

Doctrine of Exchange

“Pay-as-you-go”...to balance "inflow" with "outflow"



Form **1040-ES**
Department of the Treasury
Internal Revenue Service

2012 Estimated Tax

Payment 1
Voucher 1

OMB No. 1545-0074

Calendar year—Due April 17, 2012

Amount of estimated tax you are paying by check or money order.

Dollars Cents

File only if you are making a payment of estimated tax by check or money order. Mail this voucher with your check or money order payable to "United States Treasury." Write your name, address, and "2012 Form 1040-ES" on your check or money order. Do not send your check or money order to the IRS. Attach your payment with this voucher.

2012
Form 1040-ES
Estimated Tax for Individuals

Department of the Treasury
Internal Revenue Service

At the time this form went to print, Congress was considering legislation that would extend certain tax provisions that expired at the end of 2011. Legislative actions may impact your estimated tax liability. The IRS will take appropriate steps to notify the public on any legislative developments. For more information about these tax provisions, see the discussion under What's New and Expiring Tax Benefits.

Farmer's and fishermen. If at least two-thirds of your gross income for 2011 or 2012 is from farming or fishing, above.

Household employers. When estimating the tax on your 2012 tax return, include your household employment taxes if either of the following applies.

- You will have federal income tax withheld from wages, pensions, annuities, gambling winnings, or other income.
- You would be required to make estimated tax payments to avoid a penalty even if you did not include household employment taxes when figuring your estimated tax.

Higher income taxpayers. If your adjusted gross income (AGI) for 2011 was more than \$150,000, if your filing status is married filing jointly, or \$75,000, if your filing status is married filing separately, you must file Form 1040-ES.

Estimated Tax Payment

For more information, see page 3 for payers, see page 3 for payers.

Form **W-4**
Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate

OMB No. 1545-0074

2015

Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.

1 Your first name and middle initial Last name 2 Your social security number

Form **W-4P**
Department of the Treasury
Internal Revenue Service

Withholding Certificate for Pension or Annuity Payments

OMB No. 1545-0074

2015

Purpose. Form W-4P is for U.S. citizens, resident aliens, or their estates. What do I need to do? Complete lines A through G of the Personal Information section and line H of the Pension or Annuity Payments section.

5 6 7

Form **W-4V**
(Rev. August 2014)
Department of the Treasury
Internal Revenue Service

Voluntary Withholding Request


(For unemployment compensation and certain federal government and other payments.)

Give this form to your payer. Do not send it to the IRS.

1 Your first name and middle initial Last name 2 Your social security number

3 Home address (number and street or rural route) City or town State ZIP code



 Department of the Treasury Internal Revenue Service	Your Federal Income Tax For Individuals	DEDUCTION FROM AGI
	6 PARTS	
INCOME - Deduction for AGI - Deduction from AGI = TAXABLE INCOME X Tax Rate = TAX LIABILITY - Tax Credits - Tax Prepaid = TAX REFUND/TAX DUE	Contents What's New for 2010 1 Reminders 2 Introduction 3 Part One. The Income Tax Return 1 Filing Information 4 2 Filing Status 19 3 Personal Exemptions and Dependents 24 4 Tax Withholding and Estimated Tax 36 Part Two. Income 5 Wages, Salaries, and Other Earnings 45 6 Tip Income 53 7 Interest Income 55 8 Dividends and Other Corporate Distributions 62 9 Rental Income and Expenses 66 10 Retirement Plans, Pensions, and Annuities 74 11 Social Security and Equivalent Railroad Retirement Benefits 81 12 Other Income 85 Part Three. Gains and Losses 13 Basis of Property 95 14 Sale of Property 99 15 Selling Your Home 106 16 Reporting Gains and Losses 112 Part Four. Adjustments to Income 17 Individual Retirement Arrangements (IRAs) 120 18 Alimony 132 19 Education-Related Adjustments 134	Part Five. Standard Deduction and Itemized Deductions 20 Standard Deduction 137 21 Medical and Dental Expenses 140 22 Taxes 145 23 Interest Expense 150 24 Contributions 157 25 Nonbusiness Casualty and Theft Losses 166 26 Car Expenses and Other Employee Business Expenses 172 27 Tax Benefits for Work-Related Education 191 28 Miscellaneous Deductions 195 29 Limit on Itemized Deductions 201 Part Six. Figuring Your Taxes and Credits 30 How To Figure Your Tax 202 31 Tax on Investment Income of Certain Children 204 32 Child and Dependent Care Credit 212 33 Credit for the Elderly or the Disabled 221 34 Child Tax Credit 225 35 Education Credits 230 36 Earned Income Credit (EIC) 233 37 Other Credits 247 2010 Tax Table 254 2010 Tax Computation Worksheet 266 2010 Tax Rate Schedules 267 Your Rights as a Taxpayer 268 How To Get Tax Help 269 Index 270
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Religious Tenet: The Doctrine of Exchange of THEIRS... makes a Taxpayer's Cup Runneth Over! Whose Cup will you drink from?



The **Doctrine of Exchange** of THEIRS is a central tenet of Taxology, which dictates that for physical & spiritual well-being, anytime a person receives something, they must pay something back & balance "inflow" with "outflow"



The **Doctrine of Exchange** is a central tenet of Scientology, which dictates that for spiritual well-being, "anytime a person receives something, he must pay something back" and balance "inflow" with "outflow".

The Church of Scientology has presented this as the reason some of its services, such as auditing, its central practice of Scientology must never be given away, but must be paid for.

Quid pro quo transactions are prohibited in tax-exempt organizations, and the Church of Scientology has argued in its requests for tax exemption that Scientology courses must have fixed fees because of this religious doctrine



Publication 505 - Introductory Material

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Introduction

The federal income tax is a pay-as-you-go tax. You must pay the tax as you earn or receive income during the year. There are two ways to pay as you go.

- **Withholding.** If you are an employee, your employer probably withholds income tax from your pay. In addition, tax may be withheld from certain other income, such as pensions, bonuses, commissions, and gambling winnings. The amount withheld is paid to the Internal Revenue Service (IRS) in your name.
- **Estimated tax.** If you do not pay your tax through withholding, or do not pay enough tax that way, you might have to pay estimated tax. People who are in business for themselves generally will have to pay their tax this way. You may have to pay estimated tax if you receive income such as dividends, interest, capital gains, rents, and royalties. Estimated tax is used to pay not only income tax, but other taxes such as self-employment tax and alternative minimum tax.

This publication explains both of these methods. It also explains how to take credit on your return for the tax that was withheld and for your estimated tax payments.

If you did not pay enough tax during the year, either through withholding or by making estimated tax payments, you may have to pay a penalty. Generally, the IRS can figure this penalty for you. This underpayment penalty, and the exceptions to it, are discussed in [chapter 4](#).

Nonresident aliens. Before completing Form W-4, Employee's Withholding Allowance Certificate, nonresident alien employees should see the Instructions for Form 8233, Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual. Also see chapter 8 of Publication 519, U.S. Tax Guide for Aliens, for important information on withholding.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions.

You can send us comments from www.irs.gov/formspubs. Click on "More Information" and then on "Give us feedback."

Or you can write to:

Internal Revenue Service
Tax Forms and Publications
1111 Constitution Ave. NW, IR-6526
Washington, DC 20224

We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

Although we cannot respond individually to each comment received, we do appreciate your feedback and will consider your comments as we revise our tax products.

Ordering forms and publications. Visit www.irs.gov/formspubs to download forms and publications. Otherwise, you can go to www.irs.gov/orderforms to order current and prior-year forms and instructions. Your order should arrive within 10 business days.

Tax questions. If you have a tax question not answered by this publication, check IRS.gov and *How To Get Tax Help* at the end of this publication.

What's New for 2016

Use your 2015 tax return as a guide in figuring your 2016 estimated tax, but be sure to consider the following.

Standard mileage rates. The 2016 rate for business use of your vehicle is 54 cents per mile. The rate for use of your vehicle to get medical care or move is 19 cents per mile. The rate of 14 cents per mile for charitable use is unchanged.

Personal exemption increased for certain taxpayers. For 2016, the personal exemption amount is increased to \$4,050 for taxpayers with adjusted gross income at or below \$311,300 if married filing jointly or qualifying widow(er), \$285,350 if head of household, \$259,400 if single, or \$155,650 if married filing separately. The personal exemption amount for taxpayers with adjusted gross income above these thresholds may be reduced.

Limitation on itemized deductions. For 2016, itemized deductions for taxpayers with adjusted gross income above \$311,300 if married filing jointly or qualifying widow(er), \$285,350 if head of household, \$259,400 if single, and \$155,650 if married filing separately may be reduced.

Alternative minimum tax (AMT) exemption amount increased. The AMT exemption amount is increased to \$53,900 (\$83,800 if married filing jointly or qualifying widow(er); \$41,900 if married filing separately).

Lifetime learning credit income limits. In order to claim a lifetime learning credit, your MAGI must be less than \$55,000 (\$111,000 if married filing jointly).

Retirement savings contribution credit income limits increased. In order to claim this credit for 2016, your MAGI must be less than \$30,750 (\$61,500 if married filing jointly; \$46,125 if head of household).

Adoption credit or exclusion. The maximum adoption credit or exclusion for employer-provided adoption benefits has increased to \$13,460. In order to claim either the credit or exclusion, your MAGI must be less than \$241,920.

Earned income credit (EIC). You may be able to take the EIC in 2016 if:

- Three or more children lived with you and you earned less than \$47,955 (\$53,505 if married filing jointly),
- Two children lived with you and you earned less than \$44,648 (\$50,198 if married filing jointly),
- One child lived with you and you earned less than \$39,296 (\$44,846 if married filing jointly), or
- A child did not live with you and you earned less than \$14,880 (\$20,430 if married filing jointly).

Also, the maximum MAGI you can have and still get the credit has increased. You may be able to take the credit if your MAGI is less than the amount in the above list that applies to you. The maximum investment income you can have and get the credit is \$3,400 for 2016.

Reminders

Future developments. The IRS has created a page on IRS.gov for information about Publication 505 at www.irs.gov/pub505. Information about any future developments affecting Publication 505 (such as legislation enacted after we release it) will be posted on that page.

Social security tax. Generally, each employer for whom you work during the tax year must withhold social security tax up to the annual limit. The annual limit is \$118,500 in 2016.

Health care coverage. When you file your 2016 tax return in 2017, you will need to either (1) indicate on your return that you and your family had health care coverage throughout 2016, (2) claim an exemption from the health care coverage requirement for some or all of 2016, or (3) make a payment if you do not have coverage or an exemption(s) for all 12 months of 2016. See Form 8965 and its instructions for more information on claiming an exemption or making a payment.

Advance payments of the premium tax credit. If you buy health insurance through the Health Insurance Marketplace, you may be eligible for advance payments of the premium tax credit to help pay for your insurance coverage. Receiving too little or too much in advance will affect your refund or balance due.

Promptly report changes in your income or family size to your Marketplace. See Form 8962 and its instructions for more information.

Additional Medicare Tax. A 0.9% Additional Medicare Tax applies to Medicare wages, Railroad Retirement Tax Act compensation, and self-employment income over a threshold amount based on your filing status. You may need to include this amount when figuring your estimated tax. You may also request that your employer deduct and withhold an additional amount of income tax withholding from your wages on Form W-4, Employee's Withholding Allowance Certificate.

Net Investment Income Tax. You may be subject to Net Investment Income Tax (NIIT). NIIT is a 3.8% tax on the lesser of net investment income or the excess of your modified adjusted gross income (MAGI) over the threshold amount. NIIT may need to be included when figuring estimated tax. You may also request that your employer deduct and withhold an additional amount of income tax withholding from your wages on Form W-4.

Photographs of missing children. The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in this publication on pages that otherwise would be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

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