

Filing status: Single Married filing jointly Married filing separately Head of household Qualifying widow(er)

Your first name and initial: **FATHER** Last name: **SAMPLE** Your social security number: **147-25-8369**

Your standard deduction: Someone can claim you as a dependent You were born before January 2, 1954 You are blind

If joint return, spouse's first name and initial: **MOTHER** Last name: **SAMPLE** Spouse's social security number: **987-65-4321**

Spouse standard deduction: Someone can claim your spouse as a dependent Spouse was born before January 2, 1954 Full-year health care coverage or exempt (see inst.)

Spouse is blind Spouse itemizes on a separate return or you were dual-status alien

Home address (number and street). If you have a P.O. box, see instructions: **6601 W 122ND** Apt. no. _____ Presidential Election Campaign (see inst.) You Spouse

City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. **LEAWOOD KS 66209** If more than four dependents, see inst. and check here

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see inst.):	
(1) First name	Last name			Child tax credit	Credit for other dependents
SON	SAMPLE	852-74-1963	Son	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DAUGHTER	SAMPLE	159-48-6233	Daughter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

Sign Here

Joint return? See instructions. Keep a copy for your records.

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 CPA	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation HOUSEWIFE	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer Use Only

Preparer's name	Preparer's signature	PTIN	Firm's EIN	Check if: <input type="checkbox"/> 3rd Party Designee <input type="checkbox"/> Self-employed
Firm's name Self-Prepared	Firm's address	Phone no.		

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. **BAA** REV 01/07/19 TTW Form **1040** (2018)

1	Wages, salaries, tips, etc. Attach Form(s) W-2		1	90,000.
2a	Tax-exempt interest	2a	b Taxable interest	2b
3a	Qualified dividends	3a	b Ordinary dividends	3b
4a	IRAs, pensions, and annuities	4a	b Taxable amount	4b
5a	Social security benefits	5a	b Taxable amount	5b
6	Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	263.	6	90,263.
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	90,263.
8	Standard deduction or itemized deductions (from Schedule A)		8	27,500.
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	62,763.
11	a Tax (see inst.) 7,152. (check if any from: 1 <input type="checkbox"/> Form(s) 8814 2 <input type="checkbox"/> Form 4972 3 <input type="checkbox"/>)		11	7,152.
	b Add any amount from Schedule 2 and check here <input type="checkbox"/>		12	3,700.
12	a Child tax credit/credit for other dependents 2,500. b Add any amount from Schedule 3 and check here <input checked="" type="checkbox"/>		13	3,452.
13	Subtract line 12 from line 11. If zero or less, enter -0-		14	0.
14	Other taxes. Attach Schedule 4		15	3,452.
15	Total tax. Add lines 13 and 14		16	10,000.
16	Federal income tax withheld from Forms W-2 and 1099		17	800.
17	Refundable credits: a EIC (see inst.) b Sch. 8812 c Form 8863 800.		18	10,800.
	Add any amount from Schedule 5		19	7,348.
18	Add lines 16 and 17. These are your total payments		20a	7,348.
19	If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid		20b	
20a	Amount of line 19 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>		21	
▶ b	Routing number X X X X X X X X X X ▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		22	
▶ d	Account number X X X X X X X X X X X X X X X X X X		23	
21	Amount of line 19 you want applied to your 2019 estimated tax	21		
Amount You Owe	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		

SCHEDULE 1
(Form 1040)

Additional Income and Adjustments to Income

OMB No. 1545-0074

2018
Attachment
Sequence No. **01**

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040.
▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

Name(s) shown on Form 1040 FATHER & MOTHER SAMPLE		Your social security number 147-25-8369
Additional Income	1-9b Reserved	1-9b
	10 Taxable refunds, credits, or offsets of state and local income taxes	10 263.
	11 Alimony received	11
	12 Business income or (loss). Attach Schedule C or C-EZ	12
	13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	13
	14 Other gains or (losses). Attach Form 4797	14
	15a Reserved	15b
	16a Reserved	16b
	17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17
	18 Farm income or (loss). Attach Schedule F	18
	19 Unemployment compensation	19
	20a Reserved	20b
21 Other income. List type and amount ▶	21	
22 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	22 263.	
Adjustments to Income	23 Educator expenses	23
	24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	24
	25 Health savings account deduction. Attach Form 8889	25
	26 Moving expenses for members of the Armed Forces. Attach Form 3903	26
	27 Deductible part of self-employment tax. Attach Schedule SE	27
	28 Self-employed SEP, SIMPLE, and qualified plans	28
	29 Self-employed health insurance deduction	29
	30 Penalty on early withdrawal of savings	30
	31a Alimony paid b Recipient's SSN ▶	31a
	32 IRA deduction	32
	33 Student loan interest deduction	33
34 Reserved	34	
35 Reserved	35	
36 Add lines 23 through 35	36	

For Paperwork Reduction Act Notice, see your tax return instructions. Schedule 1 (Form 1040) 2018

SCHEDULE 3
(Form 1040)

Nonrefundable Credits

OMB No. 1545-0074

2018
Attachment
Sequence No. **03**

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040.
▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

Name(s) shown on Form 1040 FATHER & MOTHER SAMPLE		Your social security number 147-25-8369
Nonrefundable Credits	48 Foreign tax credit. Attach Form 1116 if required	48
	49 Credit for child and dependent care expenses. Attach Form 2441	49
	50 Education credits from Form 8863, line 19	50 1,200.
	51 Retirement savings contributions credit. Attach Form 8880	51
	52 Reserved	52
	53 Residential energy credit. Attach Form 5695	53
	54 Other credits from Form a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	54
55 Add the amounts in the far right column. Enter here and include on Form 1040, line 12	55 1,200.	

For Paperwork Reduction Act Notice, see your tax return instructions. REV 12/21/18 TTW Schedule 3 (Form 1040) 2018

**SCHEDULE A
(Form 1040)**

Itemized Deductions

OMB No. 1545-0074

▶ Go to www.irs.gov/ScheduleA for instructions and the latest information.

▶ Attach to Form 1040.

2018

Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service (99)

Caution: If you are claiming a net qualified disaster loss on Form 4684, see the instructions for line 16.

Name(s) shown on Form 1040

Your social security number

FATHER & MOTHER SAMPLE

147-25-8369

Medical and Dental Expenses	Caution: Do not include expenses reimbursed or paid by others.				
	1 Medical and dental expenses (see instructions)	1			
	2 Enter amount from Form 1040, line 7	2	90,263.		
	3 Multiply line 2 by 7.5% (0.075)	3		6,770.	
	4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4			
Taxes You Paid	5 State and local taxes.				
	a State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box <input type="checkbox"/>	5a		5,000.	
	b State and local real estate taxes (see instructions)	5b		4,750.	
	c State and local personal property taxes	5c		500.	
	d Add lines 5a through 5c	5d		10,250.	
	e Enter the smaller of line 5d or \$10,000 (\$5,000 if married filing separately)	5e		10,000.	
	6 Other taxes. List type and amount ▶	6			
7 Add lines 5e and 6	7			10,000.	
Interest You Paid <small>Caution: Your mortgage interest deduction may be limited (see instructions).</small>	8 Home mortgage interest and points. If you didn't use all of your home mortgage loan(s) to buy, build, or improve your home, see instructions and check this box <input type="checkbox"/>				
	a Home mortgage interest and points reported to you on Form 1098	8a		9,500.	
	b Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ▶	8b			
	c Points not reported to you on Form 1098. See instructions for special rules	8c			
	d Reserved	8d			
	e Add lines 8a through 8c	8e		9,500.	
9 Investment interest. Attach Form 4952 if required. See instructions	9				
10 Add lines 8e and 9	10			9,500.	
Gifts to Charity <small>If you made a gift and got a benefit for it, see instructions.</small>	11 Gifts by cash or check. If you made any gift of \$250 or more, see instructions	11		8,000.	
	12 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	12			
	13 Carryover from prior year	13			
	14 Add lines 11 through 13	14			8,000.
Casualty and Theft Losses	15 Casualty and theft loss(es) from a federally declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions	15			
Other Itemized Deductions	16 Other—from list in instructions. List type and amount ▶	16			
Total Itemized Deductions	17 Add the amounts in the far right column for lines 4 through 16. Also, enter this amount on Form 1040, line 8	17			27,500.
	18 If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>				

Education Credits
(American Opportunity and Lifetime Learning Credits)

▶ Attach to Form 1040.

▶ Go to www.irs.gov/Form8863 for instructions and the latest information.

Name(s) shown on return FATHER & MOTHER SAMPLE	Your social security number 147-25-8369
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Complete a separate Part III on page 2 for each student for whom you're claiming either credit before you complete Parts I and II.

Part I Refundable American Opportunity Credit

1 After completing Part III for each student, enter the total of all amounts from all Parts III, line 30	1		2,000.
2 Enter: \$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er)	2	180,000.	
3 Enter the amount from Form 1040, line 7. If you're filing Form 2555, 2555-EZ, or 4563, or you're excluding income from Puerto Rico, see Pub. 970 for the amount to enter	3	90,263.	
4 Subtract line 3 from line 2. If zero or less, stop ; you can't take any education credit	4	89,737.	
5 Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)	5	20,000.	
6 If line 4 is: • Equal to or more than line 5, enter 1.000 on line 6 • Less than line 5, divide line 4 by line 5. Enter the result as a decimal (rounded to at least three places)	6		1.000
7 Multiply line 1 by line 6. Caution: If you were under age 24 at the end of the year and meet the conditions described in the instructions, you can't take the refundable American opportunity credit; skip line 8, enter the amount from line 7 on line 9, and check this box <input type="checkbox"/>	7		2,000.
8 Refundable American opportunity credit. Multiply line 7 by 40% (0.40). Enter the amount here and on Form 1040, line 17c. Then go to line 9 below	8		800.

Part II Nonrefundable Education Credits

9 Subtract line 8 from line 7. Enter here and on line 2 of the Credit Limit Worksheet (see instructions)	9		1,200.
10 After completing Part III for each student, enter the total of all amounts from all Parts III, line 31. If zero, skip lines 11 through 17, enter -0- on line 18, and go to line 19	10		
11 Enter the smaller of line 10 or \$10,000	11		
12 Multiply line 11 by 20% (0.20)	12		
13 Enter: \$134,000 if married filing jointly; \$67,000 if single, head of household, or qualifying widow(er)	13		
14 Enter the amount from Form 1040, line 7. If you're filing Form 2555, 2555-EZ, or 4563, or you're excluding income from Puerto Rico, see Pub. 970 for the amount to enter	14		
15 Subtract line 14 from line 13. If zero or less, skip lines 16 and 17, enter -0- on line 18, and go to line 19	15		
16 Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)	16		
17 If line 15 is: • Equal to or more than line 16, enter 1.000 on line 17 and go to line 18 • Less than line 16, divide line 15 by line 16. Enter the result as a decimal (rounded to at least three places)	17		
18 Multiply line 12 by line 17. Enter here and on line 1 of the Credit Limit Worksheet (see instructions) ▶	18		
19 Nonrefundable education credits. Enter the amount from line 7 of the Credit Limit Worksheet (see instructions) here and on Schedule 3 (Form 1040), line 50	19		1,200.



New Tax Law

The new tax law, commonly called the "Tax Cuts and Jobs Act," is the biggest federal tax law change in over 30 years. Below are some significant changes affecting individuals and businesses. **Note:** Except where noted, the changes are effective for tax years beginning after December 31, 2017.

Individuals

Tax provisions that were eliminated:

- 1 • Personal exemption deductions is suspended.
- 2 • Phase-out of itemized deductions based on adjusted gross income (AGI) is suspended.
- 3 • Itemized deduction for home equity interest (other than acquisition debt) is no longer allowed.
- 4 • Itemized deduction for miscellaneous itemized deductions subject to the 2% floor are no longer allowed. Examples include investment expenses, unreimbursed employee business expenses, and tax preparation fees.
- 5 • Personal casualty loss and theft deductions are eliminated unless the loss is incurred in a federally declared disaster area.
- 6 • The moving expense deduction and income exclusion is allowed only to members of the Armed Forces (or their spouses or dependents).
- 7 • No charitable contribution deduction is allowed for a payment to a higher educational institution in exchange for the right to purchase tickets or seating at an athletic event.
- 8 • Alimony is not deductible by the payer nor includible in income by the recipient for agreements entered into after December 31, 2018.

9. Effective for 2019, the shared responsibility payment under the Affordable Care Act for not having minimum essential health insurance coverage is zero.

Tax provisions that were reduced:

- 10 • The 2018 individual income tax brackets are:

Single	MFJ or QW
\$0 to \$9,525 10%	\$0 to \$19,050 10%
\$9,526 to \$38,700 12%	\$19,051 to \$77,400 12%
\$38,701 to \$82,500 22%	\$77,401 to \$165,000 22%
\$82,501 to \$157,500 24%	\$165,001 to \$315,000 24%
\$157,501 to \$200,000 32%	\$315,001 to \$400,000 32%
\$200,001 to \$500,000 35%	\$400,001 to \$600,000 35%
\$500,001 and over 37%	\$600,001 and over 37%
HOH	MFS
\$0 to \$13,600 10%	\$0 to \$9,525 10%
\$13,601 to \$51,800 12%	\$9,526 to \$38,700 12%
\$51,801 to \$82,500 22%	\$38,701 to \$82,500 22%
\$82,501 to \$157,500 24%	\$82,501 to \$157,500 24%
\$157,501 to \$200,000 32%	\$157,501 to \$200,000 32%
\$200,001 to \$500,000 35%	\$200,001 to \$300,000 35%
\$500,001 and over 37%	\$300,001 and over 37%

- 11 • The 2018 estate and trust income tax brackets are:

\$0 to \$2,550 10%	\$9,151 to \$12,500 35%
\$2,551 to \$9,150 24%	\$12,501 and over 37%

- 12 • The threshold for deducting medical expenses is 7.5% of AGI for all taxpayers for 2017 and 2018.
- 13 • The home mortgage interest deduction debt limit is reduced to \$750,000 (\$375,000 MFS) with certain exceptions.
- 14 • The itemized deduction for state and local taxes is limited to \$10,000 (\$5,000 MFS). (This limit includes both state and local income taxes and real property taxes.)

Tax provisions that were increased:

- 15 • The 2018 standard deduction is:

Single or Married Filing Separate.....	\$12,000
Married Filing Joint or Qualified Widow(er)	\$24,000
Head of Household	\$18,000

continued in next column

The following additional standard deduction applies for a taxpayer 65 or older or blind, per person, per event:
MFJ, QW, or MFS..... \$1,300 Single or HOH \$1,600

- 16 • The Child Tax Credit increased to \$2,000 per qualifying child and the phase-out threshold increased.
- 17 • There is a new Family Tax Credit of up to \$500 for dependents who are not a qualifying child for purposes of the Child Tax Credit.
- 18 • The 2018 alternative minimum tax (AMT) exemption and phase-out ranges are:

Exemption Amount	
Single or HOH	\$70,300
MFJ or QW	\$109,400
MFS	\$54,700
Phase-Out Range	
Single or HOH	\$500,000 to \$781,200
MFJ or QW	\$1,000,000 to \$1,437,600
MFS	\$500,000 to \$718,800

- 19 • For the charitable contribution deduction, the percentage of AGI limitation for cash to public charities and certain other organizations increased from 50% to 60%.
- 20 • The estate and gift tax exemption amount increased to \$11,180,000.

Tax provisions that were changed:

- 21 • The long-term capital gain and qualified dividend income maximum tax brackets no longer follow the tax brackets for regular income tax purposes. The 2018 breakpoints are:

Taxable Income	Maximum Rate	Taxable Income	Maximum Rate
Single		MFJ or QW	
\$0 to \$38,600.....	0%	\$0 to \$77,200.....	0%
\$38,601 to \$425,800.....	15%	\$77,201 to \$479,000.....	15%
\$425,801 and over	20%	\$479,001 and over	20%
HOH		MFS	
\$0 to \$51,700.....	0%	\$0 to \$38,600.....	0%
\$51,701 to \$452,400.....	15%	\$38,601 to \$239,500.....	15%
\$452,401 and over	20%	\$239,501 and over	20%

continued on reverse

What's New

FAMILY SIZE TAX CREDIT—This credit provides benefits to individuals and families at incomes up to 133 percent of the threshold amount based on the federal poverty level. The 2018 threshold amount is \$12,140 for a family size of one, \$16,460 for a family of two, \$20,780 for a family of three, and \$25,100 for a family of four or more.

STANDARD DEDUCTION—For 2018, the standard deduction is \$2,530.

INTERNAL REVENUE CODE UPDATE—HB 487 updated KRS 141.010(14) to change the Internal Revenue Code (IRC) reference date from December 31, 2015, to December 31, 2017, for purposes of computing corporation and individual income taxes. However, taxpayers who placed property into service after September 10, 2001, are required to compute Kentucky depreciation under IRC Section 168 and the expense deduction under IRC Section 179 according to provisions in effect on December 31, 2001.

DECEASED INDICATOR—A new check box was added at the top of the 740 and 740-NP. If a taxpayer died before their return was filed for 2018, the deceased box must be checked.

INDIVIDUAL INCOME TAX CHANGES FROM HB 487

TAX RATE—For tax years beginning on or after January 1, 2018, the individual income tax rate is a flat 5%.

KENTUCKY SCHEDULE M—Effective January 1, 2018, the following items can no longer be claimed as deductions.

- Deduction for premiums paid for health insurance coverage
- Deduction for premiums paid for long-term care insurance
- Master Tobacco Settlement payments
- Deduction for the value of property leasehold interests donated and used for homeless shelters

KENTUCKY SCHEDULE A—Effective January 1, 2018, the following items can no longer be claimed as deductions.

- Investment interest (IRC Sec 163)
- Taxes (IRC Sec 164)
- Casualty or theft losses (IRC Sec 165)
- Medical care expenses (IRC Sec 213)
- Moving expenses (IRC Sec 217)
- Gambling losses (IRC Sec 165)
- Other miscellaneous deductions subject to the 2% floor (IRC Sec 67)

The following items can still be claimed as deductions.

- Home mortgage interest, points, and qualified mortgage insurance premiums
- Charitable contributions
- Amortizable premium on taxable bonds (IRC Sec 171)
- Federal estate tax on income in respect of a decedent (IRC Sec 691)
- Repayments of more than \$3,000 under a claim of right (IRC Sec 1341)
- Unrecovered investment in an annuity (IRC Sec 72)
- Loss from other activities from Schedule K-1 (Form 1065-B, box 2)

The itemized deduction limitation schedule was repealed.

KENTUCKY SCHEDULE P—The pension exclusion decreased from \$41,110 to \$31,110. You are still entitled to exclude more than \$31,110 if you are retired from the federal government, the Commonwealth of Kentucky, or a Kentucky local government and a portion of your pension is attributable to federal or Kentucky government service performed prior to January 1, 1998.

PERSONAL TAX CREDITS—You are still allowed personal tax credits if you are 65 or over, blind, or in the Kentucky National Guard. All other personal tax credits were repealed.