

Who Can Use Form 1040EZ?

You can use Form 1040EZ if all of the following apply.

- Your filing status is single or married filing jointly. If you were a nonresident alien at any time in 2007, see *Nonresident aliens*.
- You do not claim any dependents.
- You do not claim any adjustments to income. Use TeleTax topics 451-453, 455, and 456 (see page 30).
- The only tax credits you can claim are the earned income credit and the credit for the federal telephone excise tax. Use TeleTax topics 601-608 and 610 (see page 30).
- You (and your spouse if filing a joint return) were under age 65 and not blind at the end of 2007. If you were born on January 1, 1943, you are considered to be age 65 at the end of 2007 and cannot use Form 1040EZ.
- Your taxable income (line 6 of Form 1040EZ) is less than \$100,000.
- You had only wages, salaries, tips, taxable scholarship or fellowship grants, unemployment compensation, or Alaska Permanent Fund dividends, and your taxable interest was not over \$1,500.
- You did not receive any advance earned income credit payments.
- You do not owe any household employment taxes on wages you paid to a household employee. To find out who owes these taxes, use TeleTax topic 756 (see page 30).
- You are not a debtor in a chapter 11 bankruptcy case filed after October 16, 2005.
- You do not owe any alternative minimum tax.

If you do not meet all of the requirements, you must use Form 1040A or 1040. Use TeleTax topic 352 (see page 30) to find out which form to use.

Even if you can use Form 1040EZ, it may benefit you to use Form 1040A or 1040 instead. For example, you can claim the head of household filing status (which usually results in a lower tax than single) only on Form 1040A or 1040. Use TeleTax topic 610 (see page 30). Also, you can itemize deductions only on Form 1040. It would benefit you to itemize deductions if they total more than your standard deduction, which is \$5,350 for most single people and \$10,700 for most married people filing a joint return.

Who Can Use Form 1040A?

You can use Form 1040A if all six of the following apply.

1. You only had income from the following sources:
 - a. Wages, salaries, tips.
 - b. Interest and ordinary dividends.
 - c. Capital gain distributions.
 - d. Taxable scholarship and fellowship grants.
 - e. Pensions, annuities, and IRAs.
 - f. Unemployment compensation.
 - g. Taxable social security and railroad retirement benefits.
 - h. Alaska Permanent Fund dividends.
2. The only adjustments to income you can claim are:
 - a. Educator expenses.
 - b. IRA deduction.
 - c. Student loan interest deduction.
 - d. Tuition and fees deduction.
3. You do not itemize deductions.
4. Your taxable income (line 27) is less than \$100,000.
5. The only tax credits you can claim are:
 - a. Child tax credit.
 - b. Additional child tax credit.
 - c. Education credits.
 - d. Earned income credit.
 - e. Credit for child and dependent care expenses.
 - f. Credit for the elderly or the disabled.
 - g. Retirement savings contributions credit.
6. You did not have an alternative minimum tax adjustment on stock you acquired from the exercise of an incentive stock option (see Pub. 525).

You can also use Form 1040A if you received advance earned income credit (EIC) payments, dependent care benefits, or if you owe tax from the recapture of an education credit or the alternative minimum tax.

When Must You Use Form 1040?

Check Where To Report Certain Items From 2007 Forms W-2, 1098, and 1099 beginning on page 10 to see if you must use Form 1040. You must also use Form 1040 if any of the following apply.

1. You received any of the following types of income:
 - a. Income from self-employment (business or farm income).
 - b. Certain tips you did not report to your employer. See the instructions for Form 1040A, line 7, on page 21.
 - c. Income received as a partner in a partnership, shareholder in an S corporation, or a beneficiary of an estate or trust.
 - d. Dividends on insurance policies if they exceed the total of all net premiums you paid for the contract.
2. You received or paid interest on securities transferred between interest payment dates.
3. You can exclude any of the following types of income:
 - a. Foreign earned income you received as a U.S. citizen or resident alien.
 - b. Certain income received from sources in Puerto Rico if you were a bona fide resident of Puerto Rico.
 - c. Certain income received from sources in American Samoa if you were a bona fide resident of American Samoa for all of 2007.
4. You have an alternative minimum tax adjustment on stock you acquired from the exercise of an incentive stock option (see Pub. 525).
5. You had a financial account in a foreign country, such as a bank account or securities account. **Exception.** If the combined value of the accounts was \$10,000 or less during all of 2007 or if the accounts were with a U.S. military banking facility operated by a U.S. financial institution, you may file Form 1040A.
6. You received a distribution from a foreign trust.
7. You owe the excise tax on insider stock compensation from an expatriated corporation.
8. You are reporting original issue discount (OID) in an amount more or less than the amount shown on Form 1099-OID.
9. You owe household employment taxes. See Schedule H (Form 1040) and its instructions to find out if you owe these taxes.
10. You are eligible for the health coverage tax credit. See Form 8885 for details.
11. You are claiming the adoption credit or received employer-provided adoption benefits. See Form 8839 for details.
12. You are an employee and your employer did not withhold social security and Medicare tax. See form 8919 for details.
13. You had a qualified health savings account funding distribution from your IRA.
14. You are a debtor in a bankruptcy case filed after October 16, 2005.