Analysis

2018 Postcard Form 1040 and Related Schedules
Changes to the 2018 Form 1040 Front

- Filing Status has been moved to the very top of the form.
- Standard deduction designations for individual and spouse in two different sections.
- Age 65 and older or blind or both has also moved to the front of the form.
- A box has been provided to check if full year health coverage applies.
- The new Credit for other dependent ($500.00) has its own column to be checked, but the credit will also appear on Schedule 3 Line 52.
- In addition, the Child Tax Credit requires a Box to be checked.
- Note the foreign address and other foreign information has been relocated and is no longer on the front of the return (Schedule 6).
- In addition, the third-party designation has been moved as well to Schedule 6.
- IP Pin spaces provided for both taxpayer and spouse.
- The signature for both the taxpayer and spouse as well as the paid preparer information remains on the front of the form.
IRA-50102018-06-04-2018.pdf
Changes to Page 2 of the 2018 Form 1040 Draft

- Lines 4a and 4b have been added to accommodate IRA, pensions etc. as well as Social Security benefits received.
- Line 6 requires a Schedule 1 input and a box to be checked.
- Standard deduction or itemized deduction belongs on Line 8 and a Schedule A must be attached and a box checked.
- Note that line 9 accommodates the Qualified Business Income deduction.
- Also note there is NO Personal Exemption.
- Tax is placed on line 11 but a Schedule 2 is also needed in some cases and the amount from the Schedule 2 will be added and a box will also need to be checked.
- Total tax ends up on Line 15.
- Line 12 amount is from Schedule 3 – Child Tax Credit and the Other Nonrefundable Dependent Credit. Once again, a box needs to be checked.
- Line 14 is Other Taxes and a Schedule 4 is used for the total calculation and transferred to this area.
- W-2 Withholding and Form 1099 withholding applies to Line 16 of Page 2 of 1040, but estimated tax payments appear on Schedule 5 and transfers over to Line 17d. In addition, a box needs to be checked.
- Line 17 is also the place for credits that are refundable and we can assume the Forms required for the credits must be attached.
- Areas for Refund and the Amount Owed remain the same.
- Note – signature appears on the front of the Form 1040.
Form 1040 Schedule 5 Other Payments and Refundable Credits Draft

### Schedule 5 Other Payments and Refundable Credits

| Line 65 | 2018 estimated tax payments and amount applied from 2017 return |
| Line 66 | Reserved |
| Line 67a | Reserved |
| Line 67b | Reserved |
| Line 68–69 | Reserved |
| Line 70 | Net premium tax credit. Attach Form 8962 |
| Line 71 | Amount paid with request for extension to file (see instructions) |
| Line 72 | Excess social security and tier 1 tax withheld |
| Line 73 | Credit for federal tax on fuels. Attach Form 4136 |
| Line 74a | Amounts from Form 2439 |
| Line 74b | Health coverage tax credit. Attach Form 8885 |
| Line 74c | Reserved |
| Line 74d | Other amounts (see instructions) |
| Line 75 | Add lines 65, 66, 67a, and 68 through 74. These are your total other payments and refundable credits. Enter here and on Form 1040, line 17d |

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. T442C Schedule 5 (Form 1040) 2018

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**Schedule 5 Other Payments and Refundable Credits**

- Line 66 is for estimated tax payments.
- Line 70 is for the Premium Tax Credit and Form 8962 must be attached. Note Form 8965 Health Coverage Exemptions will still need to be filed in 2018 if taxpayer qualifies.
- Line 71 provides an area for payments made with the extension.
- Note – we have three areas for payments and two forms.
  - Page 2 of the 1040 for W-2 and Form 1099 withholding.
  - Schedule 5 (paid with extension) transfers to page 2 and a box must be checked.
- Line 74a is an area for Notice to Shareholder of Undistributed Long-Term Capital Gains – unchanged from 2017 form.
- Total payments will appear on Line 75 and transfer to Line 17d of Form 1040 with a box to be checked.

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2018 Form 1040 Schedule 2 Tax Draft
Schedule 2 Tax

- Line 44 comes with instructions.
- Line 44a – Appears to still allow parents to claim the child’s unearned income on the parents return if elected.
- Line 46 – Is available for an overpayment of the Advanced Premium Tax Credit.
- Line 47 amount is transferred to Line 11 of the Form 1040.

2018 Form 1040 Schedule 4 Other Taxes
Schedule 4 Other Taxes - Most of this schedule is unchanged with a few exceptions.

- Line 57 is for Self-Employment Tax and Schedule SE must be attached.
- Line 60b accommodates the repayment of the first-time homebuyer’s credit.
- Line 61 is for the Shared Responsibility Payment for not having minimum essential health care coverage – 2018 is the last year.
- **Line 63 is NEW – Repatriation tax §965 plus New Form 965A.**
- Line 64 is the total of all other taxes and flows to Form 1040 Line 14.
2018 Form 1040 Schedule 3 Nonrefundable Credits

Changes to Form 1040 Schedule 3 Draft

- Line 52 provides for the NEW Child Tax Credit for other dependents. In addition, a special box needs to be checked on the front of Form 1040.
- All other entries require some Form to be attached to the return, so this is basically a summary of the nonrefundable credits that flows to Line 12 of the Form 1040.
Changes to the 2018 Form 1040 Schedule 1 – Additional Income Draft

- This area follows the typical front of the original 1040 as we enter various kinds of income supported by additional schedules.
- Note Line 22, if no adjustments the amount can be entered on Line 6 of the Form 1040 and a box must be checked.
- Several reserved areas here that are unknown.
- Schedule C, D E F and Form 4797 plus other income has its place similar to what we are familiar with.
- Alimony also remains income due to Pre-2018 law.
## Changes to Form 1040 Schedule 1 Adjustments to Income

- **Line 24** - Reminder some Form 2106 deductions remain.
- **Line 26** – Moving expenses only apply to Military and a permanent post of duty change.
- **Line 31a** Alimony remains since change does not occur until 2019 and alimony from preexisting decrees still deductible.
- **Line 37** is the total and will transfer to the Form 1040 Line 6, but a box must be checked.