

# Filing Your Taxes <sup>(1/3)</sup>

## Directions

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- ❶ Review the following terms before completing this activity.
  - » **W-2 (Wage and Tax Statement):** A form used to report wages paid to employees and taxes withheld from them. Should be completed for each employee on or before Jan. 31 of each year.
  - » **1099 (MISC Statement for Recipients of Non-Employee Compensation):** Used to report earnings of \$600 or more paid per calendar year, for which no withholding of social security taxes and income tax was made over the year.
  - » **1040 (A, EZ):** The starting form for personal income tax returns filed with the IRS
  - » **IRS (Internal Revenue Service):** United States government agency that is responsible for the collection and enforcement of taxes
  - » **Head of household:** A filing status that is used for individuals who are not married. They must pay more than half of the costs for the household.
  - » **Joint return:** Income taxes that are filed for a couple who are married. The income, tax credits, tax deductions, and tax exemptions are combined on one tax return.
  - » **FICA (Federal Insurance Contributions Act):** Taxes that are used to pay for social security or Medicare programs.
  - » **Income tax withholdings:** This is money an employer legally has to withhold (take out, deduct) from an employee's earnings and is sent to the city, state and federal governments. This money is applied toward the amount of money an employee will owe the government agency when income taxes are filed.
- ❷ Access and digitally complete the 1040EZ form located at <http://www.irs.gov/pub/irs-pdf/f1040ez.pdf>.
  - » First, complete the form filing as a single, head of household.
  - » Next, complete the form filing a joint return. Have students use the second W-2 provided, titled "Spouse".
- ❸ Access and digitally complete the 1040 form by transferring the information from the sample W-2 and 1099 provided in the activity. A blank W-2 form can be found at <http://www.irs.gov/pub/irs-pdf/f1040.pdf>.
- ❹ List all items commonly withheld from gross pay.  
  
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- ❺ Research and explain the difference among Social Security, Medicaid and Medicare.  
  
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# Filing Your Taxes <sup>[2/3]</sup>

## Sample Form W-2

22222		a Employee's social security number 000-00-0000		OMB No. 1545-0008		This is a recreation of a W-2 for education purposes only.	
b Employer identification number (EIN) 62-0000XXX				1 Wages, tips, other compensation \$41,000.00		2 Federal income tax withheld \$5986.50	
c Employer's name, address, and ZIP code Marketing Strategies, Inc. 1749 Main St. Del Boca Vista, FL 90035				3 Social security wages \$41,000.00		4 Social security tax withheld \$2,542.00	
d Control number				5 Medicare wages and tips \$41,000.00		6 Medicare tax withheld \$594.50	
e Employees first name and initial Jane King 123 Address Ln. Somewhere, US 54321				7 Social security tips		8 Allocated tips	
f Employee's address and ZIP code				9		10 Dependent Care benefits	
15 State Employer's state ID number				11 Nonqualified plans		12a See instructions for box 12 	
16 State wages, tips, etc.				13 Statutory Retirement Third-party Employee plan sick pay		12b	
17 State income tax				14 Other		12c	
				18 Local wages, tips		12d	
						19 Local income tax	

Form **W-2** Wage and Tax Statement

2011

This is not a real W-2 form but a recreation of a W-2 for education purposes only.

Copy C - for Employee's Records (See Notice to Employee on the back of Copy B.)

## Spouse's W-2

22222		a Employee's social security number 000-00-0000		OMB No. 1545-0008		This is a recreation of a W-2 for education purposes only.	
b Employer identification number (EIN) 62-0000XXX				1 Wages, tips, other compensation \$41,000.00		2 Federal income tax withheld \$5986.50	
c Employer's name, address, and ZIP code Marketing Strategies, Inc. 1749 Main St. Del Boca Vista, FL 90035				3 Social security wages \$41,000.00		4 Social security tax withheld \$2,542.00	
d Control number				5 Medicare wages and tips \$41,000.00		6 Medicare tax withheld \$594.50	
e Employees first name and initial James King 123 Address Ln. Somewhere, US 54321				7 Social security tips		8 Allocated tips	
f Employee's address and ZIP code				9		10 Dependent Care benefits	
15 State Employer's state ID number				11 Nonqualified plans		12a See instructions for box 12 	
16 State wages, tips, etc.				13 Statutory Retirement Third-party Employee plan sick pay		12b	
17 State income tax				14 Other		12c	
				18 Local wages, tips		12d	
						19 Local income tax	

Form **W-2** Wage and Tax Statement

2011

This is not a real W-2 form but a recreation of a W-2 for education purposes only.

Copy C - for Employee's Records (See Notice to Employee on the back of Copy B.)

# Filing Your Taxes (3/3)

## Sample Form 1099-INT

☐ CORRECTED (if checked)

PAYER'S name, street address, city or town, province or state, country, ZIP or foreign postal code, and telephone no.  Fred's Financial Consulting 456 Dollar Street Somewhere, US 54321		Payer's RTN (optional) 025000027		OMB No. 1545-0112  <b>2013</b>		<b>Interest Income</b>  Form 1099-INT
		1 Interest income \$ 28,500.00				
PAYER'S federal identification number  10-3249946		RECIPIENT'S identification number  102110027		2 Early withdrawal penalty \$ 285.00		<b>Copy B</b>  <b>For Recipient</b>  This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
				3 Interest on U.S. Savings Bonds and Treas. obligations \$ 8,500.00		
RECIPIENT'S name  Branden Chaney  Street address (including apt. no.) 101 Mayberry Ct.  City or town, province or state, country, and ZIP or foreign postal code Spring Hill, TN 37069		4 Federal income tax withheld \$ 0		5 Investment expenses \$ 925.00		
		6 Foreign tax paid \$ 0		7 Foreign country or U.S. possession		
		8 Tax-exempt interest \$ 2,450.00		9 Specified private activity bond interest \$ 720.00		
Account number (see instructions) 2443233464		10 Tax-exempt bond CUSIP no. F489995871424		11 State NY	12 State identification no.	13 State tax withheld \$ 3,200.00

Form **1099-INT**

(keep for your records)

[www.irs.gov/form1099int](http://www.irs.gov/form1099int)

Department of the Treasury - Internal Revenue Service