

## Doing Your Taxes

Every April 15th federal income taxes are due. You'll get a W-2 form from your employer early in the year, showing how much was withheld each month for the federal government, the state government, social security and medicare. I've provided a W-2 for you. **Imagine you are 25 year old worker named James Logan. Your employer is Playworks.** I've included a 1040 EZ tax form, too. (Your forms will get more complicated when you own houses and investments). Or you may fill out your 1040 EZ online with the form at:

<https://www.irs.gov/pub/irs-pdf/f1040ez.pdf>

Begin by filling out your your name and address. I've provided a fake social security number for you, too (it looks a lot the Logan phone number.)

**INCOME:** The first six entries are related to your income. You didn't have any (2) (Taxable Interest) or (3) Unemployment compensation, so it should be pretty easy to take the W-2 information on your Wages and Tips to fill in boxes (1) and (4).

For box 5, put 1 in the box. You get to include yourself as a deduction. Line 5 is \$10,300. This is what you get for claiming yourself on your taxes. You don't have a wife or any kids yet. (If you get married you can file jointly, and if you have kids they are deductions, too.)

For line 6, subtract line 5 from line 4. This is your **taxable income**.

**PAYMENTS, CREDITS and TAX:** For line 7, find your Federal Income tax withheld on your W-2. You don't get an Earned Income credit (8a), put zero in this box. Sorry, no combat pay either. Line (9) should be the same as line (7).

To figure out how much tax you owe, go to the 2015 Tax Tables. Use the amount in line (6) to find your tax in the tax table. <https://www.irs.gov/pub/irs-pdf/i1040tt.pdf>

How much tax do you owe? Put this amount in from the Tax Tables into Line (10) Tax.

Check the box in line 11, since your Employer, Playworks provides health care. Put 0 in line 11. For line 12, add lines 10 and 11 to see your total tax.

(13a) If line 9 is larger than line 12, subtract line 12 from line 9. Put amount in line 13a.

(14) If line 12 is larger than line 9, subtract line 9 from line 12. Put in line 14.

**Did you get a refund or do you owe?** \_\_\_\_\_

**How much?** \_\_\_\_\_