

The Quick Guide to Form 1040



Your IRS Form 1040 tax return may reveal important information about your personal finances – and shed light on valuable opportunities for future savings. Consider asking yourself these six questions to potentially reduce your tax bill next year.

1

Could I be doing more to minimize my exposure to current taxes?

Page 1- Tax-Exempt and Taxable Interest (Lines 2a & 2b)
If the sum on line 2b makes you uneasy, consider whether there's more you could do to reduce your taxable interest in future years. Tax-aware asset location may help reduce the impact of taxable interest.

1a Wages, salaries, tips

2a Tax-exempt interest

2b Taxable Interest

2

Can I support my favorite charities in a tax-efficient way?

Page 1- IRA Distributions (QCD) (Lines 4a-4b)
If you're 70 ½ or older you may be able to reduce your federal taxable income by making qualifying charitable donations through a Qualified Charitable Distribution. QCDs generally come with no tax costs to you or the charity receiving the donation.

3a Qualified dividends

3b Ordinary dividends

4a IRA distributions

3

Did I make the most of any investment losses?

Page 1- Capital gains or losses (Line 7)
Use tax-loss harvesting to turn investment losses into tax benefits. By selling securities that have lost value, you may be able to utilize these realized losses to offset realized capital gains.

6a Social security benefits

7 Capital gain or (loss)

7

4

Could I be saving for future education costs in a more tax-advantaged way?

Page 1- Dependents
With education costs rising, investing in a 529 plan can help you pay for higher education expenses. You may get a state tax break on the contributions, and the money grows tax-free and comes out tax-free if used for qualified education expenses.

Standard Deduction

Dependents

| First name | Last name | SSN | Child Tax | Credit |
|------------|-----------|-------|--------------------------|--------------------------|
| ----- | ----- | ----- | <input type="checkbox"/> | <input type="checkbox"/> |

5

Could I save on my medical and dental expenses?

Schedule A- Medical and dental expenses (Lines 1-4)
Even if your medical expenses aren't high enough to itemize now, most people's healthcare costs go up significantly as they get older. Adding a long-term care insurance policy could help minimize such costs, and premiums may be tax deductible.

Schedule A

Medical and Dental Expenses

| | | |
|-------------------------------|--------------------------|-------|
| 1 Medical and dental | <input type="checkbox"/> | ----- |
| 2 Enter amount | <input type="checkbox"/> | ----- |
| 3 Multiply line 2 | <input type="checkbox"/> | ----- |
| 4 Subtract line 3 from line 1 | <input type="checkbox"/> | ----- |

6

Can I reclaim my foreign taxes?

Schedule A- Taxes Paid (Lines 5-7)
If you reported paying foreign taxes, you may have foreign tax reclaim opportunities. Many countries have double taxation treaties, which allow you to reclaim some foreign taxes, if you do so within the statute of limitations.

Medical and dental expenses

Taxes you paid

5 State and local taxes

5a

6 Other taxes

7 Add lines 5 and 6

7