

Your Social Security Benefits May be Taxable

If you receive Social Security benefits, you may have to pay federal income tax on part of your benefits. These IRS tips will help you determine if you need to pay taxes on your benefits.

- **Form SSA-1099.** If you received Social Security benefits in 2015, you should receive a Form SSA-1099, Social Security Benefit Statement, showing the amount of your benefits.
- **Only Social Security.** If Social Security was your only income in 2015, your benefits may not be taxable. You also may not need to file a federal income tax return. If you get income from other sources you may have to pay taxes on some of your benefits.
- **Free File.** Use IRS Free File to prepare and e-file your tax return for free. If you earned \$62,000 or less, you can use brand-name software. The software does the math for you and helps avoid mistakes. If you earned more, you can use Free File Fillable Forms. This option uses electronic versions of IRS paper forms. It's best for people who are used to doing their own taxes. Free File is available only by going to IRS.gov/freefile.
- **Interactive Tax Assistant.** You can get answers to your tax questions with this helpful tool and see if any of your benefits are taxable. Visit IRS.gov and use the Interactive Tax Assistant tool.
- **Tax Formula.** Here's a quick way to find out if you must pay taxes on your Social Security benefits: Add one-half of your Social Security to all your other income, including tax-exempt interest. Then compare the total to the base amount for your filing status. If your total is more than the base amount, some of your benefits may be taxable.
- **Base Amounts.** The three base amounts are:
 - o \$25,000 – if you are single, head of household, qualifying widow or widower with a dependent child or married filing separately and lived apart from your spouse for all of 2015
 - o \$32,000 – if you are married filing jointly
 - o \$0 – if you are married filing separately and lived with your spouse at any time during the year

Each and every taxpayer has a set of fundamental rights they should be aware of when dealing with the IRS. These are your Taxpayer Bill of Rights. Explore your rights and our obligations to protect them on IRS.gov.

REMEMBER WE ARE HERE TO HELP – CALL FOR A NO CHARGE CONSULTATION