Doing Your Taxes

Decisions ... Decisions ... Decisions...
- How do I get ready?
- Should I seek a professional or do I try myself?

A panel discussion with:
- Ken Wundrow
- Kathy Zweifel
  - Kathy Poi
  - Don Miner
  - Faisal Kaud
- Moderator Paul Reichel

September 17, 2015
Where do I start?

- Gather information
- Do some initial calculations on paper
- Get the information from the IRS Website
- Get the forms
Websites

- www.irs.gov
- https://www.revenue.wi.gov
### Filing Status
- [ ] Single
- [ ] Married filing jointly (even if only one had income)
- [ ] Maried filing separately
- [ ] Head of household (with qualifying person)

### Exemptions
#### a. Yourself
- [ ] You
- [ ] Spouse

#### b. Dependent
- [ ] You
- [ ] Spouse
- [ ] Child
- [ ] Parent or other dependent

### Income
1. **Wages, salaries, tips, etc.**
2. **Taxable interest.**
3. **Tax-exempt interest.**
4. **Ordinary dividends.**
5. **Qualified dividends.**
6. **Taxable refunds, credits, or offsets of state and local income taxes.**
7. **Business income or (loss).**
8. **Alimony received.**
9. **Rent, royalties, partnership, S corporation, trusts, etc.**
10. **Other income.**

### Adjusted Gross Income
- **Educator expenses**
- **Health savings account deduction.**
- **Taxable portion of self-employment tax.**
- **Self-employed health insurance deduction.**
- **Penalty on early withdrawal of savings.**
- **IRA deduction.**
- **Student loan interest deduction.**
- **Tuition and fees.**
- **Domestic production activities deduction.**
- **Subtract line 36 from line 22.**

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.
<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>39a</td>
<td>Amount from line 37 (adjusted gross income)</td>
<td></td>
</tr>
<tr>
<td>39b</td>
<td>Check</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>Standard Deduction For</td>
<td></td>
</tr>
<tr>
<td>40a</td>
<td>Unmarried, if you own a $5,200 or more used car, or if you had paid car property tax, dependant, etc.</td>
<td></td>
</tr>
<tr>
<td>40b</td>
<td>Instructions</td>
<td></td>
</tr>
<tr>
<td>40c</td>
<td>All others</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Single or head of household</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>Married filing separately</td>
<td></td>
</tr>
<tr>
<td>43</td>
<td>Married filing jointly or qualifying widow</td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>Alternative minimum tax (see instructions). Attach Form 5251</td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>Excess advance premium tax credit</td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>47</td>
<td>Add lines 44, 45, and 46</td>
</tr>
<tr>
<td>48</td>
<td>Foreign tax credit. Attach Form 1116 if required</td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>50</td>
<td>Education credits from Form 8863, line 19</td>
</tr>
<tr>
<td>51</td>
<td>52</td>
<td>Child tax credit. Attach Schedule 8812, if required</td>
</tr>
<tr>
<td>53</td>
<td>54</td>
<td>Other credits from Form 8863 or 8900</td>
</tr>
<tr>
<td>55</td>
<td>56</td>
<td>Subtract line 55 from line 47. If line 56 is more than line 47, enter -0-</td>
</tr>
<tr>
<td>57</td>
<td>58</td>
<td>Unreported social security and Medicare tax from Form</td>
</tr>
<tr>
<td>59</td>
<td>60a</td>
<td>Additional tax on IRA, other qualified retirement plans, etc. Attach Form 5329 if required</td>
</tr>
<tr>
<td>60b</td>
<td>61</td>
<td>First-time homebuyer credit. Attach Form 8849 if required</td>
</tr>
<tr>
<td>62</td>
<td>63</td>
<td>Tax from Form 8850 or 8860 or enter below</td>
</tr>
<tr>
<td>64</td>
<td>65</td>
<td>Add lines 63 through 68. This is your taxable income</td>
</tr>
<tr>
<td>66</td>
<td>67</td>
<td>Federal income tax withheld from forms W-2 and 1099</td>
</tr>
<tr>
<td>68</td>
<td>69</td>
<td>Earned income credit (EIC)</td>
</tr>
<tr>
<td>70</td>
<td>71</td>
<td>Nonrefundable tax credits</td>
</tr>
<tr>
<td>72</td>
<td>73</td>
<td>Social security and Medicare tax withheld</td>
</tr>
<tr>
<td>74</td>
<td>75</td>
<td>If line 74 is more than line 56, subtract line 56 from line 74. This is the amount you owe.</td>
</tr>
<tr>
<td>76</td>
<td>77</td>
<td>Amount of line 75 you want applied to your 2015 estimated tax</td>
</tr>
<tr>
<td>78</td>
<td>Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions</td>
<td></td>
</tr>
<tr>
<td>79</td>
<td>Estimated tax penalty (see instructions)</td>
<td></td>
</tr>
</tbody>
</table>

**Sign Here**

**Designee**

Do you want to allow another person to discuss this return with the IRS (with instructions)? Yes, Complete below.

**Name**

**Designee**

**Phone number (TIN)**

**Personal identification number**

**Date**

**Your occupation**

**Daytime phone number**

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**Paid Preparer**

**Name**

**Preparer’s signature**

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**Use Only**

**Preparer’s BIN**

**Firm’s address**

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www.irs.gov/Form1040
### Itemized Deductions

#### Medical and Dental Expenses
- **1.** Medical and dental expenses (see instructions)  
- **2.** Enter amount from Form 1040, line 28  
- **3.** Multiply line 2 by 10% (.10). But if either you or your spouse was born before January 2, 1950, multiply line 2 by 7.5% (.075) instead.  
- **4.** Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-.

#### Taxes You Paid
- **5.** State and local (check only one box):  
  - [ ] Income taxes, or  
  - [ ] General sales taxes  
  - [ ] Real estate taxes (see instructions)  
  - [ ] Personal property taxes  
  - [ ] Other taxes. List type and amount ▶

#### Interest You Paid
- **10.** Home mortgage interest and points reported to you on Form 1098.  
- **11.** Home mortgage interest not reported to you on Form 1098, if paid to the person from whom you bought the home, see instructions and show that person’s name, identifying no., and address ▶

#### Gifts to Charity
- **16.** Gifts by cash or check. If you made any gift of $250 or more, see instructions.

#### Casualty and Theft Losses
- **20.** Casualty or theft losses. Attach Form 4845. (See instructions.)

#### Miscellaneous Deductions
- **21.** Unreimbursed employee expenses—job travel, uniform, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.)
- **22.** Tax preparation fees  
- **23.** Other expenses—investment, safe deposit box, etc. List type and amount ▶

#### Other Miscellaneous Deductions
- **29.** Add lines 21 through 23  
- **30.** Enter amount from Form 1040, line 38  
- **31.** Multiply line 26 by 2%. (.02)

#### Total Itemized Deductions
- **29.** Is Form 1040, line 38, over $152,525?
  - [ ] No. Your deduction is not limited. Add the amounts in the last right column for lines 4 through line 40.  
  - [ ] Yes. Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.

For Paperwork Reduction Act Notice, see Form 1040 instructions.
# Interest and Ordinary Dividends

**Part I**

**Interest**

1. List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions on back and list this interest first. Also, show that buyer’s social security number and address.

<table>
<thead>
<tr>
<th>Interest</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Add the amounts on line 1.


4. Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a.

**Part II**

**Ordinary Dividends**

5. List name of payer.

<table>
<thead>
<tr>
<th>Dividends</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a.

**Part III**

**Foreign Accounts and Trusts**

7a. At any time during 2014, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions.

7b. If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements.

8. During 2014, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions on back.
Wisconsin Form 1
2014

Instructions

1. Select the forms and schedules you need by clicking [+ or by clicking the appropriate check box(es) below.

2. Click [Start Filing] at the bottom of this page.

3. Use your scroll bar to move from the top to bottom of each page or use your arrow keys on the tool bar to move from page to page.

4. Use [Delete] at the bottom of the forms and schedules if you need to remove them. Return to this page (page 1) to add or select additional forms or schedules.

5. Complete the forms and schedules and check for accuracy.

6. Attach a complete copy of your federal income tax return by using an attachment option.

7. Click [Submit Return] on the last page when you are ready to file your tax return.

If the form or schedule you want is not listed below, it may not be supported by Wisconsin e-file at this time. If this is the case, please file your return using a different e-filing option.

<table>
<thead>
<tr>
<th>Form</th>
<th>Description</th>
<th>Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>W-2</td>
<td>Schedule WD</td>
<td>□</td>
</tr>
<tr>
<td>W-2G</td>
<td>Schedule I</td>
<td>□</td>
</tr>
<tr>
<td>1099-G</td>
<td>Schedule OS</td>
<td>□</td>
</tr>
<tr>
<td>1099-R</td>
<td>Schedule FC</td>
<td>□</td>
</tr>
<tr>
<td>1099-Misc</td>
<td>Schedule FC-A</td>
<td>□</td>
</tr>
<tr>
<td>Schedule CS</td>
<td>Schedule PS</td>
<td>□</td>
</tr>
<tr>
<td>Schedule H</td>
<td></td>
<td>□</td>
</tr>
<tr>
<td>EIC Worksheet</td>
<td></td>
<td>□</td>
</tr>
<tr>
<td>Rent Certificate</td>
<td></td>
<td>□</td>
</tr>
<tr>
<td>Property Tax Bill</td>
<td></td>
<td>□</td>
</tr>
<tr>
<td>Schedule H Notes</td>
<td></td>
<td>□</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Watch for these symbols</th>
</tr>
</thead>
<tbody>
<tr>
<td>When these appear in the form, hold the mouse pointer over the symbol to view the message.</td>
</tr>
<tr>
<td>Help is available for the field. Click on the symbol to see if more information is available.</td>
</tr>
<tr>
<td>Something is wrong with the field. View the message to fix the error. All error messages must be fixed before the form can be submitted.</td>
</tr>
<tr>
<td>There is a warning or caution about the field.</td>
</tr>
</tbody>
</table>

Revision: 38712
Revision Date: 2015-02-06
Form: Form_1_2014
Then what?

- Complete Federal Forms first
- Go to the Wisconsin Department of Revenue site and download the appropriate form under efile
- Enter information – enter all 1099 forms and other required forms
- Complete the remainder of the tax form
- Proof all documents to make sure there are no errors
Attach a copy of your federal form (scan the paper copy and save as a pdf)

Put in bank account information for a refund

Sign form and submit - you may have to do this a number of times

You will receive a date stamp and time that indicates the return was received

Keep a copy of the form – both paper and electronic
Free Income Tax Service

By Faisal A. Kaud**

Sponsors
Who is eligible?
Who are the tax preparers?
Where services are delivered?
Program Performance

**I have been a volunteer tax preparer for the past 14 years.
Income Tax Software

Income Tax Software used in preparation of Federal and State Income tax returns is approved by the IRS and Wisconsin Dept. of Revenue.
Major Sponsors

This service is offered under the auspices of:

- Volunteer Income Tax Assistance (VITA),
- Total Community Action, Inc. (TCA) and
- American Association of Retired Persons (AARP)
Volunteers Qualification

- Annually pass IRS online Tax Law advanced level examination.

- Attend on-site training of 3-days and pass an examination.
Background of Volunteers

- Retired IRS & WI. Dept. of Revenue employees, teachers, business executives, accountants, and other retirees.

- Law and Business students.
Volunteer Certification

- Certified Volunteer is qualified to prepare:
  - Federal Form 1040 & supporting schedules.
  - Wisconsin Department of Revenue Form 1 & supporting schedules
Internal Tax Review

- On-Site Assigned Volunteers are available to answer tax questions.

- Each completed income tax return is thoroughly reviewed by a designated volunteer prior to filing the return.

  - Taxpayer receives a hard copy of the return with all supporting documents.
Retention of Personal Tax Information by Sites

- The Sites do not keep any income tax documents.

- Taxpayers take all income tax documents with them upon submission of the return.

- The Sites have electronic information about the taxpayers’ name, address & dependent information, if any, ONLY.
Number of Tax Returns Filed Annually

Thousands of tax returns are prepared and electronically transmitted annually from the 19 Dane County Sites.
Electronic Transmission of Tax Returns

- Completed tax returns are electronically transmitted daily after 8 PM to IRS and Wisconsin Dept. of Revenue.

- Taxpayer receives a hard copy of the return with all supporting documents.
Income Tax Data Accuracy

- Taxpayer is responsible for the submission of all tax documents & is responsible for its accuracy.

- Free Tax Service is responsible for preparing the Return accurately.
Who Qualifies for the Service

- Families and individuals who earn low to moderate income, elderly and people with disabilities.
Scope of Income Tax Preparation Includes:

- **Income:** wages, annuities, pension, social security, interest and dividends, royalties, Schedules 1099 B (stocks & bonds), C-EZ (Business Income).

- **Expenses:** Schedule A: itemized deductions (medical & dental, mortgage, taxes paid, charitable contribution & other misc. deductions).
Out of Scope Filing

- Business income, rental property, Schedule C, and complex Schedule 1099B.
19 Sites in Dane County (Selected Sites)

- No appointment is required:
  - The Villager Mall, 2300 South Park St.
  - St. Dennis Church, 505 Dempsey.

- By Appointment:
  - Sequoya, Pinney & Lakeview Libraries.
  - Fitchburg, Middleton & Verona Sr. Centers.

- For complete list of sites call United Way 2-1-1.
Performance

- Tax Returns electronically filed: Approx. 6,000.
- Tax Returns Rejected: 1%

Reasons:
- Identity Theft
- Dependent claimed by 2 taxpayers
- Transposition of SS or Birthdays.
Bring all tax document with you to the site

- Bring ID with you.
- Last year’s tax return.
- All Forms 1099R, 1099 Int, 1099 Div, 1098 Mortgage, SSA-1099.
- Property taxes, est. tax payments, charitable contribution.
- For direct refund deposit: bring check book or deposit slip for savings account.
Sponsors

- IRS, Wis. Dept. of Revenue, AARP, City of Madison, Financial Education Center, UW Extension of Dane County, Dane County, United Way of Dane County, Americorps, Walmart, other Organizations & Individuals.
American Institute of Certified Public Accountants filed a lawsuit to derail IRS’s Voluntary Income Tax Filing program.

A judge threw out the case.

AICPA is appealing.