Retirement Arrangements (IRAs)—	
Contributions to (lines 23a and 23b) . . . . .	19
Distributions from (lines 15a and 15b) . . . . .	16
Nondeductible Contributions to . . . . .	16 and 20
Injured Spouse Claim . . . . .	32
Installment Payments . . . . .	33
Interest You Paid . . . . .	A-2
Interest Income—	
Exclusion of Savings Bond Interest . . . . .	B-1
Nominee . . . . .	B-1
Taxable . . . . .	15 and B-1
Tax-Exempt . . . . .	15 and B-1
Interest—Late Payment of Tax . . . . .	35
Interest—Penalty on Early Withdrawal of Savings . . . . .	21
Itemized Deductions or Standard Deduction . . . . .	23
<b>K</b>	
Keogh Plan—Deduction for . . . . .	21
<b>L</b>	
Line Instructions for Form 1040 . . . . .	11
Lump-Sum Distributions . . . . .	17
<b>M</b>	
Married Persons—	
Filing Joint or Separate Returns . . . . .	11
Who Live Apart . . . . .	12
Medical and Dental Expenses . . . . .	A-1
Mileage Rates, Standard . . . . .	A-1, A-3, and C-3*
Miscellaneous Itemized Deductions—Subject to 2% AGI Limit . . . . .	A-4
Mortgage Interest Credit . . . . .	25 and A-3
Moving Expenses . . . . .	21 and A-5
<b>N</b>	
Name Change . . . . .	11 and 34
National Debt, Gift To Reduce the . . . . .	34
Nonresident Alien—	
Exemption for Spouse . . . . .	12
Filing a Joint Return . . . . .	11
Who Must File . . . . .	8
<b>O</b>	
Order Blank for Forms, Instructions, and Publications . . . . .	39
Original Issue Discount (OID) . . . . .	B-1
Other Income . . . . .	18
Other Taxes . . . . .	25
<b>P</b>	
Partnerships . . . . .	E-4*
Partnership Expenses, Unreimbursed . . . . .	E-4*
Passive Activity—	
Losses . . . . .	C-2*, E-3*, and F-1*
Material Participation . . . . .	C-2* and F-1*
Payments . . . . .	26
Penalty—	
Early Withdrawal of Savings . . . . .	21
Estimated Tax . . . . .	33
Frivolous Return . . . . .	35
Late Filing . . . . .	35
Late Payment . . . . .	35
Other . . . . .	35

Pensions and Annuities . . . . .	16
Preparer—Tax Return . . . . .	33
Presidential Election \$3 Check-Off . . . . .	11
Privacy and Paperwork Reduction Act Notice . . . . .	7
Problems, Unresolved Tax . . . . .	6
Public Debt, Gift To Reduce the . . . . .	34
Publications, How To Get . . . . .	34

<b>R</b>	
Railroad Retirement Benefits—	
Treated as a Pension . . . . .	16
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 . . . . .	15
Rental Income and Expenses (Schedule E) . . . . .	E-1*
Retirement Plan Deduction, Keogh . . . . .	21
Rights of Taxpayers . . . . .	34
Rollovers . . . . .	16 and 17
Rounding Off to Whole Dollars . . . . .	14
Royalties . . . . .	E-1*

<b>S</b>	
Sale of Home . . . . .	D-2*
Schedules, Instructions for . . . . .	A-1
Scholarship and Fellowship Grants . . . . .	14
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 . . . . .	5, 11, and 34
Standard Deduction or Itemized Deductions . . . . .	23
State and Local Income Taxes—	
Taxable Refunds, Credits, or Offsets of . . . . .	15
Statutory Employees . . . . .	14, C-2*, and C-5*
Student Dependents—Exemption for . . . . .	13

<b>T</b>	
Tax—	
Computation . . . . .	23
Figured by the IRS . . . . .	35
Other—	
Alternative Minimum Tax . . . . .	25
Lump-Sum Distributions . . . . .	17
Qualified Retirement Plans, Including IRAs . . . . .	26
Recapture . . . . .	25
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 . . . . .	36-38
Tele-Tax Information . . . . .	36-37
Tip Income . . . . .	14 and 26
Tips Reported to Employer, Uncollected Tax on . . . . .	26
Trusts—Foreign . . . . .	B-2

<b>U</b>	
Unemployment Compensation . . . . .	17
U.S. Citizens and Resident Aliens Living Abroad . . . . .	8 and 14

<b>W</b>	
When Should I File? . . . . .	9
Where Do I File? . . . . .	Back Cover
Who Must File . . . . .	8-9
Who Should File . . . . .	8
Widows and Widowers, Qualifying . . . . .	12
Winings—Prizes, Gambling, and Lotteries (Other Income) . . . . .	18
Withholding—Federal Income Tax . . . . .	26 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.