

## Draft Copy of 2018 Form 1040

Certain news organizations have posted the internal use only draft copy of the 2018 Form 1040. This internal use only draft copy is dated June 22, 2018, and is subject to change.

The draft copy appears to attempt to fulfill the “postcard sized” tax return that politicians claimed would be the result of the tax law changes enacted by the Tax Cuts and Jobs Act. In making the 1040 smaller in size, at least six new schedules were created that need to be attached to the 1040. The new 1040 along with the new schedules are described below:

**Form 1040, page 1.** Includes taxpayer’s name, address, tax IDs, filing status, check boxes for if someone else can claim the taxpayer or spouse as a dependent, names, relationship, Child Tax Credit, and IDs of dependents, and signature lines.

**Form 1040, page 2.**

- Line 1 Wages, salaries, tips, etc.
- Line 2 Interest
- Line 3 Dividends
- Line 4 IRAs, pensions, and annuities
- Line 5 Social Security benefits
- Line 6 Total income from lines 1 through 5, plus any additional income from Schedule 1
- Line 7 AGI: Any adjustments to AGI are calculated on Schedule 1
- Line 8 Standard deduction or itemized deductions from Schedule A (Form 1040)
- Line 9 Qualified business income deduction
- Line 10 Taxable income
- Line 11 Tax: Includes Form 8814, Form 4972, and any additional amount from Schedule 2
- Line 12 Child Tax Credit: Includes any additional amount from Schedule 3
- Line 13 Subtract line 12 from 11
- Line 14 Other taxes from Schedule 4
- Line 15 Total tax: Add lines 13 and 14
- Line 16 Federal income tax withheld from Forms W-2 and 1099
- Line 17 Refundable credits: EIC, Schedule 8812, Form 8863, and any additional amounts from Schedule 5
- Line 18 Total payments (line 16 plus line 17)
- Line 19 Amount overpaid (subtract line 15 from line 18)
- Line 20 Amount taxpayer wants refunded (includes Form 8888 and direct deposit info)
- Line 21 Amount of refund applied to 2019 estimated tax
- Line 22 Amount owed (subtract line 18 from line 15)
- Line 23 Estimated tax penalty

### Author's Comment

With 37 lines on the front page of the 2017 Form 1040 plus all of the name, address, IDs, and dependent information, it appears the IRS could have fit all of the new 2018 Form 1040 items on one page rather than 2 half sized pages.

**Schedule 1 (Form 1040).** Lines 1 through 22 includes all of the income items from lines 1 through 22 of the 2017 Form 1040, minus the income items already included on page 2 of the 2018 Form 1040. Lines 23 through 37 include all of the adjustments to income in determining AGI that appear on lines 23 through 37 of the 2017 Form 1040.

**Schedule 2 (Form 1040).** Includes all of the taxes that flow to line 11, page 2, Form 1040, including tax on a child's unearned income (Form 8814), tax on lump-sum distributions (Form 4972), other taxes (see instructions), AMT (Form 6251), and any excess advance Premium Tax Credit (Form 8962).

**Schedule 3 (Form 1040).** Includes all of the nonrefundable credits that flow through to line 12, page 2, Form 1040, including the Foreign Tax Credit (Form 1116), Credit for Child and Dependent Care Expenses (Form 2441), education credits (Form 8863), Retirement Savings Contributions Credit (Form 8880), Child Tax Credit, Credit for Other Dependents, Residential Energy Credit (Form 5695), general business credit (Form 3800), Credit for Prior Year Minimum Tax (Form 8801), and other credits (see instructions).

**Schedule 4 (Form 1040).** Includes all of the other taxes that flow through to line 14, page 2, Form 1040, including self-employment tax (Schedule SE), Social Security and Medicare tax on tip income (Form 4137), uncollected Social Security and Medicare tax (Form 8919), additional tax on IRAs and qualified retirement plans (Form 5329), household employment taxes (Schedule H), repayment of first-time homebuyer credit (Form 5405), health care individual responsibility penalty, additional Medicare tax (Form 8959), net investment income tax (Form 8960), and section 965 net tax liability installment (Form 965-A).

**Schedule 5 (Form 1040).** Includes other payments and refundable credits that flow to line 17, page 2, Form 1040, which includes estimated tax payments, net Premium Tax Credit, amounts paid with extension request, excess Social Security and tier 1 tax withheld, credit for federal tax on fuels, amounts from Form 2439, health coverage tax credit, and other credits (see instructions).

**Schedule 6 (Form 1040).** Used for foreign address and third party designee information.

### Author's Comment

There are a number of reserved lines on these schedules, meaning they could be changed before the final versions are released. They also could be used for anticipated new tax law changes enacted before the end of the year.