



Department of the Treasury  
Internal Revenue Service

# IMPORTANT 1996 TAX INFORMATION —PLEASE KEEP

**Good News for Taxpayers in Alaska! You may be able to file an easier tax form for 1996 ...**

Dear Alaskan Taxpayer:

You will soon receive your 1996 Federal income tax package in the mail. But it may be different from the one you received last year. You may be one of the many Alaskans who will get the **simpler 1040A, 1040EZ, or TeleFile package because of changes we made this year** in how you can report the Alaska Permanent Fund Dividend (APFD) income.

In the past, many Alaskans had to use the longer Form 1040 only because the APFD could not be reported on the simpler Forms 1040A and 1040EZ. This was particularly true for Alaskan children. This also meant that last year few Alaskans could take advantage of TeleFile — the quick and easy way many taxpayers can file their tax returns by phone.

As part of our continuing efforts to make it easier for you to meet your tax obligations, the APFD income may now be reported on the unemployment compensation line of 1040A and 1040EZ. We reviewed the returns filed last year to determine which Alaskans might now be able to use the simpler returns or file by phone using TeleFile. As a result, you may receive a 1040A, 1040EZ, or TeleFile tax package this year.

Be on the lookout for your package — and be sure to take advantage of the simpler return or TeleFile if you qualify!

Paul Beene  
Director, Pacific Northwest District, IRS

## What's inside?

- ▶ Hints for:
  - using TeleFile (page 2)
  - filing 1040EZ (page 2)
  - filing 1040A (page 2)
  - filing 1040 (page 2)
- ▶ Special information for parents of children who received the APFD (page 3)
- ▶ Filled-in example of child's 1040EZ (page 4)

**IMPORTANT:** Keep this booklet! It contains helpful hints for filing the simpler tax forms

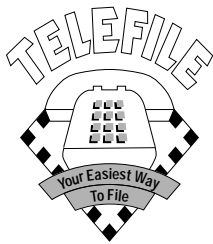
**and**

SPECIAL information for parents of children who received the Alaska Permanent Fund Dividend.

Department of the Treasury  
Internal Revenue Service  
3041 Sunrise Blvd.  
Rancho Cordova, CA 95742

Official Business  
Penalty for Private Use, \$300

**Bulk Rate**  
Postage and Fees Paid  
Internal Revenue Service  
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## If You Get the TeleFile Package

Many Alaskans, including children, will receive a TeleFile package in the mail this year. This is the easiest, quickest way to file, and best of all it is free!

- Please check page 3 of the TeleFile instructions to make sure you can use TeleFile. The instructions on the back of the TeleFile Tax Record tell you to enter your APFD income on line D (Unemployment compensation).

**Please note:** *The voice prompts you hear when you enter the information over the phone will not specifically mention the APFD income. When you hear the prompt "If you have taxable unemployment compensation...", enter 1 for Yes. Then, enter the amount of the APFD income.*

- You **cannot** use TeleFile if Federal income tax was taken out of your APFD check.
- You must be sent a TeleFile package in order to file by phone; you **cannot** order it from the IRS.

## If You Get the 1040EZ Package

- Please check the 1040EZ instructions to make sure you can use that form. Page 9 of those instructions tells you to enter your APFD income on line 3 (Unemployment compensation).

**Please note:** *Although APFD income is not specifically mentioned on line 3 of Form 1040EZ, that is the correct line on which to report the income.*

- Also, see pages 3 and 4 of this booklet for examples of a Form 1040EZ completed for a child whose only income was the APFD.

## If You Get the 1040A Package

Please check the 1040A instructions to make sure you can use that form. Page 22 of those instructions tells you to enter your APFD income on line 12 (Unemployment compensation).

**Please note:** *Although APFD income is not specifically mentioned on line 12 of Form 1040A, that is the correct line on which to report the income.*

## If You Get the 1040 Package

Call Tele-Tax (1-800-829-4477) and listen to topic 352 to see if you can use the simpler 1040A or 1040EZ. If you need to use 1040, continue to report the APFD income on line 21 (Other income) as you have in the past.

## Special Information for Parents of Children Who Received the Alaska Permanent Fund Dividend

**Caution:** If your child received other income, such as interest, dividends, or wages, or if you received Aid to Families With Dependent Children (AFDC) or other public assistance, **do not** use the following information or the example on page 4 to file the child's return. Instead, use the instructions in the child's tax package or call 1-800-829-1040 for help.

If the Alaska Permanent Fund Dividend (APFD) was the **only** income your dependent child received and your child received a **TeleFile package**, follow the instructions on page 2 in this booklet. If your child received a **1040EZ package**, here are tips for filing the 1040EZ.

**Note:** If your child is under age 14, you may be able to elect to report this income on your Form 1040 instead of filing a return for the child. But you must use **Form 8814** to do so. As a result of recent legislation, the Federal income tax on your child's income will usually be the same whether you make the election or file a tax return for the child. See Form 8814 for details.

- See the example on page 4 to find out how to fill in your child's Form 1040EZ.
- If part of the APFD was withheld because your child's social security number was incorrect or not included on the dividend application, report the amount withheld as shown in the example below.

	<b>6</b> Subtract line 5 from line 4. If line 5 is larger than line 4, enter 0. This is your <b>taxable income</b> . <span style="float: right;">▶ 6</span>	□□	,	481	.	00
<b>Payments and tax</b>	<b>7</b> Enter your Federal income tax withheld from box 2 of your W-2 form(s). <span style="float: right;">7</span>	□□	,	351	.	00
	<b>8</b> <b>Earned income credit</b> (see page 9). Enter type and amount of nontaxable earned income below. <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span style="border: 1px solid black; padding: 2px;">Type</span> <span style="border: 1px solid black; padding: 2px;">\$</span> </div> <span style="float: right;">8</span>	□□	.	□□	.	□□
	<b>9</b> Add lines 7 and 8 (do not include nontaxable earned income). These are your <b>total payments</b> . <span style="float: right;">9</span>	□□	,	351	.	00
	<b>10</b> <b>Tax.</b> Use the amount on <b>line 6</b> to find your tax in the tax table on pages 20–24 of the booklet. Then, enter the tax from the table on this line. <span style="float: right;">10</span>	□□	,	73	.	00
<b>Refund</b>	<b>11a</b> If line 9 is larger than line 10, subtract line 10 from line 9. This is your <b>refund</b> . <span style="float: right;">11a</span>	□	,	278	.	00

**Use the IRS label here**  **Your first name and initial** \_\_\_\_\_ **Last name** \_\_\_\_\_  
 If a joint return, spouse's first name and initial \_\_\_\_\_ **Last name** \_\_\_\_\_  
 Home address (number and street). If you have a P.O. box, see page 7. Apt. no. \_\_\_\_\_  
 City, town or post office, state, and ZIP code. If you have a foreign address, see page 7.

**Your social security number** \_\_\_\_\_  
**Spouse's social security number** \_\_\_\_\_

**Presidential Election Campaign**  **Note:** Checking "Yes" will not change your tax or reduce your refund. Do you want \$3 to go to this fund?  Yes  No  **Dollars** \_\_\_\_\_ **Cents** \_\_\_\_\_  
 If a joint return, does your spouse want \$3 to go to this fund?  Yes  No

**Income**  
 Attach Copy B of Form(s) W-2 here. Enclose, but do not attach, any payment with your return.  
 1 Total wages, salaries, and tips. This should be shown in box 1 of your W-2 form(s). Attach your W-2 form(s). 1  
 2 Taxable interest income of \$400 or less. If the total is over \$400, you cannot use Form 1040EZ. 2  
 3 Unemployment compensation (see page 9). 3  
 4 Add lines 1, 2, and 3. This is your **adjusted gross income**. If under \$9,500, see page 9 to find out if you can claim the earned income credit on line 8. 4  
 5 Can your parents (or someone else) claim you on their return?  Yes. Enter amount from worksheet  No. If single, enter 6,550.00. If married, enter 11,800.00. See back for explanation. 5  
 6 Subtract line 5 from line 4. If line 5 is larger than line 4, enter 0. This is your **taxable income**. 6

**Payments and tax**  
 7 Enter your Federal income tax withheld from box 2 of your W-2 form(s). 7  
 8 **Earned income credit** (see page 9). Enter type and amount of nontaxable earned income below. 8  
 Type \_\_\_\_\_ \$ \_\_\_\_\_  
 9 Add lines 7 and 8 (do not include nontaxable earned income). These are your **total payments**. 9  
 10 **Tax:** Use the amount on line 6 to find your tax in the tax table on pages 20–24 of the booklet. Then, enter the tax from the table on this line. 10

**Refund**  
 11a If line 9 is larger than line 10, subtract line 10 from line 9. This is your **refund**. 11a

**Amount you owe**  
 12 If line 10 is larger than line 9, subtract line 9 from line 10. This is the **amount you owe**. See page 13 for details on how to pay and what to write on your payment. 12

**Sign here**  Your signature \_\_\_\_\_ Spouse's signature if joint return \_\_\_\_\_  
 Keep copy for your records.  Date \_\_\_\_\_ Your occupation \_\_\_\_\_ Date \_\_\_\_\_ Spouse's occupation \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see page 5. Cat. No. 11392W Form 1040EZ (1996)

# Example of Child's Form 1040EZ

(For children who received only the Alaska Permanent Fund Dividend)

savings and loans, credit unions, etc., even if you do not get a Form 1099-INT.

**Worksheet**  
 Use this worksheet to figure the amount to enter on line 5 if someone can claim you (or your spouse if married) as a dependent, even if that person chooses not to do so. To find out if someone can claim you as a dependent, use Tele-Tax topic 354 (see page 18).  
**who checked "Yes" on line 5**  
 A. Enter the amount from line 1 on the front. **A.** \_\_\_\_\_ **0**  
 B. Minimum standard deduction. **B.** \_\_\_\_\_ **650.00**  
 C. Enter the LARGER of line A or line B here. **C.** \_\_\_\_\_ **650.00**  
 D. Maximum standard deduction. If single, enter 4,000.00; if married, enter 6,700.00. **D.** \_\_\_\_\_ **4,000.00**  
 E. Enter the SMALLER of line C or line D here. This is your standard deduction. **E.** \_\_\_\_\_ **650.00**  
 F. Exemption amount.  
 • If single, enter 0.  
 • If married and both you and your spouse can be claimed as dependents, enter 0.  
 • If married and only one of you can be claimed as a dependent, enter 2,550.00.  
**F.** \_\_\_\_\_ **0**  
 G. Add lines E and F. Enter the total here and on line 5 on the front. **G.** \_\_\_\_\_ **650.00**

**If you checked "No" on line 5** because no one can claim you (or your spouse if married) as a dependent, enter on line 5 the amount shown below that applies to you.  
 • Single, enter 6,550.00. This is the total of your standard deduction (4,000.00) and personal exemption (2,550.00).  
 • Married, enter 11,800.00. This is the total of your standard deduction (6,700.00), exemption for yourself (2,550.00), and exemption for your spouse (2,550.00).

**Mailing your return**  
 Mail your return by **April 15, 1997**. Use the envelope that came with your booklet. If you do not have that envelope, see page 28 for the address to use.