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Highlights of 2003 Tax Changes



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Introduction

This publication highlights tax law changes that take effect in 2003, 2004, and later years. The chapters are divided into separate sections based on when the changes take effect.

Changes covered in this publication include the following.

- Lower tax rates.
- Lower capital gain tax rates. Certain dividends are now taxed at the new capital gain rates.
- Faster depreciation and recovery schedules for business property.
- Higher contribution and benefit limits for retirement plans, including individual retirement arrangements (IRAs), thrift savings plans, 403(b) plans, 401(k) plans, simplified employee pensions (SEPs), and SIMPLE plans.
- Expanded benefits for members of the Armed Forces.

See the discussion of each topic for more information.

Adjusting your withholding or estimated tax payments for 2004. If your tax for 2004 will be more or less than your 2003 tax, you may need to adjust your withholding or estimated tax payments accordingly. If your tax will decrease, you can get the benefit of lower taxes throughout the year. If you will owe more tax, you can avoid a penalty when you file your tax return.

See the following table for forms and publications that will help you adjust your withholding or estimated tax payments. See chapter 8 for information on ordering forms and publications.

To adjust your....	Get Form...	And Publication...
Withholding	W-4 , <i>Employee's Withholding Allowance Certificate</i>	919 , <i>How Do I Adjust My Tax Withholding?</i>
Estimated tax payments	1040-ES , <i>Estimated Tax for Individuals</i>	505 , <i>Tax Withholding and Estimated Tax</i>

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1.

Tax Changes for Individuals

2003 Changes

Tax Rate Changes

The following list highlights the changes to the tax rates that are effective for 2003. The tax tables and tax rate schedules that reflect the changes are included in your tax form instruction booklet.

- The 10% tax rate bracket for most filing statuses is expanded. This means that more of your income will be taxed at 10% instead of a higher rate.

- The 15% tax rate bracket for married taxpayers filing jointly and qualifying widow(er) is expanded.
- The 27%, 30%, 35%, and 38.6% tax rates are reduced to 25%, 28%, 33%, and 35%, respectively.

Lower Maximum Tax Rates on Net Capital Gain

For sales and other dispositions of property after May 5, 2003 (including installment payments received after that date), the maximum tax rates on net capital gain have changed as follows.

- The 20% and 10% tax rates have been lowered to 15% and 5%, respectively.
- The 8% tax rate for qualified 5-year gain has been eliminated. Instead, the new 5% rate applies to gain that would have qualified for the 8% rate.

There is no change to the maximum tax rates that apply to collectibles gain, gain on qualified small business stock, and unrecaptured section 1250 gain.

Elimination of 18% rate. In 2006, the 20% rate was scheduled to be lowered to 18% for qualified 5-year gain from property with a holding period that began after 2000. The 18% rate and the 5-year holding period have been eliminated. Instead, the new 15% rate applies to gain that would have qualified for the 18% rate.

Taxpayers who owned certain assets on January 1, 2001, could have elected to treat those assets as sold and repurchased on the same date, if they paid tax for 2001 on any resulting gain. The purpose of the election was to make any future gain on the asset eligible for the 18% rate. That election is irrevocable. Thus, if you made the election, you may **not** amend your 2001 income tax return to get a refund of the tax you paid on the resulting gain.

More information. For more information, see *Capital Gain Tax Rates* in chapter 4 of Publication 550, *Investment Income and Expenses*.

Dividends Taxed at Capital Gain Rate

Beginning in 2003, qualified dividends are subject to the 5% or 15% maximum tax rate that applies to net capital gain. Qualified dividends should be shown in box 1b of the Forms 1099-DIV or similar statements you receive. Before 2003, all ordinary dividends were taxed at the higher rates that applied to ordinary income.

If you have qualified dividends, you must figure your tax by completing either Schedule D (Form 1040) or the *Qualified Dividends and Capital Gain Tax Worksheet* in the Form 1040 or 1040A instructions.

For more information, see *Qualified Dividends* in chapter 1 of Publication 550, *Investment Income and Expenses*.

Investment interest deducted. If you claim a deduction for investment interest, you must reduce the amount of your qualified dividends that are eligible for the 5% or 15% tax rate by the amount of qualified dividends you choose to

include in investment income when figuring the limit on your investment interest deduction. For more information, see chapter 3 of Publication 550.

Standard Deduction Amount Increased

The standard deduction for people who do not itemize deductions on Schedule A of Form 1040 is, in most cases, higher for 2003 than it was for 2002. The amount depends on your filing status, whether you are 65 or older or blind, and whether an exemption can be claimed for you by another person. The *2003 Standard Deduction Tables* are shown in Publication 501, *Exemptions, Standard Deduction, and Filing Information*.

Married persons. In addition to the general increase in the standard deduction allowed for all filing statuses, the standard deduction for married persons filing a joint return has increased to double the amount allowed to a single person. Also, the standard deduction for a married person filing separately has increased to the same amount allowed to a single person.

Limit on Itemized Deductions Increased

If your adjusted gross income is above a certain amount, you lose all or part of your itemized deductions. In 2003, this amount is increased to \$139,500 (\$69,750 if married filing separately). In 2002, the amount was \$137,300 (\$68,650 if married filing separately). For more information and a worksheet to figure the amount you can deduct, see the instructions for line 28 of Schedule A (Form 1040).

Exemption Amount Increased

The amount you can deduct for each exemption increased from \$3,000 in 2002 to \$3,050 in 2003.

You lose all or part of the benefit of your exemptions if your adjusted gross income is above a certain amount. The amount at which the phaseout begins depends on your filing status. For 2003, the phaseout begins at \$104,625 for married persons filing separately, \$139,500 for single individuals, \$174,400 for heads of household, and \$209,250 for married persons filing jointly. If your adjusted gross income is above the amount for your filing status, use the *Deduction for Exemptions Worksheet* in the Form 1040 instructions to figure the amount you can deduct for exemptions.

Alternative Minimum Tax (AMT)

Beginning in 2003, the exemption amounts for figuring the alternative minimum tax (AMT) increased. The amount depends on your filing status.

IF your filing status is ...	THEN your exemption amount increased to ...
<ul style="list-style-type: none"> • Married filing jointly or qualified widow(er) • Single or head of household • Married filing separately 	<ul style="list-style-type: none"> • \$58,000. • \$40,250. • \$29,000.

See the instructions for Form 6251 for more information on the alternative minimum tax.

Income Limits for Education Savings Bond Interest Exclusion Increased

Under an education savings bond program, you may be able to exclude from income some or all of the interest earned on the bonds if you meet certain conditions. For 2003, the amount of your interest exclusion is phased out (gradually reduced) if your filing status is married filing jointly or qualifying widow(er) **and** your modified adjusted gross income (MAGI) is between \$87,750 and \$117,750. You cannot take the deduction if your MAGI is \$117,750 or more. For 2002, the limits that applied to you were \$86,400 and \$116,400.

For all other filing statuses, your interest exclusion is phased out if your MAGI is between \$58,500 and \$73,500. You cannot take a deduction if your MAGI is \$73,500 or more. For 2002, the limits that applied to you were \$57,600 and \$72,600. For more information, see chapter 10 in Publication 970, *Tax Benefits for Education*.

Hope and Lifetime Learning Credits

Beginning in 2003, the following changes apply to the Hope and lifetime learning (education) credits. For more complete information, see chapters 2 and 3 in Publication 970, *Tax Benefits for Education*.

Income limits for credit reduction increased. If you are married and filing a joint return, the amount of your education credit for 2003 is phased out (gradually reduced) if your modified adjusted gross income (MAGI) is between \$83,000 and \$103,000. You cannot claim an education credit if your MAGI is \$103,000 or more. This is an increase from the 2002 limits of \$82,000 and \$102,000. The limits for other filing statuses did not change.

Lifetime learning credit. Beginning in 2003, the amount of qualified education expenses you can take into account in figuring the lifetime learning credit increases from \$5,000 to \$10,000. The credit will equal 20% of these qualified expenses, with the maximum credit being \$2,000.

Earned Income Credit Amounts Increased

The following paragraphs explain the changes to the credit for 2003. For details, see Publication 596, *Earned Income Credit*.

Earned income amount is more. The maximum amount of income you can earn and still get the credit has increased. You may be able to take the credit if:

- You have more than one qualifying child and you earned less than \$33,692 (\$34,692 if married filing jointly),
- You have one qualifying child and you earned less than \$29,666 (\$30,666 if married filing jointly), or
- You do not have a qualifying child and you earned less than \$11,230 (\$12,230 if married filing jointly).

Your adjusted gross income also must be less than the amount in the above list that applies to you.

Investment income amount is more. The maximum amount of investment income you can have and still get the credit has increased to \$2,600.

Child and Dependent Care Credit Increased

Beginning in 2003, the following changes apply to the child and dependent care credit. For details, see Publication 503, *Child and Dependent Care Expenses*.

Credit percentage. The credit can be as much as 35% (increased from 30% in 2002) of your qualified expenses.

Income that qualifies for the highest percentage. The maximum adjusted gross income amount that qualifies for the highest credit percentage increased to \$15,000. Previously, this amount was \$10,000.

Dollar limit. The limit on the amount of qualifying expenses increased to \$3,000 for one qualifying individual and to \$6,000 for two or more qualifying individuals. Previously, these amounts were \$2,400 and \$4,800, respectively.

Earned income amount for nonworking spouse. If your spouse is either a full-time student or not able to care for himself or herself, the amount of income he or she is treated as having earned increased to \$250 a month if there is one qualifying person and to \$500 a month if there are two or more qualifying persons. Previously, these amounts were \$200 and \$400, respectively.

Child Tax Credit

For 2003, the maximum child tax credit increased to \$1,000 for each qualifying child. But you must reduce your credit by any advance payment you received in 2003. For details, see Publication 972, *Child Tax Credit*.

Adoption Benefits Increased

Beginning in 2003, the maximum adoption credit increased to \$10,160. Also, the exclusion from income of benefits under your employer's adoption assistance program increased to \$10,160. You will be allowed these amounts for the adoption of a child with special needs regardless of

whether you have qualifying expenses. See Publication 968, *Tax Benefits for Adoption*, for more information.

Health Coverage Tax Credit

You may be able to claim a new credit for health insurance premiums you paid in 2003 if:

- 1) You are a worker whose job was displaced by foreign trade, or
- 2) You receive a pension from the Pension Benefit Guaranty Corporation.

The credit is available to eligible individuals for qualifying payments made for each month in 2003. For more information, see *Health Coverage Tax Credit* in Publication 502, *Medical and Dental Expenses*, and Form 8885, *Health Coverage Tax Credit*.

Tax Benefits for Members of the Military

The Military Family Tax Relief Act of 2003 and the Servicemembers Civil Relief Act provide the following tax benefits for members of the Armed Forces and their families. For more information, see Publication 3, *Armed Forces' Tax Guide*.

Death gratuity payments. The death gratuity paid to a survivor of a member of the Armed Forces who died after September 10, 2001, increased to \$12,000 and is nontaxable. Previously, the death gratuity was \$6,000 and only \$3,000 of it was nontaxable. You may be able to claim a refund if you paid tax on a death gratuity you received because of a death that occurred after September 10, 2001.

Military base realignment and closure benefit. A military base realignment and closure benefit generally is nontaxable if paid to you after November 10, 2003.

Dependent-care assistance program. Benefits you received after 2002 under a dependent-care assistance program are nontaxable.

Extension of deadlines expanded to include contingency operations. The extension of the deadline for filing a return for members of the Armed Forces serving in a combat zone now also applies to members of the Armed Forces serving in a contingency operation.

Deferring payment of income tax. As a member of the Armed Forces, you may be able to defer (delay) payment of income tax that becomes due before or during your military service for up to 180 days after termination or release from service.

Sale of a home. If you have been a member of the uniformed services or Foreign Service, you now may be able to exclude from income a gain from selling your main home, even if you did not live in it for the required 2 years during the 5-year period ending on the date of sale. You can choose to have the 5-year test period for ownership and use suspended during any period you or your spouse

serve on qualified official extended duty as a member of the uniformed services or Foreign Service of the United States.

Claiming a refund for a prior year home sale. This choice applies to any sale of a main home after May 6, 1997, so you may be able to claim a refund if you paid tax on a gain from a sale after that date. Generally, you must file a claim for credit or refund within 3 years from the date you filed your original return or within 2 years from the date you paid the tax, whichever is later. However, the deadline to file this claim for 1997, 1998, 1999, or 2000 has been extended to November 10, 2004.

More information. For details, see Publication 523, *Selling Your Home*.

Student at U.S. military academy. Beginning in 2003, the 10% additional tax on taxable distributions from a Coverdell education savings account (ESA) or qualified tuition program (QTP) does not apply to distributions made on account of the attendance of the designated beneficiary at a U.S. military academy. This applies to students at the U.S. Military Academy, the U.S. Naval Academy, the U.S. Air Force Academy, the U.S. Coast Guard Academy, and the U.S. Merchant Marine Academy. This exception applies only to the amount of the distribution that does not exceed the costs of advanced education (as defined in title 10 of the U.S. Code) attributable to such attendance. For more information about the additional tax on distributions, see chapters 7 (Coverdell ESA) and 8 (QTP) in Publication 970, *Tax Benefits for Education*.

Armed Forces reservists. Beginning in 2003, if you are a member of a reserve component of the Armed Forces of the United States, you may be able to deduct some of your reserve-related travel costs as an adjustment to gross income rather than as an itemized deduction. For more information, see *Armed Forces Reservists Traveling More Than 100 Miles From Home* in chapter 6 of Publication 463, *Travel, Entertainment, Gift, and Car Expenses*.

Astronauts Who Die in the Line of Duty

Three tax relief provisions are extended to astronauts who die in the line of duty after 2002 (including the crew of the space shuttle Columbia) and their survivors. These provisions are discussed on the following pages of Publication 3920, *Tax Relief for Victims of Terrorist Attacks*.

- 1) Pages 2–8: *Tax Forgiveness*.
- 2) Page 9: *Death Benefits*.
- 3) Page 10: *Estate Tax Reduction*.

However, the above discussions should be modified for astronauts. The following paragraphs explain these modifications. Read these paragraphs in conjunction with the corresponding discussions in Publication 3920.

Tax forgiveness (pages 2–8). The following paragraphs modify the tax forgiveness rules for astronauts who die in the line of duty after 2002.

Years eligible for tax forgiveness (page 2). For astronauts who die in the line of duty, income tax is forgiven for the year of death and the previous year. For the crew of the space shuttle Columbia, income tax is forgiven for 2002 and 2003.

Worksheet A (page 3) and Worksheet B (page 4). Use Worksheet A or B in Publication 3920 to figure the income tax to be forgiven. When filling out columns (A) and (B) of Worksheet A or B for a crew member of the space shuttle Columbia, enter the amounts for 2002 and 2003, respectively. Leave column (C) blank.

Line 2 of Worksheet A and line 3 of Worksheet B require an entry for the decedent's total tax. The total tax lines for 2002 and 2003 returns are listed in the following table.

Form	2002	2003
1040	Line 61	Line 60
1040A	Line 38	File Form 1040
1040EZ	Line 10	
TeleFile Tax Record	Line K	
1040NR	Line 57	Line 56
1040NR-EZ	Line 17	File Form 1040NR

Nonqualifying income (page 5). For an astronaut, the second bullet should read "Amounts that would not have been payable but for an action taken after the date the astronaut died."

How to complete the returns (page 7). Write "Astronaut killed in the line of duty" across the top of page 1 of each return.

Designated private delivery services (page 8). Two private delivery services have been added to the list. They are:

- FedEx International Priority.
- FedEx International First.

Death benefits (page 9). Beginning in 2003, payments received by an individual or an estate from the employer of an astronaut as a result of death in the line of duty are not included in income as explained in Publication 3920.

Estate tax reduction (page 10). For decedents dying in 2003, Form 706, *United States Estate (and Generation-Skipping Transfers) Tax Return* (revised August 2003) must be filed by the executor for the estate of every U.S. citizen or resident whose gross estate, plus adjusted taxable gifts and specific exemption, is more than \$1,000,000. However, rather than using the Unified Rate Schedule in the August 2003 instructions for Form 706, the executor can choose to compute the tax on the astronaut's estate using the rate schedule on page 25 of the November 2001 revision of the instructions for Form 706. If the executor

makes this choice, he or she must write “Section 2201” at the top of page 1 of the return.

Standard Mileage Rate

Business-related mileage. For 2003, the standard mileage rate for the cost of operating your car, van, pickup, or panel truck is decreased from 36 1/2 cents a mile to 36 cents a mile for all business miles.

Car expenses and use of the standard mileage rate are explained in chapter 4 of Publication 463, *Travel, Entertainment, Gift, and Car Expenses*.

Medical- and move-related mileage. For 2003, the standard mileage rate for the cost of operating your car for medical reasons or as part of a deductible move is decreased from 13 cents a mile to 12 cents a mile. See *Transportation* under *What Medical Expenses Are Deductible* in Publication 502, *Medical and Dental Expenses*, or *Travel by car* under *Deductible Moving Expenses* in Publication 521, *Moving Expenses*.

Self-Employed Health Insurance Deduction

Beginning in 2003, the self-employed health insurance deduction percentage increases to 100%. For more information, see chapter 7 in Publication 535, *Business Expenses*.

Depreciation and Section 179 Expense

50% special depreciation allowance. For “qualified property” you acquired after May 5, 2003, and before January 1, 2005, you can take a special depreciation allowance that is equal to 50% of the property’s depreciable basis. However, instead of claiming the 50% special allowance, you can elect to claim the 30% special allowance or elect not to claim any special allowance. See chapter 3 in Publication 946, *How To Depreciate Property*.

Note. If you acquire qualified property in a like-kind exchange or involuntary conversion, the carried-over basis of the acquired property is eligible for a special depreciation allowance. See the discussion on like-kind exchanges and involuntary conversions under *How Much Can You Deduct?* in chapter 3 of Publication 946.

Increased section 179 limits. The maximum section 179 deduction you can elect for property you placed in service in 2003 increased from \$24,000 to \$100,000 for qualified section 179 property (\$135,000 for qualified zone property, qualified renewal property, or qualified New York Liberty Zone property). This limit is reduced by the amount by which the cost of section 179 property placed in service during the tax year exceeds \$400,000 (increased from \$200,000). See chapter 2 of Publication 946.

Off-the-shelf computer software. The definition of section 179 property has been expanded to include

off-the-shelf computer software placed in service after 2002. This is computer software that is readily available for purchase by the general public, is subject to a nonexclusive license, and has not been substantially modified. It includes any program designed to cause a computer to perform a desired function. However, a database or similar item is not considered computer software unless it is in the public domain and is incidental to the operation of otherwise qualifying software. See *Eligible Property* in chapter 2 of Publication 946.

Revocation of section 179 election. A section 179 deduction election (or any specification made in the election) made after 2002 can be revoked without IRS approval by filing an amended return. However, once made, the revocation is irrevocable.

Passenger Automobiles

Exclusion of qualified nonpersonal use trucks and vans from definition of passenger automobile. A truck or van placed in service after July 6, 2003, that is a “qualified nonpersonal use vehicle” is not considered to be a passenger automobile (and is therefore not subject to the passenger automobile limits). A truck or van is a qualified nonpersonal use vehicle only if it has been specially modified such that it is not likely to be used more than a de minimis amount for personal purposes. For example, a van that has only a front bench for seating, in which permanent shelving has been installed, that constantly carries merchandise or equipment, and that has been specially painted with advertising or the company’s name, is a vehicle not likely to be used more than a de minimis amount for personal purposes. See *Passenger Automobiles* in chapter 5 of Publication 946.

Depreciation limits on passenger automobiles. The total depreciation deduction (including the section 179 deduction and the special depreciation allowance) you can take for a passenger automobile (that is not a truck or van or an electric vehicle) that you use in your business and first place in service in 2003 is:

- \$7,660 if acquired before May 6, 2003, and you claim the 30% special allowance;
- \$10,710 if acquired after May 5, 2003, and you claim the 50% or 30% special allowance; or
- \$3,060 if you elect not to claim any special allowance for the vehicle, the vehicle is not qualified property, or the vehicle is qualified Liberty Zone property.



The limits are reduced if the business use of the vehicle is less than 100%.

Depreciation limits on trucks or vans. The total depreciation deduction (including the section 179 deduction and the special depreciation allowance) you can take for a truck or van (such as a minivan or a sport utility vehicle)

built on a truck chassis that you use in your business and first place in service in 2003 is:

- \$7,960 if acquired before May 6, 2003, and you claim the 30% special allowance;
- \$11,010 if acquired after May 5, 2003, and you claim the 50% or 30% special allowance; or
- \$3,360 if you elect not to claim any special allowance for the vehicle, the vehicle is not qualified property, or the vehicle is qualified Liberty Zone property.



The limits are reduced if the business use of the vehicle is less than 100%.

Depreciation limits on electric vehicles. The total depreciation deduction (including the section 179 deduction and the special depreciation allowance) you can take for an electric vehicle that you use in your business and first place in service in 2003 is:

- \$22,880 if acquired before May 6, 2003, and you claim the 30% special allowance;
- \$32,030 if acquired after May 5, 2003, and you claim the 50% or 30% special allowance; or
- \$9,080 if you elect not to claim any special allowance for the vehicle, the vehicle is not qualified property, or the vehicle is qualified Liberty Zone property.



The limits are reduced if the business use of the vehicle is less than 100%.

More information. See *Maximum Depreciation Deduction* in chapter 5 of Publication 946.

Self-Employment Tax

The self-employment tax rate on net earnings remains the same for 2003. This rate, 15.3%, is a total of 12.4% for social security (old-age, survivors, and disability insurance) and 2.9% for Medicare (hospital insurance).

The maximum amount subject to the social security part for tax years beginning in 2003 increased to \$87,000. All net earnings of at least \$400 are subject to the Medicare part.

Medical Savings Accounts (MSAs) Program Expires

The pilot program for Archer MSAs ended December 31, 2003. You can participate in an Archer MSA after 2003 only if:

- 1) You were an active Archer MSA participant before January 1, 2004, or

- 2) You become an active Archer MSA participant after 2003 because you are covered by a high deductible health plan of an Archer MSA participating employer.

2004 Changes

Tuition and Fees Deduction

Beginning in 2004, the amount of qualified education expenses you can take into account in figuring your tuition and fees deduction increases from \$3,000 to \$4,000 if your modified adjusted gross income (MAGI) is not more than \$65,000 (\$130,000 if you are married filing jointly). If your MAGI is more than \$65,000 (\$130,000), but not more than \$80,000 (\$160,000 if you are married filing jointly), your maximum tuition and fees deduction will be \$2,000. No tuition and fees deduction will be allowed if your MAGI is more than \$80,000 (\$160,000 if you are married filing jointly). The tuition and fees deduction is explained in chapter 6 of Publication 970, *Tax Benefits for Education*.

Distributions From Qualified Tuition Programs (QTPs)

Beginning in 2004, a distribution from a QTP established and maintained by an eligible educational institution (generally private colleges and universities) can be excluded from income if the amount distributed is not more than qualified education expenses. For more information on tax-free QTP distributions, see chapter 8 in Publication 970, *Tax Benefits for Education*.

Meal Expenses When Subject to “Hours of Service” Limits

Generally, you can deduct only 50% of your business-related meal expenses while traveling away from your tax home for business purposes. You can deduct a higher percentage if the meals take place during or incident to any period subject to the Department of Transportation’s “hours of service” limits. (These limits apply to workers who are under certain federal regulations.) The percentage increases to 70% for 2004. Business meal expenses are covered in chapter 1 of Publication 463, *Travel, Entertainment, Gift, and Car Expense*. Reimbursements for employee meal expenses are covered in chapter 13 of Publication 535, *Business Expenses*.

Health Savings Accounts (HSAs)

A health savings account (HSA) is a tax-exempt trust or custodial account that you set up with a U.S. financial institution (such as a bank or an insurance company) which allows you to pay or be reimbursed for certain medical expenses. This account must be used in conjunction with a high deductible health plan (HDHP), discussed later.

The HSA can be established using a qualified trustee or custodian that is different from the HDHP provider. Contributions to an HSA must be made in cash or through a cafeteria plan. Contributions of stock or property are not allowed.



If you have an Archer MSA, you can generally roll it over into an HSA tax free.

What are the benefits of an HSA? You may enjoy several benefits from having an HSA.

- You can claim a tax deduction for contributions you make even if you do not itemize your deductions on Form 1040.
- Contributions made by your employer (including contributions made through a cafeteria plan) may be excluded from your gross income.
- The contributions remain in your account from year to year until you use them.
- The interest or other earnings on the assets in the account are tax free.
- Distributions may be tax free if you pay qualified medical expenses. See *Qualified Medical Expenses*, later.
- An HSA is “portable” so it stays with you if you change employers or leave the work force.

Qualifying for an HSA

To qualify for an HSA, you must meet the following requirements.

- You have an HDHP.
- You have no other health insurance coverage except what is permitted under *Other health insurance*, later.
- You are not entitled to Medicare benefits.
- You cannot be claimed as a dependent on someone else’s 2004 tax return.



If another taxpayer is entitled to claim an exemption for you, you cannot claim a deduction for an HSA contribution. This is true even if the other person does not actually claim the deduction.

High deductible health plan (HDHP). An HDHP has:

- 1) A higher annual deductible than typical health plans, and
- 2) A maximum limit on the sum of the annual deductible and out-of-pocket medical expenses that you must pay for covered expenses.

Limits. The following table shows the minimum annual deductible and maximum annual deductible and other out-of-pocket expenses for HDHPs for 2004.

Type of Coverage	Minimum Annual Deductible	Maximum Annual Deductible and Other Out-of-Pocket Expenses *
Self-only	\$1,000	\$5,000
Family	\$2,000	\$10,000

* This limit does not apply to deductibles and expenses for out-of-network services if the plan uses a network of providers. Instead, only deductibles and out-of-pocket expenses for services within the network should be used to figure whether the limit applies.

Family plans that do not meet the high deductible rules. There are some family plans that have deductibles for both the family as a whole and for individual family members. Under these plans, if you meet the individual deductible for one family member, you do not have to meet the higher annual deductible amount for the family. If either the deductible for the family as a whole or the deductible for an individual family member is below the minimum annual deductible for that year, the plan does not qualify as an HDHP.

Example. Mr. Orville has family health insurance coverage with company A in 2004. The annual deductible for the family plan is \$3,500. This plan also has an individual deductible of \$1,500 for each family member. Mr. Orville’s wife had \$2,200 of covered medical expenses. They had no other medical expenses for 2004. The plan paid \$700 to Mr. Orville because Mrs. Orville met the individual deductible of \$1,500, even though the Orvilles did not meet the \$3,500 annual deductible for the family plan. The plan does not qualify as an HDHP because the deductible for Mrs. Orville is below the minimum deductible amount.

Other health insurance. You (or your spouse if you file jointly) generally cannot have any other health plan that is not an HDHP. However, this rule does not apply if the other health plan(s) only covers the following items.

- Accidents.
- Disability.
- Dental care.
- Vision care.
- Long-term care.
- Benefits related to workers’ compensation laws, tort liabilities, or ownership or use of property.
- A specific disease or illness.
- A fixed amount per day (or other period) of hospitalization.



Plans in which substantially all of the coverage is through the above listed items are not HDHPs. For example, if your plan provides coverage substantially all of which is for a specific disease or illness, the plan is not an HDHP for purposes of establishing an HSA.

Amount of Contribution

The amount you, your family members, or your employer can contribute to your HSA depends on the type of HDHP coverage you have and your age.

For 2004, if you have self-only coverage, you can contribute up to the amount of your annual health plan deductible, but not more than \$2,600 (\$3,100 if you are age 55 or older). If you have family coverage, you can contribute up to the amount of your annual health plan deductible, but not more than \$5,150 (\$5,650 if you are age 55 or older). See *Rules for married people* (discussed later). You must have an HSA all year to contribute the full amount.

For each full month you did not have an HDHP, you must reduce the amount you can contribute by one-twelfth. You must also reduce the amount you can contribute to an HSA by any (a) amounts contributed to your Archer MSA (including employer contributions) and (b) employer contributions to your HSA that were excluded from income.

Example. In 2004, you have an HDHP for your family for the entire months of July through December (6 months). The annual deductible of your HDHP is \$4,000. You can contribute up to \$2,000 ($\$4,000 \div 12 \text{ months} \times 6 \text{ months}$) to your HSA for the year. If your annual deductible is \$6,000 and you are under the age of 55 at the end of 2004, you can contribute up to \$2,575 ($\$5,150 \div 12 \text{ months} \times 6 \text{ months}$) to your HSA for the year.

Note. If you have more than one HSA in 2004, your total contributions to all the HSAs cannot be more than the limits above.



Contributions in excess of the limits above may be includible in your gross income and may be subject to a 6% excise tax.

Rules for married people. If either spouse has family coverage, both spouses are treated as having family coverage. If both spouses have family coverage, you are treated as having family coverage with the lower annual deductible of the two health plans. The contribution limit is split equally between you unless you agree on a different division.



If both spouses are age 55 or older by the end of 2004, each spouse can contribute an additional amount to his or her HSA. Therefore, if both spouses were age 55 or older by the end of the year, the total contributions to the HSAs when both spouses have family coverage cannot be more than \$6,150.

Example. Mr. Auburn and his wife both have family coverage under separate HDHPs. Mr. Auburn is 58 years old and Mrs. Auburn is 53. Mr. Auburn has a \$3,000

deductible under his HDHP and Mrs. Auburn has a \$2,000 deductible under her HDHP. Mr. and Mrs. Auburn are both treated as being covered under the HDHP with the \$2,000 deductible. Mr. Auburn can contribute \$1,500 to an HSA ($\frac{1}{2}$ the deductible of \$2,000 + \$500 additional contribution for people age 55 or older) and Mrs. Auburn can contribute \$1,000 to an HSA (unless Mr. and Mrs. Auburn agree to a different division).

Medicare eligible individuals. Beginning with the first month you are entitled to benefits under Medicare (month you turn age 65), you cannot contribute to an HSA.

Example. You turned age 65 in July 2004 and became eligible for Medicare benefits. You had self-only coverage under an HDHP with an annual deductible of \$1,000. You cannot contribute to an HSA after June 2004. Your monthly contribution limit is \$125 ($\$1,000/12 + \$500/12$ for the additional contribution for people age 55 or older). You can make contributions for January through June totaling \$750 ($\125×6), but cannot make any contributions for July through December.

When To Contribute

You can make contributions to your HSA for 2004 until April 15, 2005.

Setting Up an HSA

No permission or authorization from the IRS is necessary to establish an HSA. When you set up an HSA, you will need to work with a trustee. A trustee can be a bank, a life insurance company, or anyone already approved by the IRS to be a trustee of individual retirement arrangements (IRAs) or Archer MSAs. The HSA can be established through a trustee that is different from the HDHP provider.

Your employer may already have some information on HSA trustees in your area.

Rollovers. You can roll over amounts from Archer MSAs and other HSAs into an HSA. Rollover contributions do not need to be in cash. Rollovers are not subject to the annual contribution limits. Rollovers from an IRA, a health reimbursement arrangement, or a flexible spending arrangement are not allowed.

Distributions

You can make tax-free withdrawals from your HSA to pay or be reimbursed for qualified medical expenses you incur after the HSA has been established (discussed later). If you make withdrawals for other reasons, the amount you withdraw will be subject to income tax and may be subject to an additional 10% tax as well. You do not have to make withdrawals from your HSA each year.

You will generally pay medical expenses during the year without being reimbursed by your HDHP until you reach the annual deductible for the plan. When you pay medical expenses during the year that are not reimbursed by your

HDHP, you can ask the trustee of your HSA to send you a distribution from your HSA.

Qualified medical expenses. Qualified medical expenses are those that qualify for the medical and dental expenses deduction. These are explained in Publication 502, *Medical and Dental Expenses*. Examples include amounts paid for doctors' fees, prescription and non-prescription medicines, and necessary hospital services not paid for by insurance. Qualified medical expenses must be incurred after the HSA has been established.



You cannot deduct qualified medical expenses as an itemized deduction on Schedule A (Form 1040) that are equal to the tax-free amount of the distribution from your HSA.

Special rules for insurance premiums. Generally, you cannot treat insurance premiums as qualified medical expenses for HSAs. You can, however, treat premiums for long-term care coverage, health care coverage while you receive unemployment benefits, or health care continuation coverage required under any federal law as qualified medical expenses for HSAs. If you are age 65 or older, you can treat insurance premiums (other than premiums for a Medicare supplemental policy, such as Medigap) as qualified medical expenses for HSAs.



Recordkeeping. For each qualified medical expense you deduct as an itemized deduction on Schedule A or pay with a distribution from your HSA, you must keep a record of the name and address of each person you paid and the amount and date of the payment. Do not send these records with your tax return. Keep them with your tax records.

More Information

The Internal Revenue Service issued further guidance on setting up an HSA in Notice 2004-2. The notice can be found in Internal Revenue Bulletin 2004-2.

Standard Deduction Amount Increases

The standard deduction for taxpayers who do not itemize deductions on Schedule A of Form 1040 is, in most cases, higher for 2004 than it was for 2003. The amount depends on your filing status, whether you are 65 or older or blind, and whether an exemption can be claimed for you by another taxpayer. The *2004 Standard Deduction Tables* are shown in Publication 505, *Tax Withholding and Estimated Tax*.

Exemption Amount Increases

The amount you can deduct for each exemption increases from \$3,050 in 2003 to \$3,100 in 2004.

You lose all or part of the benefit of your exemptions if your adjusted gross income is above a certain amount.

The amount at which the phaseout begins depends on your filing status. For 2004, the phaseout begins at \$107,025 for married persons filing separately, \$142,700 for single individuals, \$178,350 for heads of household, and \$214,050 for married persons filing jointly and qualifying widow(er)s with a dependent child.

Electric and Clean-Fuel Vehicles

For vehicles placed in service in 2004, the maximum clean-fuel vehicle deduction and qualified electric vehicle credit are scheduled to be reduced by 25%, as compared to 2003.



*At the time this publication was issued, Congress was considering legislation that would repeal the reduction for 2004. See **What's Hot in Tax Forms, Pubs, and Other Tax Products** at www.irs.gov/formspubs/index.html to find out if this legislation was enacted.*

Standard Mileage Rate

Business-related mileage. For 2004, the standard mileage rate for the cost of operating your car, van, pickup, or panel truck increases from 36 cents a mile to 37½ cents a mile for all business miles.

Car expenses and use of the standard mileage rate are explained in chapter 4 of Publication 463, *Travel, Entertainment, Gift, and Car Expenses*.

Medical- and move-related mileage. For 2004, the standard mileage rate for the cost of operating your car for medical reasons or as part of a deductible move is increased from 12 cents a mile to 14 cents a mile. See *Transportation* under *What Medical Expenses Are Deductible* in Publication 502, *Medical and Dental Expenses*, or *Travel by car* under *Deductible Moving Expenses* in Publication 521, *Moving Expenses*.

Depreciation and Section 179 Expense

Extension of acquisition date. Property will meet the "acquisition date test" for purposes of qualifying for the 30% special depreciation allowance (see chapter 3 of Publication 946, *How To Depreciate Property*) if the property is acquired before January 1, 2005 (extended from September 11, 2004).

Increased section 179 limits. The maximum section 179 deduction you can elect for property you place in service in 2004 is increased from \$100,000 to \$102,000 for qualified section 179 property (\$137,000 for qualified zone property, qualified renewal property, or qualified New York Liberty Zone property). This limit is reduced by the amount by which the cost of section 179 property placed in service during the tax year exceeds \$410,000 (increased from \$400,000). See chapter 2 of Publication 946.

Social Security and Medicare Taxes

For 2004, the employer and employee will continue to pay:

- 1) 6.2% each for social security tax (old-age, survivors, and disability insurance), and
- 2) 1.45% each for Medicare tax (hospital insurance).

Wage limits. For social security tax, the maximum amount of 2004 wages subject to the tax increases to \$87,900. For Medicare tax, all covered 2004 wages are subject to the tax. For information about these taxes, see Circular E (Publication 15), *Employer's Tax Guide*.

Self-Employment Tax

The self-employment tax rate on net earnings remains the same for 2004. This rate, 15.3%, is a total of 12.4% for social security (old-age, survivors, and disability insurance) and 2.9% for Medicare (hospital insurance).

The maximum amount subject to the social security part for tax years beginning in 2004 increases to \$87,900. All net earnings of at least \$400 are subject to the Medicare part.

Other Changes

Depreciation

Extension of time to claim the 30% special depreciation allowance. You still may be eligible to claim the 30% special depreciation allowance for a tax year that included September 11, 2001, if you meet the following requirements.

- You timely filed your tax return for that tax year.
- You did not claim the 30% special depreciation allowance (or special Liberty Zone depreciation allowance) for qualified property (or qualified Liberty Zone property) placed in service during that tax year.
- You did not make an election not to claim the special allowance.

If you have not filed your tax return for the first tax year following your tax year that included September 11, 2001, and you owned the property as of the first day of that tax year, file Form 3115, *Application for Change in Accounting Method*, with your timely filed tax return for that year.

If you filed your tax return for the first tax year following your tax year that included September 11, 2001, before July 22, 2003, you owned the property as of the first day of that tax year, and the second succeeding tax year after your tax year that included September 11, 2001, ends before August 1, 2004, file Form 3115 with your timely filed tax return for that second succeeding tax year.

Write "Automatic Change Filed Under Rev. Proc. 2003-50" on the appropriate line of Form 3115. For more

information, see Revenue Procedure 2003-50 in Internal Revenue Bulletin 2003-29.

2.

Tax Changes for Businesses

2003 Changes

Standard Mileage Rate

Business-related mileage. For 2003, the standard mileage rate for the cost of operating your car, van, pickup, or panel truck is decreased from 36 1/2 cents a mile to 36 cents a mile for all business miles.

Car expenses and use of the standard mileage rate are explained in chapter 4 of Publication 463, *Travel, Entertainment, Gift, and Car Expenses*.

Standard Meal and Snack Rates for Family Daycare Providers

For tax years beginning in 2003, instead of using actual costs, family daycare providers can use the standard meal and snack rates to compute the deductible cost of meals and snacks provided to eligible children. The standard meal and snack rates can be used for a maximum of one breakfast, one lunch, one dinner, and three snacks per eligible child per day. However, a family daycare provider who receives a reimbursement for a particular meal or snack can deduct only the portion of the applicable standard meal or snack rate that exceeds the amount of the reimbursement.

Family daycare providers. A family daycare provider is a person engaged in the business of providing family daycare.

Family daycare. Family daycare is childcare provided to eligible children in the home of the family daycare provider that meets all of the following requirements.

- The childcare is nonmedical.
- A transfer of legal custody is not involved.
- The childcare generally lasts for less than 24 hours each day.

Eligible children. Eligible children are minor children receiving family daycare in the home of the family daycare provider. Eligible children do not include children who are full-time or part-time residents in the home where the

childcare is provided or children whose parents or guardians are residents of the same home.

Example. A family daycare provider's own children, and any children who live in the family daycare provider's home on a full or part-time basis, are not eligible children even if they receive daycare services from the family daycare provider.

Standard meal and snack rates. The following table shows the rates for 2003.

Location of Family Daycare Provider	Breakfast	Lunch and Dinner	Snack
States other than Alaska and Hawaii	\$0.98	\$1.80	\$0.53
Alaska	\$1.55	\$2.93	\$0.87
Hawaii	\$1.13	\$2.11	\$0.63

A family daycare provider who chooses to use the standard meal and snack rates for a particular tax year must use the rates for all deductible food costs for eligible children during that tax year.

For more information, see Publication 587, *Business Use of Your Home*.

Self-Employed Health Insurance Deduction

Beginning in 2003, the self-employed health insurance deduction percentage increases to 100%. For more information, see chapter 7 in Publication 535, *Business Expenses*.

Nonqualified Capital Construction Fund Withdrawals by Commercial Fishermen

For tax years ending after May 5, 2003, the maximum tax rate for individuals applied to nonqualified withdrawals from the capital gain account in a capital construction fund decreases from 20% to 15%.

Depreciation and Section 179 Expense

50% special depreciation allowance. For "qualified property" you acquired after May 5, 2003, and before January 1, 2005, you can take a special depreciation allowance that is equal to 50% of the property's depreciable basis. However, instead of claiming the 50% special allowance, you can elect to claim the 30% special allowance or elect not to claim any special allowance. See chapter 3 in Publication 946, *How To Depreciate Property*.

Note. If you acquire qualified property in a like-kind exchange or involuntary conversion, the carried-over basis

of the acquired property is eligible for a special depreciation allowance. See the discussion on like-kind exchanges and involuntary conversions under *How Much Can You Deduct?* in chapter 3 of Publication 946.

Increased section 179 limits. The maximum section 179 deduction you can elect for property you placed in service in 2003 has increased from \$24,000 to \$100,000 for qualified section 179 property (\$135,000 for qualified zone property, qualified renewal property, or qualified New York Liberty Zone property). This limit is reduced by the amount by which the cost of section 179 property placed in service during the tax year exceeds \$400,000 (increased from \$200,000). See chapter 2 of Publication 946.

Off-the-shelf computer software. The definition of section 179 property has been expanded to include off-the-shelf computer software placed in service after 2002. This is computer software that is readily available for purchase by the general public, is subject to a nonexclusive license, and has not been substantially modified. It includes any program designed to cause a computer to perform a desired function. However, a database or similar item is not considered computer software unless it is in the public domain and is incidental to the operation of otherwise qualifying software. See *Eligible Property* in chapter 2 of Publication 946.

Revocation of section 179 election. A section 179 deduction election (or any specification made in the election) made after 2002 can be revoked without IRS approval by filing an amended return. However, once made, the revocation is irrevocable.

Passenger Automobiles

Exclusion of qualified nonpersonal use trucks and vans from definition of passenger automobile. A truck or van placed in service after July 6, 2003, that is a "qualified nonpersonal use vehicle" is not considered to be a passenger automobile (and is therefore not subject to the passenger automobile limits). A truck or van is a qualified nonpersonal use vehicle only if it has been specially modified such that it is not likely to be used more than a de minimis amount for personal purposes. For example, a van that has only a front bench for seating, in which permanent shelving has been installed, that constantly carries merchandise or equipment, and that has been specially painted with advertising or the company's name, is a vehicle not likely to be used more than a de minimis amount for personal purposes. See *Passenger Automobiles* in chapter 5 of Publication 946.

Depreciation limits on passenger automobiles. The total depreciation deduction (including the section 179 deduction and the special depreciation allowance) you can take for a passenger automobile (that is not a truck or van or an electric vehicle) that you use in your business and first place in service in 2003 is:

- \$7,660 if acquired before May 6, 2003, and you claim the 30% special allowance;

- \$10,710 if acquired after May 5, 2003, and you claim the 50% or 30% special allowance; or
- \$3,060 if you elect not to claim any special allowance for the vehicle, the vehicle is not qualified property, or the vehicle is qualified Liberty Zone property.



The limits are reduced if the business use of the vehicle is less than 100%.

Depreciation limits on trucks or vans. The total depreciation deduction (including the section 179 deduction and the special depreciation allowance) you can take for a truck or van (such as a minivan or a sport utility vehicle) built on a truck chassis that you use in your business and first place in service in 2003 is:

- \$7,960 if acquired before May 6, 2003, and you claim the 30% special allowance;
- \$11,010 if acquired after May 5, 2003, and you claim the 50% or 30% special allowance; or
- \$3,360 if you elect not to claim any special allowance for the vehicle, the vehicle is not qualified property, or the vehicle is qualified Liberty Zone property.



The limits are reduced if the business use of the vehicle is less than 100%.

Depreciation limits on electric vehicles. The total depreciation deduction (including the section 179 deduction and the special depreciation allowance) you can take for an electric vehicle that you use in your business and first place in service in 2003 is:

- \$22,880 if acquired before May 6, 2003, and you claim the 30% special allowance;
- \$32,030 if acquired after May 5, 2003, and you claim the 50% or 30% special allowance; or
- \$9,080 if you elect not to claim any special allowance for the vehicle, the vehicle is not qualified property, or the vehicle is qualified Liberty Zone property.



The limits are reduced if the business use of the vehicle is less than 100%.

More information. For more information on these limits, see *Maximum Depreciation Deduction* in chapter 5 of Publication 946.

Self-Employment Tax

The self-employment tax rate on net earnings remains the same for 2003. This rate, 15.3%, is a total of 12.4% for

social security (old-age, survivors, and disability insurance) and 2.9% for Medicare (hospital insurance).

The maximum amount subject to the social security part for tax years beginning in 2003 increased to \$87,000. All net earnings of at least \$400 are subject to the Medicare part.

2004 Changes

Standard Mileage Rate

Business-related mileage. For 2004, the standard mileage rate for the cost of operating your car, van, pickup, or panel truck increases from 36 cents a mile to 37½ cents a mile for all business miles.

Car expenses and use of the standard mileage rate are explained in chapter 4 of Publication 463, *Travel, Entertainment, Gift, and Car Expenses*.

Meal Expenses When Subject to “Hours of Service” Limits

Generally, you can deduct only 50% of your business-related meal expenses while traveling away from your tax home for business purposes. Also, you can generally deduct only 50% of certain reimbursements you make to your employees for meal expenses they incur while traveling away from home on business. You can deduct a higher percentage if the meals take place during or incident to any period subject to the Department of Transportation’s “hours of service” limits. (These limits apply to workers who are under certain federal regulations.) The percentage increases to 70% for 2004. Business meal expenses are covered in chapter 1 of Publication 463, *Travel, Entertainment, Gift, and Car Expenses*. Reimbursements for employee meal expenses are covered in chapter 13 of Publication 535, *Business Expenses*.

Electric and Clean-Fuel Vehicles

For vehicles placed in service in 2004, the maximum clean-fuel vehicle deduction and qualified electric vehicle credit are scheduled to be reduced by 25%, as compared to 2003.



*At the time this publication was issued, Congress was considering legislation that would repeal the reduction for 2004. See **What’s Hot in Tax Forms, Pubs, and Other Tax Products** at www.irs.gov/formspubs/index.html to find out if this legislation was enacted.*

Environmental Cleanup (Remediation) Costs

Beginning in 2004, environmental cleanup (remediation) costs must be capitalized. You cannot choose to deduct

environmental cleanup costs paid or incurred after December 31, 2003, as a current business expense. For more information on environmental cleanup costs, see chapter 8 in Publication 535, *Business Expenses*.

Depreciation and Section 179 Expense

Extension of acquisition date. Property will meet the “acquisition date test” for purposes of qualifying for the 30% special depreciation allowance (see chapter 3 of Publication 946, *How To Depreciate Property*) if the property is acquired before January 1, 2005 (extended from September 11, 2004).

Increased section 179 limits. The maximum section 179 deduction you can elect for property you place in service in 2004 is increased from \$100,000 to \$102,000 for qualified section 179 property (\$137,000 for qualified zone property, qualified renewal property, or qualified New York Liberty Zone property). This limit is reduced by the amount by which the cost of section 179 property placed in service during the tax year exceeds \$410,000 (increased from \$400,000). See chapter 2 of Publication 946.

Work Opportunity Credit and Welfare-to-Work Credit Scheduled to Expire

The work opportunity credit and the welfare-to-work credit are scheduled to expire for wages paid to individuals who began working for you after 2003.



*At the time this publication was issued, Congress was considering legislation that would allow these credits with respect to employees who began work for you in 2004. See **What’s Hot in Tax Forms, Pubs, and Other Tax Products** at www.irs.gov/formspubs/index.html to find out if this legislation was enacted.*

New York Liberty Zone Business Employee Credit Scheduled To Expire

The New York Liberty Zone business employee credit is scheduled to expire for wages paid to qualified employees for work performed after 2003.



*At the time this publication was issued, Congress was considering legislation that would allow this credit with respect to work performed by qualified employees during 2004. See **What’s Hot in Tax Forms, Pubs, and Other Tax Products** at www.irs.gov/formspubs/index.html to find out if this legislation was enacted.*

Qualified Zone Academy Bonds Scheduled To Expire

State and local governments issue qualified zone academy bonds to raise funds for the use of certain eligible public schools. The national qualified academy zone bond limit for 2003 was \$400 million, but is zero for 2004 (excluding any carryover limitation).



*At the time this publication was issued, Congress was considering legislation that would establish a national limitation amount for 2004. See **What’s Hot in Tax Forms, Pubs, and Other Tax Products** at www.irs.gov/formspubs/index.html to find out if this legislation was enacted.*

Social Security and Medicare Taxes

For 2004, the employer and employee will continue to pay:

- 1) 6.2% each for social security tax (old-age, survivors, and disability insurance), and
- 2) 1.45% each for Medicare tax (hospital insurance).

Wage limits. For social security tax, the maximum amount of 2004 wages subject to the tax increases to \$87,900. For Medicare tax, all covered 2004 wages are subject to the tax. For information about these taxes, see Circular E (Publication 15), *Employer’s Tax Guide*.

Self-Employment Tax

The self-employment tax rate on net earnings remains the same for 2004. This rate, 15.3%, is a total of 12.4% for social security (old-age, survivors, and disability insurance) and 2.9% for Medicare (hospital insurance).

The maximum amount subject to the social security part for tax years beginning in 2004 increases to \$87,900. All net earnings of at least \$400 are subject to the Medicare part.

Other Changes

Depreciation

Extension of time to claim the 30% special depreciation allowance. You still may be eligible to claim the 30% special depreciation allowance for a tax year that included September 11, 2001, if you meet the following requirements.

- You timely filed your tax return for that tax year.
- You did not claim the 30% special depreciation allowance (or special Liberty Zone depreciation allowance) for qualified property (or qualified Liberty Zone property) placed in service during that tax year.

- You did not make an election not to claim the special allowance.

If you have not filed your tax return for the first tax year following your tax year that included September 11, 2001, and you owned the property as of the first day of that tax year, file Form 3115, *Application for Change in Accounting Method*, with your timely filed tax return for that year.

If you filed your tax return for the first tax year following your tax year that included September 11, 2001, before July 22, 2003, you owned the property as of the first day of that tax year, and the second succeeding tax year after your tax year that included September 11, 2001, ends before August 1, 2004, file Form 3115 with your timely filed tax return for that second succeeding tax year.

Write "Automatic Change Filed Under Rev. Proc. 2003-50" on the appropriate line of Form 3115. For more information, see Revenue Procedure 2003-50 in Internal Revenue Bulletin 2003-29.

3.

IRAs and Other Retirement Plans

2003 Changes

Individual Retirement Arrangements (IRAs)

For more information about IRAs, see Publication 590, *Individual Retirement Arrangements (IRAs)*.

Modified AGI Limit for Traditional IRAs Increased

For 2003, if you were covered by a retirement plan at work, your deduction for contributions to a traditional IRA is reduced (phased out) if your modified adjusted gross income (AGI) is:

- More than \$60,000 but less than \$70,000 for a married couple filing a joint return or a qualifying widow(er),
- More than \$40,000 but less than \$50,000 for a single individual or head of household, or
- Less than \$10,000 for a married individual filing a separate return.

For all filing statuses other than married filing separately, the upper and lower limits of the phaseout range increased by \$6,000. For more information, see *How Much Can You Deduct?* in chapter 1 of Publication 590.

Deemed IRAs

For plan years beginning after 2002, a qualified plan (defined later) can maintain a separate account or annuity under the plan to receive voluntary employee contributions. If the separate account or annuity otherwise meets the requirements of a traditional IRA or Roth IRA, it is deemed a traditional IRA or Roth IRA. A deemed IRA is subject to IRA rules and not to qualified plan rules. Also, the deemed IRA and contributions to it are not taken into account in applying qualified plan rules to any other contributions under the plan. Voluntary employee contributions must be designated as such by employees covered under the plan. They are includible in income.

Qualified plan. For deemed IRA purposes, qualified plans are defined contribution plans, defined benefit plans, annuity plans described in section 403(a), 403(b) plans, or section 457 deferred compensation plans.

Amending the plan. If you want to provide a deemed IRA for your employees, you will have to amend your plan. For information on amending your plan, see Revenue Procedure 2003-13 in Internal Revenue Bulletin 2003-4.

Thrift Savings Plan (TSP)

Catch-up contributions. Beginning in 2003, participants in the TSP who are age 50 or over at the end of the year generally can make catch-up contributions to the plan. For 2003, the maximum catch-up contribution is \$2,000. For 2004, the maximum increases to \$3,000.

403(b) Plans

Increase in the limit on elective deferrals. For 2003, the limit on elective deferrals increased from \$11,000 to \$12,000. The limit on elective deferrals will increase by \$1,000 each year through 2006.

Catch-up contributions. For 2003, if you were age 50 or older by the end of the year, you may be permitted to make additional catch-up contributions of up to \$2,000 to your 403(b) plan.

More information. For more information about 403(b) plans, see Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*.

401(k) Plans

The following changes apply to 401(k) plans. For more information, see Publication 560, *Retirement Plans for Small Business*.

Elective deferrals. The limit on elective deferrals for participants in 401(k) plans (excluding SIMPLE plans) is as follows.

Year	Limit
2003	\$ 12,000
2004	13,000
2005	14,000

2006 and later years 15,000

Note. The \$15,000 limit is subject to adjustment after 2006 for cost-of-living increases.

Catch-up contributions. A plan can permit participants who are age 50 or older at the end of the calendar year to make catch-up contributions, as follows.

<u>Year</u>	<u>Catch-Up Limit</u>
2003	\$ 2,000
2004	3,000
2005	4,000
2006 and later years	5,000

Note. The \$5,000 limit is subject to adjustment after 2006 for cost-of-living increases.

The catch-up contribution a participant can make for a year cannot exceed the lesser of the following amounts.

- The catch-up contribution limit.
- The excess of the participant's compensation over the elective deferrals that are not catch-up contributions.

Simplified Employee Pensions (SEPs)

The limit on elective deferrals and catch-up contributions discussed under *401(k) Plans* also apply to SARSEP participants.

SIMPLE Plans

The following changes apply to SIMPLE plans. For more information, see Publication 560, *Retirement Plans for Small Business*.

Salary reduction contributions. The limit on salary reduction contributions to a SIMPLE plan is as follows.

<u>Year</u>	<u>Limit</u>
2003	\$ 8,000
2004	9,000
2005 and later years	10,000

Note. The \$10,000 limit is subject to adjustment after 2005 for cost-of-living increases.

Catch-up contributions. A SIMPLE plan can permit participants who are age 50 or older at the end of the calendar year to make catch-up contributions, as follows.

<u>Year</u>	<u>Catch-Up Limit</u>
2003	\$ 1,000
2004	1,500
2005	2,000
2006 and later years	2,500

Note. The \$2,500 limit is subject to adjustment after 2006 for cost-of-living increases.

The catch-up contribution a participant can make for a year cannot exceed the lesser of the following amounts.

- The catch-up contribution limit.

- The excess of the participant's compensation over the salary reduction contributions that are not catch-up contributions.

2004 Changes

Modified AGI Limit for Traditional IRAs Increases

For 2004, if you are covered by a retirement plan at work, your deduction for contributions to a traditional IRA will be reduced (phased out) if your modified adjusted gross income (AGI) is:

- More than \$65,000 but less than \$75,000 for a married couple filing a joint return or a qualifying widow(er),
- More than \$45,000 but less than \$55,000 for a single individual or head of household, or
- Less than \$10,000 for a married individual filing a separate return.

For all filing statuses other than married filing separately, the upper and lower limits of the phaseout range increase by \$5,000. For more information, see *How Much Can You Deduct?* in chapter 1 of Publication 590, *Individual Retirement Arrangements (IRAs)*.

New Method for Figuring Net Income On Returned or Recharacterized IRA Contributions

There is a new method for figuring the net income on IRA contributions made after 2003 that are returned to you or recharacterized. See *How Do You Recharacterize a Contribution?* or *Contributions Returned Before Due Date of Return* in chapter 1 of Publication 590, *Individual Retirement Arrangements (IRAs)*.

For figuring the net income on IRA contributions made during 2002 and 2003 that were returned to you or recharacterized, you can use the new method described in Publication 590, the method permitted by Notice 2000-39, or the method in the proposed regulations.

Qualified Plans

The following changes apply to qualified plans. For more information on qualified plans, see Publication 560, *Retirement Plans for Small Business*.

Limits on contributions and benefits increase. For 2004, the maximum annual benefit for a participant under a defined benefit plan increases to the lesser of the following amounts.

- 100% of the participant's average compensation for his or her highest 3 consecutive calendar years.

- \$165,000 (subject to cost-of-living increases after 2004).

For 2004, a defined contribution plan's maximum annual contributions and other additions (excluding earnings) to the account of a participant increases to the lesser of the following amounts.

- 100% of the compensation actually paid to the participant.
- \$41,000 (subject to cost-of-living increases after 2004).

Simplified Employee Pensions (SEPs)

The following changes apply to SEPs. For more information on SEPs, see Publication 560, *Retirement Plans for Small Business*.

Deduction limit increases. The maximum deduction for contributions to a SEP for 2004 remains unchanged at 25% of the compensation paid or accrued during the year to your eligible employees participating in the plan. However, the maximum combined deduction for a participant's elective deferrals and other SEP contributions increases to \$41,000.

Contribution limit increases. For 2004, the annual limit on the amount of employer contributions to a SEP increases to the lesser of the following amounts.

- 25% of an eligible employee's compensation.
- \$41,000 (subject to cost of living adjustments after 2004).

Compensation limit increases. For 2004, the maximum amount of an employee's compensation you can consider when figuring SEP contributions (including elective deferrals) and the deduction for contributions increases to \$205,000.

403(b) Plan Changes

Increase in the limit on elective deferrals. For 2004, the limit on elective deferrals increases from \$12,000 to \$13,000. The limit on elective deferrals will increase by \$1,000 each year through 2006.

Increase in the limit on annual additions. For 2004, the limit on annual additions increases to the lesser of \$41,000, or your includible compensation for your most recent year of service. In 2003 your limit on annual additions is the lesser of \$40,000 or your includible compensation for your most recent year of service.

Catch-up contributions. For 2004, if you are age 50 or older by the end of the year, you may be permitted to make additional catch-up contributions of up to \$3,000 to your 403(b) plan.

More information. For more information about 403(b) plans, see Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*.

4.

Exempt Organizations

2003 Change

Report of Contributions and Expenditures

Organizations required to file Form 8872, *Political Organization Report of Contributions and Expenditures*, before June 30, 2003, could have filed the form electronically or by mail. Returns filed on or after that date must be filed electronically if the organization expects to have contributions or expenditures that are more than \$50,000.

5.

Estate and Gift Taxes

2003 Changes

Estate Tax Applicable Exclusion Amount Increased

An estate tax return for a U.S. citizen or resident needs to be filed only if the gross estate exceeds the applicable exclusion amount for the year of death, listed below.

<u>Year</u>	<u>Exclusion Amount</u>
2003	\$1,000,000
2004 and 2005	1,500,000
2006, 2007, and 2008	2,000,000
2009	3,500,000

Annual Exclusion for Gifts Increased

The annual exclusion for gifts made to spouses who are not U.S. citizens increased to \$112,000.

Maximum Estate and Gift Tax Rate Reduced

For estates of decedents dying, and gifts made, after 2002, the maximum rate for the estate tax and the gift tax is as follows.

<u>Year</u>	<u>Maximum Tax Rate</u>
2003	49%
2004	48%
2005	47%
2006	46%
2007, 2008, and 2009	45%

Credit for State Death Taxes Reduced

For estates of decedents dying in 2003, the credit allowed for state death taxes is limited to 50% of the amount that would otherwise be allowed. For estates of decedents dying in 2004, the credit will be limited to 25%.

For estates of decedents dying after 2004, the state death tax credit will be replaced with a deduction for state death taxes.

Generation-Skipping Transfer (GST) Exemption Increased

The generation-skipping transfer (GST) lifetime exemption increased to \$1,120,000. The annual increase can only be allocated to transfers made during or after the year of the increase.

Form 709—A Obsolete

Form 709—A, *United States Short Form Gift Return*, has been obsolete. All gift tax returns must now be filed on Form 709, *United States Gift (and Generation-Skipping Transfer) Tax Return*.

2004 Change

Qualified Family-Owned Business Interest Deduction Repealed

The qualified family-owned business interest deduction has been repealed for the estates of decedents dying after December 31, 2003.

6.

Excise Taxes

2004 Change

Air Transportation Taxes

For amounts paid in 2004, the tax on the use of international air travel facilities will be \$13.70 per person for flights that begin or end in the United States, or \$6.90 per person for domestic segments that begin or end in Alaska or Hawaii (applies only to departures). See Publication 510, *Excise Taxes for 2004*, for information on air transportation taxes.

7.

Foreign Issues

2003 Change

New Requirement for Form W-7

If you are a resident or nonresident alien applying for an individual taxpayer identification number (ITIN) to file a tax return, you now **must** attach your original, completed tax return to Form W-7. For more information, see **Form W-7, Application for IRS Individual Taxpayer Identification Number**.

8.

How To Get Tax Help

You can get help with unresolved tax issues, order free publications and forms, ask tax questions, and get more information from the IRS in several ways. By selecting the method that is best for you, you will have quick and easy access to tax help.

Contacting your Taxpayer Advocate. If you have attempted to deal with an IRS problem unsuccessfully, you should contact your Taxpayer Advocate.

The Taxpayer Advocate independently represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels. While Taxpayer Advocates cannot change the tax law or make a technical tax decision, they can clear up problems that resulted from previous contacts and ensure that your case is given a complete and impartial review.

To contact your Taxpayer Advocate:

- Call the Taxpayer Advocate toll free at **1-877-777-4778**.
- Call, write, or fax the Taxpayer Advocate office in your area.
- Call **1-800-829-4059** if you are a TTY/TDD user.
- Visit the web site at **www.irs.gov/advocate**.

For more information, see Publication 1546, *The Taxpayer Advocate Service of the IRS*.

Free tax services. To find out what services are available, get Publication 910, *Guide to Free Tax Services*. It contains a list of free tax publications and an index of tax topics. It also describes other free tax information services, including tax education and assistance programs and a list of TeleTax topics.



Internet. You can access the IRS web site 24 hours a day, 7 days a week at **www.irs.gov** to:

- **E-file.** Access commercial tax preparation and *e-file* services available for free to eligible taxpayers.
- Check the amount of advance child tax credit payments you received in 2003.
- Check the status of your 2003 refund. Click on “Where’s My Refund” and then on “Go Get My Refund Status.” Be sure to wait at least 6 weeks from the date you filed your return (3 weeks if you filed electronically) and have your 2003 tax return available because you will need to know your filing status and the exact whole dollar amount of your refund.
- Download forms, instructions, and publications.
- Order IRS products on-line.

- See answers to frequently asked tax questions.
- Search publications on-line by topic or keyword.
- Figure your withholding allowances using our Form W-4 calculator.
- Send us comments or request help by e-mail.
- Sign up to receive local and national tax news by e-mail.
- Get information on starting and operating a small business.

You can also reach us using File Transfer Protocol at **ftp.irs.gov**.



Fax. You can get over 100 of the most requested forms and instructions 24 hours a day, 7 days a week, by fax. Just call **703-368-9694** from your fax machine. Follow the directions from the prompts. When you order forms, enter the catalog number for the form you need. The items you request will be faxed to you.

For help with transmission problems, call **703-487-4608**.

Long-distance charges may apply.



Phone. Many services are available by phone.

- **Ordering forms, instructions, and publications.** Call **1-800-829-3676** to order current-year forms, instructions, and publications and prior-year forms and instructions. You should receive your order within 10 days.
- **Asking tax questions.** Call the IRS with your tax questions at **1-800-829-1040**.
- **Solving problems.** You can get face-to-face help solving tax problems every business day in IRS Taxpayer Assistance Centers. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. Call your local Taxpayer Assistance Center for an appointment. To find the number, go to **www.irs.gov** or look in the phone book under “United States Government, Internal Revenue Service.”
- **TTY/TDD equipment.** If you have access to TTY/TDD equipment, call **1-800-829-4059** to ask tax or account questions or to order forms and publications.
- **TeleTax topics.** Call **1-800-829-4477** to listen to pre-recorded messages covering various tax topics.
- **Refund information.** If you would like to check the status of your 2003 refund, call **1-800-829-4477** for automated refund information and follow the recorded instructions or call **1-800-829-1954**. Be sure to wait at least 6 weeks from the date you filed your return (3 weeks if you filed electronically) and have your 2003 tax return available because you will

need to know your filing status and the exact whole dollar amount of your refund.

Evaluating the quality of our telephone services. To ensure that IRS representatives give accurate, courteous, and professional answers, we use several methods to evaluate the quality of our telephone services. One method is for a second IRS representative to sometimes listen in on or record telephone calls. Another is to ask some callers to complete a short survey at the end of the call.



Walk-in. Many products and services are available on a walk-in basis.

- **Products.** You can walk in to many post offices, libraries, and IRS offices to pick up certain forms, instructions, and publications. Some IRS offices, libraries, grocery stores, copy centers, city and county government offices, credit unions, and office supply stores have a collection of products available to print from a CD-ROM or photocopy from reproducible proofs. Also, some IRS offices and libraries have the Internal Revenue Code, regulations, Internal Revenue Bulletins, and Cumulative Bulletins available for research purposes.
- **Services.** You can walk in to your local Taxpayer Assistance Center every business day to ask tax questions or get help with a tax problem. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. You can set up an appointment by calling your local Center and, at the prompt, leaving a message requesting Everyday Tax Solutions help. A representative will call you back within 2 business days to schedule an in-person appointment at your convenience. To find the number, go to www.irs.gov or look in the phone book under “United States Government, Internal Revenue Service.”



Mail. You can send your order for forms, instructions, and publications to the Distribution Center nearest to you and receive a response within 10 workdays after your request is received. Use the address that applies to your part of the country.

- **Western part of U.S.:**
Western Area Distribution Center
Rancho Cordova, CA 95743-0001

- **Central part of U.S.:**
Central Area Distribution Center
P.O. Box 8903
Bloomington, IL 61702-8903

- **Eastern part of U.S. and foreign addresses:**
Eastern Area Distribution Center
P.O. Box 85074
Richmond, VA 23261-5074



CD-ROM for tax products. You can order IRS Publication 1796, *Federal Tax Products on CD-ROM*, and obtain:

- Current-year forms, instructions, and publications.
- Prior-year forms and instructions.
- Frequently requested tax forms that may be filled in electronically, printed out for submission, and saved for recordkeeping.
- Internal Revenue Bulletins.

Buy the CD-ROM from National Technical Information Service (NTIS) on the Internet at www.irs.gov/cdorders for \$22 (no handling fee) or call **1-877-233-6767** toll free to buy the CD-ROM for \$22 (plus a \$5 handling fee). The first release is available in early January and the final release is available in late February.



CD-ROM for small businesses. IRS Publication 3207, *Small Business Resource Guide*, is a must for every small business owner or any taxpayer about to start a business. This handy, interactive CD contains all the business tax forms, instructions and publications needed to successfully manage a business. In addition, the CD provides an abundance of other helpful information, such as how to prepare a business plan, finding financing for your business, and much more. The design of the CD makes finding information easy and quick and incorporates file formats and browsers that can be run on virtually any desktop or laptop computer.

It is available in early April. You can get a free copy by calling **1-800-829-3676** or by visiting the web site at www.irs.gov/smallbiz.



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Tax Publications for Individual Taxpayers

See *How To Get Tax Help* for a variety of ways to get publications, including by computer, phone, and mail.

General Guides

- 1 Your Rights as a Taxpayer
- 17 Your Federal Income Tax (For Individuals)
- 334 Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)
- 509 Tax Calendars for 2004
- 553 Highlights of 2003 Tax Changes
- 910 Guide to Free Tax Services

Specialized Publications

- 3 Armed Forces' Tax Guide
- 54 Tax Guide for U.S. Citizens and Residents Aliens Abroad
- 225 Farmer's Tax Guide
- 378 Fuel Tax Credits and Refunds
- 463 Travel, Entertainment, Gift, and Car Expenses
- 501 Exemptions, Standard Deduction, and Filing Information
- 502 Medical and Dental Expenses (Including the Health Coverage Tax Credit)
- 503 Child and Dependent Care Expenses
- 504 Divorced or Separated Individuals
- 505 Tax Withholding and Estimated Tax
- 514 Foreign Tax Credit for Individuals
- 516 U.S. Government Civilian Employees Stationed Abroad
- 517 Social Security and Other Information for Members of the Clergy and Religious Workers
- 519 U.S. Tax Guide for Aliens
- 521 Moving Expenses
- 523 Selling Your Home
- 524 Credit for the Elderly or the Disabled
- 525 Taxable and Nontaxable Income
- 526 Charitable Contributions
- 527 Residential Rental Property
- 529 Miscellaneous Deductions
- 530 Tax Information for First-Time Homeowners

- 531 Reporting Tip Income
- 533 Self-Employment Tax
- 536 Net Operating Losses (NOLs) for Individuals, Estates, and Trusts
- 537 Installment Sales
- 541 Partnerships
- 544 Sales and Other Dispositions of Assets
- 547 Casualties, Disasters, and Thefts
- 550 Investment Income and Expenses
- 551 Basis of Assets
- 552 Recordkeeping for Individuals
- 554 Older Americans' Tax Guide
- 555 Community Property
- 556 Examination of Returns, Appeal Rights, and Claims for Refund
- 559 Survivors, Executors, and Administrators
- 561 Determining the Value of Donated Property
- 564 Mutual Fund Distributions
- 570 Tax Guide for Individuals With Income From U.S. Possessions
- 571 Tax-Sheltered Annuity Plans (403(b) Plans)
- 575 Pension and Annuity Income
- 584 Casualty, Disaster, and Theft Loss Workbook (Personal-Use Property)
- 587 Business Use of Your Home (Including Use by Daycare Providers)
- 590 Individual Retirement Arrangements (IRAs)
- 593 Tax Highlights for U.S. Citizens and Residents Going Abroad
- 594 What You Should Know About the IRS Collection Process
- 595 Tax Highlights for Commercial Fishermen
- 596 Earned Income Credit (EIC)
- 721 Tax Guide to U.S. Civil Service Retirement Benefits
- 901 U.S. Tax Treaties

- 907 Tax Highlights for Persons with Disabilities
- 908 Bankruptcy Tax Guide
- 911 Direct Sellers
- 915 Social Security and Equivalent Railroad Retirement Benefits
- 919 How Do I Adjust My Tax Withholding?
- 925 Passive Activity and At-Risk Rules
- 926 Household Employer's Tax Guide
- 929 Tax Rules for Children and Dependents
- 936 Home Mortgage Interest Deduction
- 946 How To Depreciate Property
- 947 Practice Before the IRS and Power of Attorney
- 950 Introduction to Estate and Gift Taxes
- 967 The IRS Will Figure Your Tax
- 968 Tax Benefits for Adoption
- 969 Medical Savings Accounts (MSAs)
- 970 Tax Benefits for Education
- 971 Innocent Spouse Relief
- 972 Child Tax Credit
- 1542 Per Diem Rates
- 1544 Reporting Cash Payments of Over \$10,000 (Received in a Trade or Business)
- 1546 The Taxpayer Advocate Service of the IRS

Spanish Language Publications

- 1SP Derechos del Contribuyente
- 579SP Cómo Preparar la Declaración de Impuesto Federal
- 594SP Comprendiendo el Proceso de Cobro
- 596SP Crédito por Ingreso del Trabajo
- 850 English-Spanish Glossary of Words and Phrases Used in Publications Issued by the Internal Revenue Service
- 1544SP Informe de Pagos en Efectivo en Exceso de \$10,000 (Recibidos en una Ocupación o Negocio)

Commonly Used Tax Forms

See *How To Get Tax Help* for a variety of ways to get forms, including by computer, fax, phone, and mail. For fax orders only, use the catalog number when ordering.

Form Number and Title	Catalog Number	Form Number and Title	Catalog Number
1040 U.S. Individual Income Tax Return	11320	2106 Employee Business Expenses	11700
Sch A&B Itemized Deductions & Interest and Ordinary Dividends	11330	2106-EZ Unreimbursed Employee Business Expenses	20604
Sch C Profit or Loss From Business	11334	2210 Underpayment of Estimated Tax by Individuals, Estates, and Trusts	11744
Sch C-EZ Net Profit From Business	14374	2441 Child and Dependent Care Expenses	11862
Sch D Capital Gains and Losses	11338	2848 Power of Attorney and Declaration of Representative	11980
Sch D-1 Continuation Sheet for Schedule D	10424	3903 Moving Expenses	12490
Sch E Supplemental Income and Loss	11344	4562 Depreciation and Amortization	12906
Sch EIC Earned Income Credit	13339	4868 Application for Automatic Extension of Time To File U.S. Individual Income Tax Return	13141
Sch F Profit or Loss From Farming	11346	4952 Investment Interest Expense Deduction	13177
Sch H Household Employment Taxes	12187	5329 Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts	13329
Sch J Farm Income Averaging	25513	6251 Alternative Minimum Tax—Individuals	13600
Sch R Credit for the Elderly or the Disabled	11359	8283 Noncash Charitable Contributions	62299
Sch SE Self-Employment Tax	11358	8582 Passive Activity Loss Limitations	63704
1040A U.S. Individual Income Tax Return	11327	8606 Nondeductible IRAs	63966
Sch 1 Interest and Ordinary Dividends for Form 1040A Filers	12075	8812 Additional Child Tax Credit	10644
Sch 2 Child and Dependent Care Expenses for Form 1040A Filers	10749	8822 Change of Address	12081
Sch 3 Credit for the Elderly or the Disabled for Form 1040A Filers	12064	8829 Expenses for Business Use of Your Home	13232
1040EZ Income Tax Return for Single and Joint Filers With No Dependents	11329	8863 Education Credits	25379
1040-ES Estimated Tax for Individuals	11340	9465 Installment Agreement Request	14842
1040X Amended U.S. Individual Income Tax Return	11360		