

Note. This booklet does not contain any tax forms.



1999 1040

Instructions

Taxpayer News

See page 6 for details.

Need Help?

Quick and easy access
to tax help and forms.
See page 7.

Explore



CLICK.ZIP.FAST ROUND TRIP

The *Fastest, Most Accurate Way*
To File Your Taxes

Increased Tax Benefits!

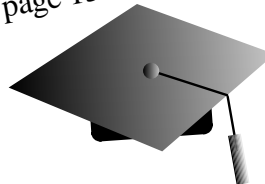
Larger Child Tax Credits!

You may be able to claim
credits of up
to \$500 for
each child
under 17.
See page 13.



More Student Loan Interest Deductible!

You may be able to
deduct up to \$1,500.
See page 13.



Self-Employed Health Insurance Deduction Goes Up!

You may be able to
deduct up to 60% of
your health insurance.
See page 28.

Filing Requirements

These rules apply to all U.S. citizens, regardless of where they live, and resident aliens.

Do You Have To File?

Use **Chart A, B, or C** to see if you must file a return. U.S. citizens who lived in or had income from a U.S. possession should see **Pub. 570**. Residents of Puerto Rico can use TeleTax topic 901 (see page 10) to see if they must file.



Even if you do not otherwise have to file a return, you should file one to get a refund of any Federal income tax withheld.

You should also file if you are eligible for the earned income credit or the additional child tax credit.

Exception for Children Under Age 14

If you are planning to file a return for your child who was under age 14 on January 1, 2000, and certain other conditions apply, you may elect to report your child's income on your return. But you must use **Form 8814** to do so. If you make this election, your child does not have to file a return. For details, use TeleTax topic 553 (see page 10) or see Form 8814.

Nonresident Aliens and Dual-Status Aliens

These rules also apply to nonresident aliens and dual-status aliens who were married to U.S. citizens or residents at the end of 1999 and who have elected to be taxed as resident aliens. Other nonresident aliens and dual-status aliens have different filing requirements. They may have to file **Form 1040NR** or **Form 1040NR-EZ**. Specific rules apply to determine if you are a resident or nonresident alien. See **Pub. 519** for details, including the rules for students and scholars who are aliens.

When Should You File?

Not later than **April 17, 2000**. If you file after this date, you may have to pay penalties and interest. See page 53.

What if You Cannot File on Time?

You can get an automatic 4-month extension if, by April 17, 2000 you **either** file **Form 4868** or pay part or all of the tax you expect to owe for 1999 by phone using your credit card (American Express® Card, MasterCard®, or Discover® Card). For details on how to get an extension with your credit card, see Form 4868.



Filing Form 4868 or paying by credit card does not extend the time to pay your income tax. See Form 4868.

If you are a U.S. citizen or resident, you may qualify for an automatic extension of time to file without filing Form 4868 or paying by credit card, if, on the due date of your return, you meet one of the following conditions:

- You live outside the United States and Puerto Rico, AND your main place of business or post of duty is outside the United States and Puerto Rico.
- You are in military or naval service on duty outside the United States and Puerto Rico.

This extension gives you an extra 2 months to file and pay the tax, but interest will be charged from the original due date of the return on any unpaid tax. You must attach a statement to your return showing that you meet the requirements.

Where Do You File?

See the back cover of this booklet for filing instructions and addresses. For details on using a private delivery service to mail your return or payment, see page 17.

Chart A—For Most People

IF your filing status is . . .	AND at the end of 1999 you were* . . .	THEN file a return if your gross income** was at least . . .
Single	under 65	\$7,050
	65 or older	8,100
Married filing jointly***	under 65 (both spouses)	\$12,700
	65 or older (one spouse)	13,550
	65 or older (both spouses)	14,400
Married filing separately	any age	\$2,750
Head of household (see page 18)	under 65	\$9,100
	65 or older	10,150
Qualifying widow(er) with dependent child (see page 18)	under 65	\$9,950
	65 or older	10,800

* If you turned 65 on January 1, 2000, you are considered to be age 65 at the end of 1999.

** **Gross income** means all income you received in the form of money, goods, property, and services that is not exempt from tax including any income from sources outside the United States (even if you may exclude part or all of it). **Do not** include social security benefits unless you are married filing a separate return and you lived with your spouse at any time in 1999.

*** If you did not live with your spouse at the end of 1999 (or on the date your spouse died) and your gross income was at least \$2,750, you must file a return regardless of your age.

box if your spouse can be claimed as a dependent on another person's return.

Line 6c

Dependents

You can take an exemption for each of your dependents. The following is a brief description of the five tests that must be met for a person to qualify as your dependent. If you have **more than six** dependents, attach a statement to your return with the required information.

Relationship Test. The person must be either your relative or have lived in your home as a family member all year. If the person is not your relative, the relationship must not violate local law.

Joint Return Test. If the person is married, he or she cannot file a joint return. But the person can file a joint return if the return is filed only as a claim for refund **and** no tax liability would exist for either spouse if they had filed separate returns.

Citizen or Resident Test. The person must be a U.S. citizen or resident alien, or a resident of Canada or Mexico. There is an exception for certain adopted children. To find out who is a **resident alien**, use TeleTax topic 851 (see page 10) or see **Pub. 519**.

Income Test. The person's gross income must be less than \$2,750. But your child's gross income can be \$2,750 or more if he or she was either **under age 19** at the end of 1999 or **under age 24** at the end of 1999 and was a **student**.

Support Test. You must have provided over half of the person's total support in 1999. But there are two exceptions to this test: one for children of divorced or separated parents and one for persons supported by two or more taxpayers.



For more details about the tests, including any exceptions that apply, see **Pub. 501**.

Line 6c, Column (2)

You must enter each dependent's social security number (SSN). If you do not enter the correct SSN, at the time we process your return, we may disallow the exemption claimed for the dependent and reduce or disallow any other tax benefits (such as the child tax credit and the earned income credit) based on the dependent.



For details on how your dependent can get an SSN, see page 18. If your dependent will not have a number by April 17, 2000, see **What if You Cannot File on Time?** on page 14.

If your dependent child was born and died in 1999 and you do not have an SSN for the child, you may attach a copy of the child's birth certificate instead and enter "DIED" in column (2).

Adoption Taxpayer Identification Numbers (ATINs). If you have a dependent who was placed with you by an authorized placement agency and you do not know his or her SSN, you must get an ATIN for the dependent from the IRS. See **Form W-7A** for details.

Line 6c, Column (4)

Check the box in this column if your dependent is a qualifying child for the child tax credit (defined below). If you have at least one qualifying child, you may be able to take the child tax credit on line 43.

Qualifying Child for Child Tax Credit. A qualifying child for purposes of the child tax credit is a child who:

- Is claimed as your dependent on line 6c, **and**
- Was **under age 17** at the end of 1999, **and**
- Is your son, daughter, adopted child, grandchild, stepchild, or foster child, **and**
- Is a United States citizen or resident alien.

Note. The above requirements are not the same as the requirements to be a qualifying child for the earned income credit.

A child placed with you by an authorized placement agency for legal adoption is an **adopted child** even if the adoption is not final.

A **grandchild** is any descendant of your son, daughter, or adopted child and includes your great-grandchild, great-great-grandchild, etc.

A **foster child** is any child you cared for as your own child and who lived with you for all of 1999. A child who was born or died in 1999 is considered to have lived with you for all of 1999 if your home was the child's home for the entire time he or she was alive during 1999.

Children Who Did Not Live With You Due to Divorce or Separation

If you are claiming a child who did not live with you under the rules in **Pub. 501** for children of divorced or separated parents, attach **Form 8332** or similar statement to your return. But see **Exception** below. If your divorce decree or separation agreement went into effect after 1984 and it states you can claim the child as your dependent without regard to any condition, such as payment of support, you may attach a copy of the following pages from the decree or agreement instead.

1. Cover page (put the other parent's SSN on that page),
2. The page that states you can claim the child as your dependent, and
3. Signature page with the other parent's signature and date of agreement.

Note. You must attach the required information even if you filed it in an earlier year.

Exception. You do not have to attach Form 8332 or similar statement if your divorce decree or written separation agreement went into effect before 1985 and it states that you can claim the child as your dependent.

Other Dependent Children

Include the total number of children who did not live with you for reasons other than divorce or separation on the line labeled "Dependents on 6c not entered above." Include dependent children who lived in Canada or Mexico during 1999.

Income

Foreign-Source Income

You must report unearned income, such as interest, dividends, and pensions, from sources outside the United States unless exempt by law or a tax treaty. You must also report earned income, such as wages and tips, from sources outside the United States.

If you worked abroad, you may be able to exclude part or all of your earned income. For details, see **Pub. 54** and **Form 2555** or **2555-EZ**.

Community Property States

Community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. If you and your spouse lived in a community property state, you must usually

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