



Form 1040 Reference Guide – 2018

Three easy steps that may reduce your tax bill

1. Use this reference guide to complete the corresponding areas on your Form 1040.
2. Follow the line items referenced on page 2 to see how you may be able to reduce your tax bill.
3. Talk to your financial and tax advisors to see which suggestions might be right for you.

Note: Withdrawals from retirement plans prior to age 59½ may be subject to tax penalties.

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2018** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing status: Single Married filing jointly Married filing separately Head of household Qualifying widow(er)

Your first name and initial _____ Last name _____ Your social security number _____

Your standard deduction: Someone can claim you as a dependent You were born before January 2, 1954 You are blind

If joint return, spouse's first name and initial _____ Last name _____ Spouse's social security number _____

Spouse standard deduction: Someone can claim your spouse as a dependent Spouse was born before January 2, 1954 Full-year health care coverage or exempt (see inst.)

Spouse is blind Spouse itemizes on a separate return or you were dual-status alien

Home address (number and street). If you have a P.O. box, see instructions. _____ Apt. no. _____ Presidential Election Campaign (see inst.) You Spouse

City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. _____ If more than four dependents, see inst. and ✓ here

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) ✓ if qualifies for (see inst.):	
(1) First name	Last name			Child tax credit	Credit for other dependents
1				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

Sign Here
Joint return? See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer Use Only

Preparer's name	Preparer's signature	PTIN	Firm's EIN	Check if: <input type="checkbox"/> 3rd Party Designee <input type="checkbox"/> Self-employed
Firm's name ▶	Phone no.			
Firm's address ▶				

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11320B

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Tax-Exempt Equivalent Yields for Various Tax Brackets

	Taxable Income		Tax-Exempt Yield of		
	Single	Joint	3%	5%	7%
10%	\$0 - 9,525	\$0 - \$19,050	3.33%	5.56%	7.78%
12%	\$9,526 - 38,700	\$19,051 - 77,400	3.41	5.68	7.95
22%	\$38,701 - 82,500	\$77,401 - 165,000	3.85	6.41	8.97
24%	\$82,501 - 157,500	\$165,001 - 315,000	3.95	6.58	9.21
32%	\$157,501 - 200,000	\$315,001 - 400,000	4.41	7.35	10.29
35%	\$200,001 - 500,000	\$400,001 - 600,000	4.62	7.69	10.77
37%	\$500,001 or more	\$600,001 or more	4.76	7.94	11.11

This table represents 2018 marginal tax rates. It does not show the taxable equivalent yields for individuals who are subject to federal AMT.

1 Dependents section (boxes 1-4) Are you saving for educational expenses?

Attach Form(s) W-2. Also attach Form(s) W-2G and 1099-R if tax was withheld.	1 Wages, salaries, tips, etc. Attach Form(s) W-2	1	
	2a Tax-exempt interest	2a	2
	3a Qualified dividends	3a	4
	4a IRAs, pensions, and annuities	4a	5
	5a Social security benefits	5a	
	b Taxable interest	2b	3
	b Ordinary dividends	3b	3
	b Taxable amount	4b	
	b Taxable amount	5b	6
	6 Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	6	
	7 Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6	7	
Standard Deduction for— • Single or married filing separately, \$12,000 • Married filing jointly or Qualifying widow(er), \$24,000 • Head of household, \$18,000 • If you checked any box under Standard deduction, see instructions.	8 Standard deduction or itemized deductions (from Schedule A)	8	7
	9 Qualified business income deduction (see instructions)	9	8
	10 Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-	10	
	11 a Tax (see inst.) (check if any from: 1 <input type="checkbox"/> Form(s) 8814 2 <input type="checkbox"/> Form 4972 3 <input type="checkbox"/>)	11	
	b Add any amount from Schedule 2 and check here <input type="checkbox"/>	11	
	12 a Child tax credit/credit for other dependents b Add any amount from Schedule 3 and check here <input type="checkbox"/>	12	
	13 Subtract line 12 from line 11. If zero or less, enter -0-	13	
	14 Other taxes. Attach Schedule 4	14	
	15 Total tax. Add lines 13 and 14	15	9
	16 Federal income tax withheld from Forms W-2 and 1099	16	
17 Refundable credits: a EIC (see inst.) b Sch. 8812 c Form 8863	17		
18 Add lines 16 and 17. These are your total payments	18		
Refund Direct deposit? See instructions.	19 If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid	19	10
	20a Amount of line 19 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	20a	
	b Routing number c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
d Account number			
21 Amount of line 19 you want applied to your 2019 estimated tax	21		
Amount You Owe	22 Amount you owe . Subtract line 18 from line 15. For details on how to pay, see instructions	22	11
	23 Estimated tax penalty (see instructions)	23	

Go to www.irs.gov/Form1040 for instructions and the latest information.

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- 2** Line 2a Please reference the Tax-Exempt Equivalent Yields for Various Tax Brackets table on page 1.
- 3** Line 2b/3b Interest and dividend income may affect your tax burden. Consider a strategic approach to include tax-exempt income or qualified dividends, which are eligible for a reduced tax rate. Certain individuals may be subject to the alternative minimum tax (AMT).
- 4** Line 3a Dividends that may be eligible for capital gain rates are reported in box 1b of Form 1099-DIV.¹
- 5** Line 4a Consider converting to a Roth IRA if you're using a traditional IRA as an income source. The converted amount will be taxable, but future distributions will be tax free.
- 6** Line 5b Retirees may need to move assets into more tax-efficient investments if their income has increased to a taxable amount because of interest, capital gains or dividends.
- 7** Line 8 Personal and dependent exemption deductions are phased out for certain high income tax payers. Talk to your tax advisor for more information.
- 8** Line 9 Certain retirement plans can help business owners save more. Also, check with your lenders(s) about lowering interest rates on loans you already have.
- 9** Line 15 Consider participating in a company-sponsored retirement plan that may reduce your taxable wages (and, thus, your tax bill) or a Roth IRA that will reduce your investment income.
- 10** Line 19 By withholding too much, you give the government an interest-free loan and miss opportunities to put the dollars to work for yourself.
- 11** Line 22 The IRS may penalize you for withholding too little. Recalculate your W-4 or estimated tax payments if you anticipate a significant change in your tax liability.

Additional situations that may reduce your tax liability:

- The maximum long-term capital gains rate is 23.8% for tax payers whose income exceeds a certain threshold.¹ When possible offset gains with losses. Reported on Form 1040, Schedule 1, Line 13.
- If current interest rates are lower than those on your rental properties, consider refinancing. Reported on Form 1040, Schedule 1, Line 17.
- Contributions to a qualified health savings account may be deductible depending on your health insurance plan. Use form 8889 to calculate your allowable deduction. Reported on Form 1040, Schedule 1, Line 25.
- If you're self-employed, did you make contribution to an employer-sponsored plan on your behalf? Reported on Form 1040, Schedule 1, Line 28.
- IRA's offer a great way to save for retirement, and contributions may be deductible depending on your income. Reported on Form 1040, Schedule 1, Line 32.
- Depending on your income, student loan interest may be deductible. Reported on Form 1040, Schedule 1, Line 33.
- Are you taking advantage of foreign tax credits? Reported on Form 1040, Schedule 3, Line 48.
- Are you maximizing your child and dependent care credits? Reported on Form 1040, Schedule 3, Line 49.
- Are you taking advantage of improved educational incentives? Coverdell Education Savings Accounts offer tax-advantage savings. Reported on Form 1040, Schedule 3, Line 50.
- Additional tax will be reported if you:
 - Received a premature distribution from an IRA or qualified plan.
 - Received a return of excess from an IRA or Coverdell account.
 - Received a taxable distribution from a Coverdell account.
 - Didn't take a full required minimum distribution.
 Reported on Form 1040, Schedule 4, Line 59. Review your distribution strategies to avoid penalties in the future.

¹ Talk to your tax advisor for more information on marginal tax rates.

This information is not intended as tax advice and cannot be used by the taxpayer for the purpose of avoiding any penalties that may be imposed on the taxpayer by any governmental taxing authority or agency. Consult your tax advisor about your particular situation.

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