

## The 1040's "New Look"

*Just as the government shutdown ended, the IRS kicked-off its' 2019 tax filing season this week on Monday, January 28th. With the window now open to file returns, we would like to draw your attention to the new postcard-sized 1040...and why it may not be as simple as it seems.*

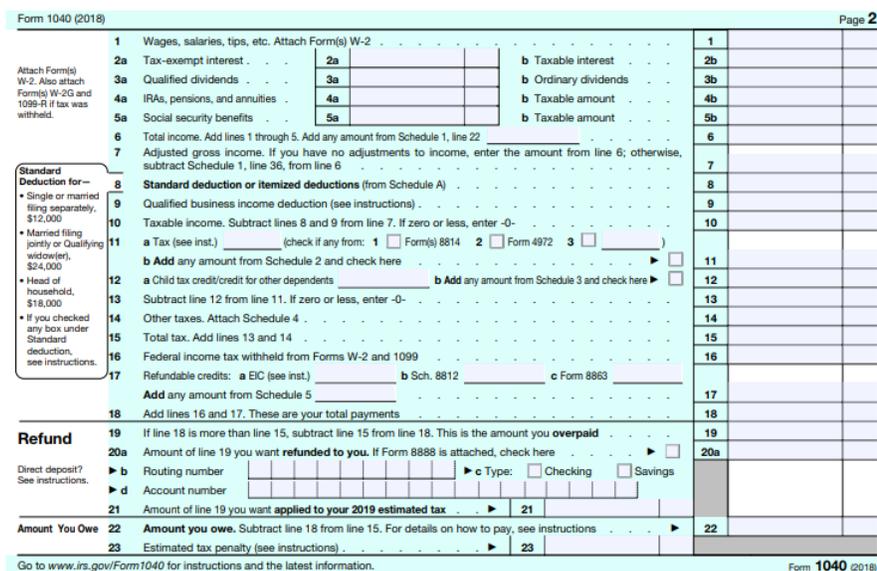
Here are five important takeaways on the new form:

1. It **is** the size of a postcard – the new 1040 has just 23 lines compared to the 79 lines on last year's form. See right.

2. There are **six** new schedules – so while the 1040 itself has gotten smaller,

most of what was removed has simply been transferred to one of the six brand new schedules, making the overall paperwork even more complicated. See Schedule 1 below – as an example, interest and dividends will continue to be reported directly on the 1040 while capital gains and real estate income are now reported on Schedule 1.

3. The **1040-EZ**, used in the past for simple tax situations, is now gone.
4. A taxpayer's **AGI**, or Adjusted Gross Income, in the past was very easy to identify as it could be found on the last line at the bottom of the first page of the 1040. Now it is buried among other amounts, on line 7 of the new form. See above.
5. Schedule A will continue to be filed for those taxpayers itemizing deductions, but several long-standing **deductions have been eliminated** as part of the Tax Cuts and Jobs Act: the personal exemption, alimony, miscellaneous (2%) deductions, and moving expenses.



**Form 1040 (2018)** Page **2**

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1
2a	Tax-exempt interest	2b
3a	Qualified dividends	3b
4a	IRAs, pensions, and annuities	4b
5a	Social security benefits	5b
6	Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	6
7	Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6	7
8	Standard deduction or itemized deductions (from Schedule A)	8
9	Qualified business income deduction (see instructions)	9
10	Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-	10
11	a Tax (see inst.) (check if any from: 1 Form(s) 8814 2 Form 4972 3 ) b Add any amount from Schedule 2 and check here	11
12	a Child tax credit/credit for other dependents b Add any amount from Schedule 3 and check here	12
13	Subtract line 12 from line 11. If zero or less, enter -0-	13
14	Other taxes. Attach Schedule 4	14
15	Total tax. Add lines 13 and 14	15
16	Federal income tax withheld from Forms W-2 and 1099	16
17	Refundable credits: a EIC (see inst.) b Sch. 8812 c Form 8863 Add any amount from Schedule 5	17
18	Add lines 16 and 17. These are your total payments	18
19	If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid	19
20a	Amount of line 19 you want refunded to you. If Form 8888 is attached, check here	20a
21	Amount of line 19 you want applied to your 2019 estimated tax	21
22	Amount you owe. Subtract line 18 from line 15. For details on how to pay, see instructions	22
23	Estimated tax penalty (see instructions)	23

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information. Form **1040** (2018)

SCHEDULE 1 (Form 1040)		Additional Income and Adjustments to Income		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040. ▶ Go to <a href="http://www.irs.gov/Form1040">www.irs.gov/Form1040</a> for instructions and the latest information.		2018 Attachment Sequence No. 01	
Name(s) shown on Form 1040			Your social security number		
<b>Additional Income</b>	<b>1-9b</b>	Reserved		<b>1-9b</b>	
<b>10</b>		Taxable refunds, credits, or offsets of state and local income taxes		<b>10</b>	
<b>11</b>		Alimony received		<b>11</b>	
<b>12</b>		Business income or (loss). Attach Schedule C or C-EZ		<b>12</b>	
<b>13</b>		Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>		<b>13</b>	
<b>14</b>		Other gains or (losses). Attach Form 4797		<b>14</b>	
<b>15a</b>		Reserved		<b>15b</b>	
<b>16a</b>		Reserved		<b>16b</b>	
<b>17</b>		Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		<b>17</b>	
<b>18</b>		Farm income or (loss). Attach Schedule F		<b>18</b>	
<b>19</b>		Unemployment compensation		<b>19</b>	
<b>20a</b>		Reserved		<b>20b</b>	
<b>21</b>		Other income. List type and amount ▶		<b>21</b>	
<b>22</b>		Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23		<b>22</b>	
<b>Adjustments to Income</b>	<b>23</b>	Educator expenses			
<b>24</b>		Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106		<b>24</b>	
<b>25</b>		Health savings account deduction. Attach Form 8889		<b>25</b>	
<b>26</b>		Moving expenses for members of the Armed Forces. Attach Form 3903		<b>26</b>	
<b>27</b>		Deductible part of self-employment tax. Attach Schedule SE		<b>27</b>	
<b>28</b>		Self-employed SEP, SIMPLE, and qualified plans		<b>28</b>	
<b>29</b>		Self-employed health insurance deduction		<b>29</b>	
<b>30</b>		Penalty on early withdrawal of savings		<b>30</b>	
<b>31a</b>		Alimony paid <b>b</b> Recipient's SSN ▶		<b>31a</b>	
<b>32</b>		IRA deduction		<b>32</b>	
<b>33</b>		Student loan interest deduction		<b>33</b>	
<b>34</b>		Reserved		<b>34</b>	
<b>35</b>		Reserved		<b>35</b>	
<b>36</b>		Add lines 23 through 35		<b>36</b>	

As always, if you have any questions please don't hesitate to reach out.

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*Any tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for (i) avoiding penalties imposed under the Internal Revenue Code or applicable state or local tax law or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.*