

1040 Overlay Guide – 55+



How to help reduce your tax bill:

- Line up the boxes below with the corresponding areas on your completed Form 1040.
- Review the information in the boxes to see if changes can be made that will help reduce your tax bill.
- Talk to your financial representative and tax advisor to see which opportunities may be appropriate for your situation.

Filing Status

1 Single

2 Married filing jointly (even if only one had income)

3 Married filing separately. Enter spouse's SSN above

4 Head of household (with qualifying person). (See page 17.) If the qualifying person is a child but not your dependent, enter this child's name here.

5 Qualifying widow(er) with dependent child (see page 17)

Are you taking advantage of all the savings tools the government makes available to you to help fund your child's or grandchild's education?

Exemptions

Spouse

Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see page 18)

If more than four dependents, see

do not check box 6a

Boxes checked on 6a and 6b

No. of children on 6c who:

- lived with you
- did not live with you due to divorce

Interest and dividends earned on your investments do not have to constitute a taxable event. Diversifying your investments to include tax-deferred investment products may produce earnings without increasing your adjusted gross income and therefore your taxes.

%	Taxable Income		Tax-Free Yield of		
	Single	Joint	3%	5%	7%
is equivalent to a taxable yield of:					
10%	\$0-\$7,150	\$0-\$14,300	3.33%	5.56%	7.78%
15%	\$7,150-\$29,050	\$14,300-\$58,100	3.53%	5.88%	8.24%
25%	\$29,050-\$70,350	\$58,100-\$117,250	4.00%	6.67%	9.33%
28%	\$70,350-\$146,750	\$117,250-\$178,650	4.17%	6.94%	9.72%
33%	\$146,750-\$319,000	\$178,650-\$319,000	4.48%	7.46%	10.45%
35%	over \$319,000	over \$319,000	4.62%	7.69%	10.77%

get a W-2, see page 19.

15a IRA distributions **15a**

16a Pensions and annuities **16a**

Enclose, but do not attach, any payment. Also,

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Form 8865.

18 Farm income (or loss). Attach Schedule F.

19 Unemployment compensation

20a **20a**

b Taxable amount (see page 22) **20b**

21 **21**

22 Add the amounts in the far right column for lines 7 through 21. This is your **total income** **22**

If the government is making you take distributions you don't need, where is the money going?

Even though the maximum long-term capital gains rate is 15%, you could still consider "tax efficient investments" when possible.

23 Educator expenses (see page 26) **23**

24 **24**

25 **25**

26 Student loan interest deduction (see page 28) **26**

27 **27**

28 **28**

29 **29**

30 One-half of self-employment tax. Attach Schedule SE **30**

31 Self-employed health insurance deduction (see page 30) **31**

32 Self-employed SEP, SIMPLE, and qualified plans **32**

33 Penalty on early withdrawal of savings **33**

34a Alimony paid **34a**

35 Add lines 23 through 34a **35**

36 Subtract line 35 from line 22. This is your **adjusted gross income** **36**

Are you being taxed on your Social Security benefits? By repositioning your assets, you may be able to help reduce the tax liability on your Social Security income.

IRAs are still a good way to save for retirement, and contributions may be tax-deductible depending on your income.

Form 1040 Overlay



Credits

Standard Deduction for—

• People who checked any box on line 38a or 38b or who can be claimed as a dependent, see page 31.

• All others:

Single or Married filing separately, \$4,850

Married filing jointly or Qualifying widow(er), \$9,700

Head of household, \$7,150

38a Check You were born before January 2, 1940, Blind. Total boxes if: Spouse was born before January 2, 1940, Blind. checked 38a

b If your spouse itemizes on a separate return or you were a dual-status alien, see page 31 and check here 38b

39 **Itemized deductions** (from Schedule A) or your **standard deduction** (see left margin) 39

40 Subtract line 39 from line 37 40

41 If line 37 is \$107,025 or less, multiply \$3,100 by the total number of exemptions claimed on line 6d. If line 37 is over \$107,025, see the worksheet on page 33 41

42 **Taxable income.** Subtract line 41 from line 40. If line 41 is more than line 40, enter -0- 42

43 **Tax** (see page 33). Check if any tax is from: a Form(s) 8814 b Form 4972 43

44 **Alternative minimum tax** (see page 35). Attach Form 6251 44

45 Add lines 43 and 44 45

46 Foreign tax credit. Attach Form 1116 if required 46

47 Credit for child and dependent care expenses. Attach Form 2441 47

48 Credit for the elderly or the disabled. Attach Schedule R 48

49 Education credits. Attach Form 8863 49

50 Retirement savings contributions credit. Attach Form 8880 50

51 Child tax credit (see page 37) 51

52 Adoption credit. Attach Form 8839 52

53 Credits from: a Form 8396 b Form 8859 53

54 Other credits. Check applicable box(es): a Form 3800 b Form 8801 c Specify _____ 54

55 Add lines 46 through 54. These are your **total credits** 55

56 Subtract line 55 from line 45. If line 55 is more than line 45, enter -0- 56

Maximizing your incomes means not withholding too much. By working with a tax professional, you can stop giving the government, in effect, an interest-free loan from your hard-earned money and, instead, have it work for you.

57 Advance earned income credit payments from Form(s) W-2 57

58 Household employment taxes. Attach Schedule H 58

59 Add lines 57 through 58. Attach Form 5329 if required 59

60 Add lines 56 through 59. This is your **total tax** 60

61 Household employment taxes. Attach Schedule H 61

62 Add lines 56 through 61. This is your **total tax** 62

Payments

If you have a qualifying child, attach Schedule EIC.

63 Federal income tax withheld from Forms W-2 and 1099 63

64 2004 estimated tax payments and amount applied from 2003 return 64

65a **Earned income credit (EIC)** 65a

b Nontaxable combat pay election 65b

66 Excess social security and tier 1 RRTA tax withheld (see page 54) 66

67 Additional child tax credit. Attach Form 8812 67

68 Amount paid with request for extension to file (see page 54) 68

69 Other payments from: a Form 2439 b Form 4136 c Form 8885 69

70 Add lines 63, 64, 65a, and 66 through 69. These are your **total payments** 70

Refund

Recalculating your W-4 or estimated tax payment may prevent a possible tax penalty from withholding too little.

71 If line 70 is more than line 62, subtract line 62 from line 70. This is the amount you **overpaid** 71

72a Amount of line 71 you want refunded to you 72a

b Type: Checking Savings

73 Amount of line 71 you want applied to your 2005 estimated tax 73

74 **Amount you owe.** Subtract line 70 from line 62. For details on how to pay, see page 55 74

75 Estimated tax penalty (see page 55) 75

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 56)? Yes. Complete the following. No

Designee's name Phone no. () Personal identification number (PIN)

Sign Here

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 Daytime phone number

Spouse's signature. If a joint return, both must sign. Date Spouse's occupation

Paid Preparer's Use Only

Preparer's signature Date Check if self-employed Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code EIN

Phone no. ()

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