

**SUBJECT: Applying for Refund of Withheld / Prepaid Taxes
 Form 1040 "NOT LIABLE"**

The Internal Revenue Code is quite clear that, for an individual to receive a refund of any tax withheld or prepaid, one must file a tax return. Thus, if you have prepaid taxes for the year 2000 or had taxes withheld from your wages or other payments and you've determined that you incurred no tax liability for 2000, you can claim a refund by filing an appropriate tax return.

If you have not yet filed a tax return then, according to IRS Form letter 112C, the proper way to claim such refunds is to sign and file a Form 1040 and write "NOT LIABLE" across the front of it.

Enclosed is a Form 1040 for the year 2000 and a copy of IRS Letter 112C. It might be wise to attach a copy of the 112C to any Form 1040 that you file to prevent any misunderstanding for your reason to have filed a "NOT LIABLE" Form 1040.

Only you can determine whether or not you incurred a tax liability once you've determined whether you derived gross income from taxable sources. If you have been able to make the determination that you in fact had no tax liability and are entitled to a refund of prepaid or withheld taxes, then this procedure appears to be appropriate for your circumstance.

If you do file the "NOT LIABLE" Form 1040, it would appear that you must complete Lines 1 through 6 and Lines 58 *and following* in order to calculate the amount a refund you claim. Also, you must fill in the information at the beginning of the Form as well as sign and date it.



Department of the Treasury
Internal Revenue Service

ATTACH TO IRS FORM 1040 "NOT LIABLE"

ANDOVER, MA 05501

In reply refer to: 0870620692
Mar. 01, 2000 **LTR 112C**
125-26-8956 199712 30 000 2
Input Op: 0870700241 00500

Taxpayer Identification Number:
Tax Period(s): Dec. 31, 1997

Form: 1040

Dear Taxpayer:

Our records show credits or payments totaling \$9,700.00 for the tax period ending Dec. 31, 1997.

Please let us know if you want your payment(s) applied to a different type of tax, tax period, or tax identification number, or if you want a refund.

To claim a REFUND OF PREPAID CREDITS, you must file your return within three years after its due date, including any approved extensions. (Prepaid credits are credits that are considered paid on the return due date. Examples are withheld tax, estimated tax payments, and federal tax deposits.)

To claim a refund (other than prepaid credits) when you AREN'T REQUIRED TO FILE A RETURN for the type of tax and tax period shown above, you must file your claim(s) within two years of the payment date(s). To make your claim, write "Not Liable" across the front of the enclosed Form 1040, sign and date the form, and return it.

To claim a refund (other than prepaid credits) when you ARE REQUIRED TO FILE A RETURN for the type of tax and tax period shown above, you must file your claim(s) within three years of the payment date(s).

If you have any questions, please call us toll free at 1-800-829-1040. If you prefer, you may write to us at the address shown at the top of the first page of this letter.

Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. Also, you may want to keep a copy of this letter for your records.
Telephone Number () _____ Hours _____

For the year Jan. 1–Dec. 31, 2000, or other tax year beginning , 2000, ending , 20 OMB No. 1545-0074

Label

(See instructions on page 19.)

Use the IRS label.

Otherwise, please print or type.

Form with fields for Name, Social Security Number, Home address, and City/ZIP code.

Fields for Your social security number and Spouse's social security number.

Important! You must enter your SSN(s) above.

Presidential Election Campaign

Note. Checking "Yes" will not change your tax or reduce your refund. Do you, or your spouse if filing a joint return, want \$3 to go to this fund? You Spouse Yes No Yes No

Filing Status

- 1 Single
2 Married filing joint return (even if only one had income)
3 Married filing separate return. Enter spouse's social security no. above and full name here.
4 Head of household (with qualifying person).
5 Qualifying widow(er) with dependent child

Exemptions

Exemptions section including fields for Yourself, Spouse, and Dependents with a table for dependent information.

Income

Attach Forms W-2 and W 2G here. Also attach Form(s) 1099-R if tax was withheld.

If you did not get a W-2, see page 21.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

Main income section with lines 7 through 22 for various income types and taxable amounts.

Adjusted Gross Income

Adjusted Gross Income section with lines 23 through 33 for deductions and adjustments.

Tax and Credits

Standard Deduction for Most People

Single: \$4,400
Head of household: \$6,450
Married filing jointly or Qualifying widow(er): \$7,350
Married filing separately: \$3,675

34 Amount from line 33 (adjusted gross income)
35a Check if: You were 65 or older, Blind; Spouse was 65 or older, Blind.
36 Enter your itemized deductions from Schedule A, line 28, or standard deduction shown on the left.
37 Subtract line 36 from line 34.
38 If line 34 is \$6,000 or less, multiply \$2,000 by the total number of exemptions claimed on line 6d.
39 Taxable income. Subtract line 38 from line 37.
40 Tax (see page 32). Check if any tax is from a Form(s) 8814 b Form 4972
41 Alternative minimum tax. Attach Form 6251
42 Add lines 40 and 41.
43 Foreign tax credit. Attach Form 1116 if required
44 Credit for child and dependent care expenses. Attach Form 2441
45 Credit for the elderly or the disabled. Attach Schedule R
46 Education credits. Attach Form 8863
47 Child tax credit (see page 36)
48 Adoption credit. Attach Form 8839
49 Other. Check if from a Form 3800 b Form 8396 c Form 8801 d Form (specify)

"NOT LIABLE"

Other Taxes

52 Self-employment tax. Attach Schedule SE
53 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137
54 Tax on IRAs, other retirement plans, and MSAs. Attach Form 5329 if required
55 Advance earned income credit payments from Form(s) W-2
56 Household employment taxes. Attach Schedule H
57 Add lines 51 through 56. This is your total tax

Payments

If you have a qualifying child, attach Schedule EIC.

58 Federal income tax withheld from Forms W-2 and 1099
59 2000 estimated tax payments and amount applied from 1999 return
60a Earned income credit (EIC)
60b Nontaxable earned income: amount and type
61 Excess social security and RRTA tax withheld (see page 50)
62 Additional child tax credit. Attach Form 8812
63 Amount paid with request for extension to file (see page 50)
64 Other payments. Check if from a Form 2439 b Form 4136
65 Add lines 58, 59, 60a, and 61 through 64. These are your total payments

Refund

Have it directly deposited! See page 50 and fill in 67b, 67c, and 67d.

66 If line 65 is more than line 57, subtract line 57 from line 65. This is the amount you overpaid
67a Amount of line 66 you want refunded to you
67b Routing number
67c Type: Checking Savings
67d Account number
68 Amount of line 66 you want applied to your 2001 estimated tax

Amount You Owe

69 If line 57 is more than line 65, subtract line 65 from line 57. This is the amount you owe. For details on how to pay, see page 51
70 Estimated tax penalty. Also include on line 69

Sign Here

Joint return? See page 19. 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 Daytime phone number
Spouse's signature. If a joint return, both must sign. Date Spouse's occupation May the IRS discuss this return with the preparer shown below (see page 54)? Yes No

Paid Preparer's Use Only

Preparer's signature Date Check if self-employed Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code EIN Phone no.