



The New (and improved?) Form 1040

The new Form 1040 has been touted as a simple way for most people to file their income taxes on a page the size of a postcard. Is that really the case? Depending on your situation, it may be. If your only source of income is wages, interest and dividends, IRAs, pensions, and social security, you can file the one-page postcard form. If you have any other type of income, you need to file Schedule 1. If you have any adjustments, such as educator expenses or student loan interest, you must also add on Schedule 1. If you itemize, you must file Schedule A, as usual. If you have any additional taxes, such as an early distribution penalty, you can't just file the postcard. The only tax credit on the form is the Child Tax Credit and Credit for Other Dependents.

Most people will have to file both Form 1040 and a variety of schedules. Schedule 1 has the remaining types of income that are missing from the Form 1040. It also includes all the adjustments. Schedule 2 must be filed if there is any Alternative Minimum Tax or Advance Premium Tax Credit. Schedule 3 is for reporting nonrefundable credits. Schedule 4 is for other taxes, such as self-employment taxes or additional tax on distributions from an IRA or HSA. If any payments other than withholding have been made, such as estimated tax payments, you must file Schedule 5.

The number of people who can file the postcard return is likely to be small. If you're not one of them, come see me to find out which schedules you'll have to file next year.

Important Tax Information

The *Tax Cuts and Jobs Act* increased the standard deduction, removed personal exemptions, increased

the child tax credit, limited or discontinued certain deductions and changed the tax rates and brackets. It's especially important for certain people to make sure they have the right amount of withholding in 2018. These groups are:

- Two-income families.
- People working two or more jobs or who only work for part of the year.
- People with children who claim credits such as the Child Tax Credit.
- People with older dependents, including children age 17 or older.
- People who itemized deductions in 2017.
- People with high incomes and more complex tax returns.
- People with large tax refunds or large tax bills for 2017.

Now is your last chance to update your withholding for 2018. The Withholding Calculator is a tool on IRS.gov designed to help you determine how to have the right amount of tax withheld from your paychecks. When you use the Withholding Calculator, it will help you determine if you need to adjust your withholding and submit a new Form W-4 to your employer.

Did You Know?

Love it or hate it, Black Friday is the nickname for the day after Thanksgiving. It's considered to be the first day of the Christmas Shopping season. It generally includes long lines, big sales, and the occasional fight caught on YouTube. But where did the name come from? It's commonly thought of as the day that retailers go from being "in the red" (losing money) to "in the black" (turning a profit).

Quote Corner

4-year-old: Why do you go to work?

Me: They pay me a salary.

4-year-old: ...

Me: ...

4-year-old: I don't even like celery.

~ James Breakwell