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INSTRUCTIONS FOR FILING DEPENDENT RETURNS FOR TAX SEASON 2017

At our firm, we are committed to keeping down the cost of tax preparation for our clients, over 95% of whom are in the public safety, educational and medical fields. We have not changed our basic fee in many years. Instead, we are now charging additional fees to those clients who use additional services. Therefore this year we are charging \$50 for a basic dependent tax return. This fee could go even higher if other factors are involved.

Because in many cases a dependent has a very small amount of earnings we have prepared this explanation of how to properly file a tax return in such a case.

DEPENDENT STATUS

The critical issue in filing a dependent's tax return is that the dependent indicate during the filing process his or her dependent status. Failing to do this may seriously interfere with the parental tax return, including a delay in receiving an anticipated refund,

FEDERAL

The IRS has partnered with software companies to provide free E-File services for taxpayers with low adjusted gross income. Just go to www.irs.gov and look for the "Free File" program. These software companies, while providing free federal income filing, will generally sell other products, including the ability to file a state tax return. In California, however, paying for this is not necessary. In order to have free filing, use one of the IRS partner sites to file a federal return, and then go to the California Franchise Tax Board website to file a free California return. We discuss this in the next paragraph.

CALIFORNIA

Here is the link to CALFILE, but you will locate the service quickly with a search using the term "CALFILE." <https://www.ftb.ca.gov/online/calfile/index.asp>. Like the federal program, using the free filing system requires establishing an account.

E-FILING A FEDERAL RETURN ON PAPER

For most simple federal dependent returns, Form 1040EZ is adequate. In some cases, Form 1040A or even a full Form 1040 will be required. If these more complex forms are required we recommend you carefully read the instructions as that is beyond the scope of our discussion. The link to the Form 1040EZ is <http://www.irs.gov/pub/irs-pdf/f1040ez.pdf>.

Department of the Treasury—Internal Revenue Service

Form 1040EZ **Income Tax Return for Single and Joint Filers With No Dependents (99)** **2013** OMB No. 1545-0074

Your first name and initial	Last name	Your social security number
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions.		Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).		▲ Make sure the SSN(s) above are correct. Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse
Foreign country name	Foreign province/state/country	
Foreign postal code		

Income Attach Form(s) W-2 here. Enclose, but do not attach, any payment.	1	Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2.	1
	2	Taxable interest. If the total is over \$1,500, you cannot use Form 1040EZ.	2
	3	Unemployment compensation and Alaska Permanent Fund dividends (see instructions).	3
	4	Add lines 1, 2, and 3. This is your adjusted gross income .	4
	5	If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back. <input type="checkbox"/> You <input checked="" type="checkbox"/> Spouse If no one can claim you (or your spouse if a joint return), enter \$9,750 if single; \$19,500 if married filing jointly. See back for explanation.	5
	6	Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your taxable income .	6
	7	Federal income tax withheld from Form(s) W-2 and 1099.	7
	8a	Earned income credit (EIC) (see instructions).	8a
	b	Nontaxable combat pay election. 8b	
	9	Add lines 7 and 8a. These are your total payments and credits .	9
10	Tax. Use the amount on line 6 above to find your tax in the tax table in the instructions. Then, enter the tax from the table on this line.	10	
Refund Have it directly deposited! See instructions and fill in 11b, 11c, and 11d or Form 8888.	11a	If line 9 is larger than line 10, subtract line 10 from line 9. This is your refund . If Form 8888 is attached, check here <input type="checkbox"/>	11a
	b	Routing number <input type="text"/>	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
	d	Account number <input type="text"/>	
12	If line 10 is larger than line 9, subtract line 9 from line 10. This is the amount you owe . For details on how to pay, see instructions.	12	

CHECK THIS BOX AS A DEPENDENT & FOLLOW INSTRUCTIONS ON BACK

Third Party Designee	Do you want to allow another person to discuss this return with the IRS (see instructions)? <input type="checkbox"/> Yes. Complete below. <input type="checkbox"/> No		
Designee's name	Phone no.	Personal identification number (PIN)	
Sign Here	Under penalties of perjury, I declare that I have examined this return and, to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.		
Joint return? See instructions.	Your signature	Date	Your occupation
Keep a copy for your records.	Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date
	Firm's name	Firm's EIN	Check <input type="checkbox"/> if self-employed
	Firm's address	Phone no.	PTIN

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions. Cut. No. 11329W Form **1040EZ** (2012)

CALIFORNIA PAPER FILING

The California short form is Form 5402EZ. On the next page is an illustration of where to indicate dependent status. Carefully read the instructions as the form says. Like the federal return if a full Form 540 is needed you must read and follow the directions for the more complex form.

The link to the FTB Form 5402EZ is https://www.ftb.ca.gov/forms/2012/12_5402ez.pdf.

California Resident Income Tax Return 2013

540 2EZ C1 Side 1

Your first name Initial Last name	Your SSN or ITIN	P
If joint return, spouse's/RDP's first name Initial Last name	Spouse's/RDP's SSN or ITIN	AC
Address (number and street, PO Box, or FMB no.)	Apt. no./Ste. no.	A
City	State ZIP Code	R
Date of Birth ● Taxpayer (mm/dd/yyyy) ● Spouse/RDP (mm/dd/yyyy)		RP
Prior Name If you filed your 2011 tax return under a different last name, write the last name only from the 2011 tax return. ● Taxpayer ● Spouse/RDP		

CHECK HERE TO INDICATE DEPENDENT STATUS & READ INSTRUCTIONS

Filing Status Filing Status. Check the box for your filing status. See instructions, page 6.

Check only one.

1 Single

2 Married/RDP filing jointly (even if only one spouse/RDP had income)

4 Head of household. STOP! See instructions, page 6.

5 Qualifying widow(er) with dependent child. Year spouse/RDP died _____

If your California filing status is different from your federal filing status, check the box here.

Exemptions

6 If another person can claim you (or your spouse/RDP) as a dependent on his or her tax return, even if he or she chooses not to, you **must** see the instructions, page 6. 6

7 Senior: If you (or your spouse/RDP) are 65 or older, enter 1; if both are 65 or older, enter 2. 7

8 Dependents: (Do not include yourself or your spouse/RDP) Enter number of dependents here. 8

First Name	Last Name	Dependent's relationship to you

Taxable Income and Credits

9 Total wages (federal Form W-2, box 16). See instructions, page 7. **9** _____ **00**

10 Total interest income (Form 1099-INT, box 1). See instructions, page 7. **10** _____ **00**

11 Total dividend income (Form 1099-DIV, box 1a). See instructions, page 7. **11** _____ **00**

12 Total pension income. See instructions, page 7. Taxable amount. **12** _____ **00**

13 Total capital gains distributions from mutual funds (Form 1099-DIV, box 2a). See instructions, page 7. **13** _____ **00**

14 Unemployment compensation. **14** _____ **00**

15 U.S. social security or railroad retirement benefits. **15** _____ **00**

16 Add line 9, line 10, line 11, line 12, and line 13. Do not include line 14 and line 15. **16** _____ **00**

17 Using the 2EZ Table for your filing status, enter the tax for the amount on line 16. **17** _____ **00**
Caution: If you check the box on line 6, STOP. See instructions, page 7, Dependent Tax Worksheet.

18 Senior exemption: See instructions, page 7. If you are 65 and entered 1 in the box on line 7, enter \$104. If you entered 2 in the box on line 7, enter \$208. **18** _____ **00**

19 Nonrefundable renter's credit. See instructions, page 8. **19** _____ **00**

20 Credits. Add line 18 and line 19. **20** _____ **00**

21 Tax. Subtract line 20 from line 17. If zero or less, enter -0-. **21** _____ **00**

E-Filing simple returns is fast, easy and cheap. Please take advantage of this opportunity but again remember to ensure that dependent status is elected where appropriate.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy E. Kelly". The signature is written in a cursive style with a large, stylized initial "T" and "K".

Timothy E. Kelly, Esq.