REVENUE SOLUTIONS TO THE STATE BUDGET CRISIS IN ILLINOIS

A Comparative Evaluation

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A Higher Road for a Better Tomorrow
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Executive Summary

Illinois is experiencing a budget crisis. The State of Illinois now faces a $9 billion annual deficit, according to the Institute of Government & Public Affairs at the University of Illinois. The Governor and the General Assembly are at an impasse, leaving the state government without an operating budget since the close of the legislative session in May 2015.

Contrary to rhetoric from some commentators and politicians, tax collections as a share of household income are often relatively *lower* in Illinois than in neighboring states. In Illinois, educational achievement is high, household incomes are high, and home values are high. State taxes, when put into context, are actually not "too high" in Illinois compared to neighboring states. In 2013, total state taxes were lower as a share of household income in Illinois than in both Wisconsin and Indiana. Due to the phase-out of the temporary individual and corporate income tax hikes, revenues as a share of household income are now also below those of Iowa and Kansas. A single, childless worker earning a $50,000 annual income, for example, would presently pay $505 more in state income taxes in Iowa than in Illinois.

Illinois can adopt tax rates and schedules equivalent to those in neighboring states to close the budget deficit. **The key components of Wisconsin's tax code, if applied to Illinois, would raise $8.3 billion in additional state revenues.** The comparable revenue increases are $4.6 billion with Indiana's rates and $7.3 billion with taxes similar to Iowa. Although only some of these changes may be enacted in Illinois, they should all be considered as options.

Illinois politicians need to weed through ideological rhetoric, the unreasonable claims of exorbitant cost savings from certain policy changes on one side of the aisle, and the overly-rosy revenue projections on the other side of the aisle to arrive at a sensible solution to the state's budget crisis. While this Policy Brief only focuses on possibilities from the revenue side of the equation, achieving a budget surplus will likely require decreases in expenditures as well. The nonpartisan Civic Federation recommends specific proposals that may be useful to state legislators and the state's top economists and policy academics support a mix of tax increases and spending cuts.

The financial condition of Illinois can be improved– in whole or in part– by looking toward neighboring states.

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About the Author

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Cover Photo Credit

Introduction

Illinois is experiencing a budget crisis. The Governor and the General Assembly are at an impasse, leaving the state government without a Fiscal Year 2016 operating budget since the close of the legislative session in May 2015. The State of Illinois now faces a $9 billion annual deficit and $159 billion in unpaid obligations, according to the Institute of Government & Public Affairs at the University of Illinois (Dye et al., 2015). Meanwhile, individual income tax rates have fallen from 5 percent to 3.75 percent while corporate income tax rates have declined from 7 percent to 5.25 percent. As a consequence, General Fund revenues from income taxes are expected to total just $15.5 billion in 2016, down from a peak of $20 billion in 2013 (OMB, 2015).

Despite facing considerable budgetary challenges, Illinois remains a "donor state" (Manzo, 2015a). Illinois is a high-wage state where household incomes exceed the national average. Since many residents earn a middle class or an upper-middle class living, residents in the state contribute more in federal tax revenues than their counterparts, particularly in neighboring states. However, Illinois residents get back less money from the federal government because earnings are high. This system harms low-income Illinois residents and shifts the burden from federal payments (which other states receive) onto the state– resulting in state and local tax increases to make up the difference.

However, contrary to rhetoric from some commentators and politicians, total tax collections as a share of household income are often relatively *lower* in Illinois than in neighboring states. For example, whereas Illinois' individual income tax is currently a flat rate of 3.75 percent regardless of income, Wisconsin has a progressive income tax that increases to a top marginal rate of 6.00 percent for most individuals. Corporations with over $250,000 in taxable income face a 12.0 percent marginal tax in Iowa compared to a 5.25 percent flat rate in Illinois, plus a 2.5 percent Personal Property Replacement Tax that goes to local governments. Similarly, Indiana's 7.0 percent sales tax both exceeds and covers more services than Illinois' 5.00 percent rate to the state. Minor changes to Illinois' tax code based on rates from neighboring states could have significant (positive or negative) effects on state government revenues.

This Illinois Economic Policy Institute (ILEPI) Policy Brief provides an objective investigation into how Illinois' state income tax revenues would be affected if the state adopted rates in five neighboring states– Indiana, Iowa, Kansas, Missouri, and Wisconsin. The Policy Brief contains six sections. First is a brief discussion of data sources used in this analysis. Second, state-level economic data are presented to provide context of how Illinois compares economically to neighboring states. A third section discusses facts about state government tax collections for Illinois and comparison states. The subsequent fourth section investigates actual local government tax collections across the analyzed states. Fifth, a comparative evaluation of projected Illinois tax revenues *if* the state adopted characteristics of neighboring tax codes ensues. A sixth section explores the policy implications of the paper's findings before a conclusion recaps key findings.

Data Sources and Limitations

This ILEPI Policy Brief investigates economic data, tax collection data, and the complicated tax codes of Illinois and five neighboring states primarily using five sources:

1. The 2013 *Annual Survey of State Government Finances* provided by the U.S. Census Bureau (Census, 2015);

2. The 2013 *Annual Surveys of State and Local Government Finances* provided by the U.S. Census Bureau (Census, 2015);

3. The 2013 *American Community Survey* 1-Year Estimates provided by the U.S. Census Bureau with raw data made accessible in the Integrated Public Use Microdata Series (IPUMS-USA) dataset by the Minnesota Population Center at the University of Minnesota (Ruggles et al., 2015);

4. 2015 data from the Tax Foundation, a conservative-leaning nonprofit research institute (Tax Foundation, 2015); and

5. 2014 Individual Income Tax Return forms– including the federal Form 1040A, Illinois' Form IL-1040, Indiana's Form IT-40, Iowa's IA 1040 form, Kansas' K-40 form, Missouri's Form MO-1040, and Wisconsin's 1A form.

In addition, this report occasionally utilizes financial documents from Illinois' Office of Management and Budget (OMB, 2015), the *State of Illinois FY2016 Budget Roadmap* recommendations provided by the nonpartisan Institute for Illinois' Fiscal Sustainability at the Civic Federation (Civic Federation, 2015), and a comparative study by the progressive-leaning Institute on Taxation and Economic Policy called *Who Pays? A Distributional Analysis of the Tax Systems in All Fifty States (Fifth Edition)* (ITEP, 2015).

There are limitations to this analysis. First, the analysis only compares Illinois' tax revenues to five neighboring states. Four of the states are selected because they border Illinois. Kansas, on the other hand, is included as a relatively close state in proximity that faced steep budgetary problems due to a massive tax cut in 2012 which eliminated the top tax bracket and slashed income tax rates. In 2015, the state legislature was forced to increase other taxes in order to make up for the loss of over $1 billion in income taxes (*The Kansas City Star*, 2015). Second, the analysis is not comprehensive. State taxes are often complicated, and assumptions have to be made to complete a comparative evaluation. While this Policy Brief will inevitably leave out some differences in state-level tax codes, the purpose is to investigate the *biggest* differences between Illinois and the neighboring states. Finally, most of the data is from 2013. However, efforts have been made to update assumptions based on recent economic data and tax rate changes.

State-Level Economic Facts

Figure 1 presents economic data used from the 2013 *American Community Survey* (1-Year Estimates) (IPUMS, 2015). Every year, the U.S. Census Bureau aims to survey approximately 1 percent of the total population in each state. Using statistical weighting techniques, the U.S. Census Bureau adjusts individual-level responses to provide estimates for the entire state population. For example, the Census Bureau surveyed 128,070 Illinois residents in 2013. This was 0.99 percent of the actual Illinois population of 12.88 million residents. In total, Illinois had a weighted estimate of 4.78 million households in 2013. The number of households in Illinois exceeds the analogous estimates for every comparison state by over 2 million (Figure 1).

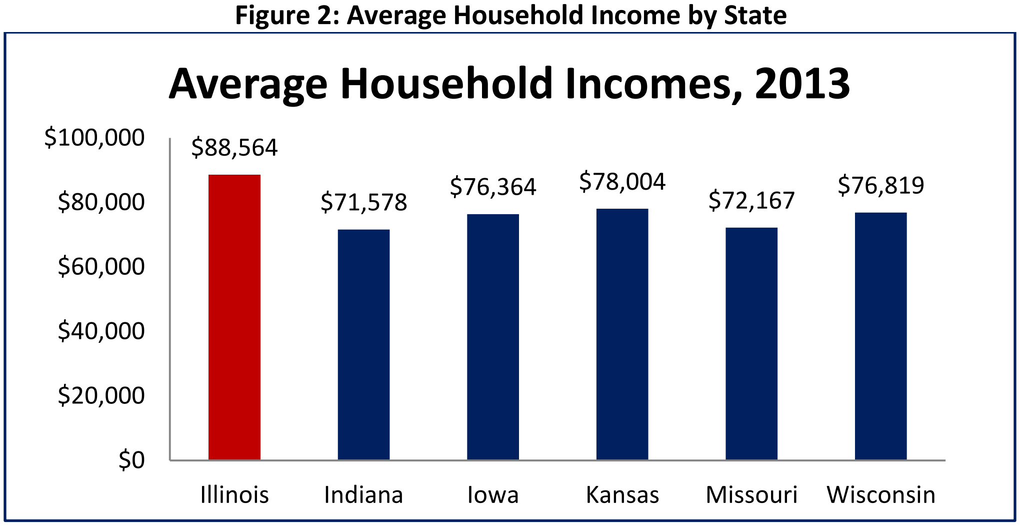
Figure 1: Basic Economic Data

2013 American Community Survey (1-Year Estimates)		
Data:	Observations	Households
Illinois	128,070	4,783,421
Indiana	66,363	2,498,395
Iowa	31,817	1,236,209
Kansas	29,369	1,113,729
Missouri	61,699	2,362,853
Wisconsin	58,556	2,289,424

Source(s): Author's analysis of the 2013 American Community Survey (1 Year Estimates), weighted using the household weight.

Illinois is a high-wage state (Figure 2). The typical Illinois household earns more money than neighboring states in part because workers in the state are more productive. A 2012 study noted that Illinois is the 13th-most productive state in America. None of the comparison states were ranked in the top half (Credit Suisse, 2012). At $88,564 in annual income, the average Illinois household earns *at least* $10,560 more per year than the mean household in comparison states. The gap in average total income between Illinois households and their counterparts in Indiana, the lowest-earning comparison state, is nearly $17,000 per year (Figure 2).[1] Due to higher incomes, Illinois workers may have to pay more in personal income taxes to the state government than their equivalents in other states *even if* tax rates are lower.

Figure 2: Average Household Income by State



Source(s): Author's analysis of the 2013 American Community Survey (1 Year Estimates), weighted using the household weight.

[1] One concern may be the relatively higher cost-of-living in Illinois. Even after adjusting for 2013 "Regional Price Parities" by the Bureau of Economic Analysis at the U.S. Department of Commerce, Illinois has the highest household income among the analyzed states. For example, average household incomes, adjusted for the cost-of-living, were $87,948 in Illinois and $78,398 in Indiana.

Average household incomes can conceal wide income disparities in some states (Figure 3). When incomes are broken down into the household earnings distribution in each state, Illinois appears as a high-wage state specifically for middle class and upper-middle class families. Due to relatively higher poverty rates, the Bottom 10 Percent of Illinois households earned less ($16,300) than their counterparts in Iowa, Kansas, and Wisconsin in 2013. However, the median household income was $65,900 in Illinois, at least $4,300 more than every neighboring state. Similarly, the Top 25 Percent of Illinois households took home at least $111,000 annually, while the comparable figures are only between $90,900 (in Indiana) and $99,000 (in Kansas) in neighboring states. The Top 1 Percent of households also did better in Illinois– where they earned $503,000 or more– than in the comparison states where the baseline income to enter the Top 1 Percent was "only" between $365,890 (in Missouri) and $389,590 (in Kansas) (Figure 3).

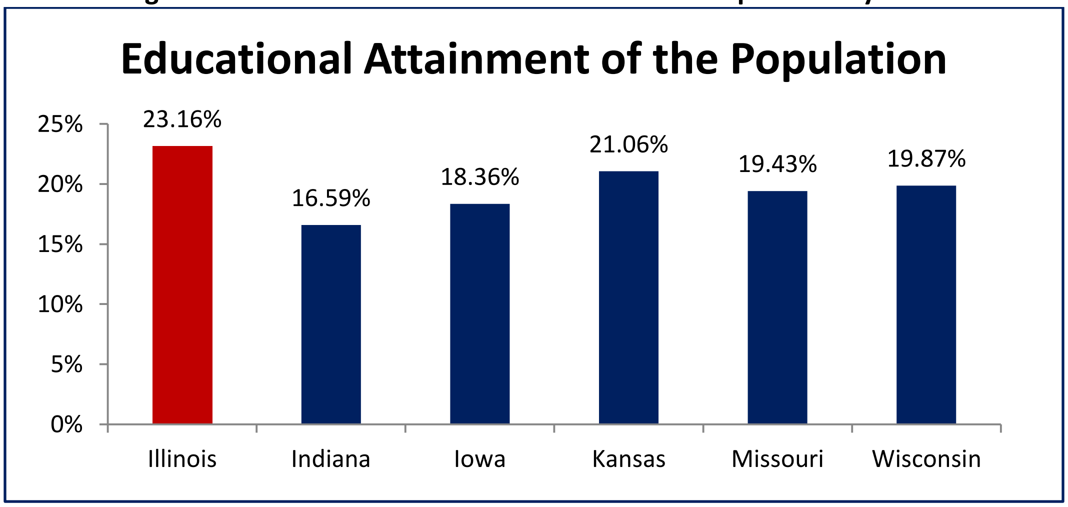
Figure 3: Total Household Income by State, Distributional Analysis

Total Household Income, 2013						
Percentile:	Bottom 10%	Bottom 25%	Median	Top 25%	Top 10%	Top 1%
Illinois	$16,300	$34,950	$65,900	$111,000	$172,000	$503,000
Indiana	$15,000	$30,400	$56,000	$90,900	$132,400	$384,200
Iowa	$17,800	$35,000	$61,600	$95,100	$140,000	$384,000
Kansas	$17,400	$33,500	$60,020	$99,000	$148,300	$389,590
Missouri	$14,400	$30,000	$55,050	$91,200	$140,700	$365,890
Wisconsin	$17,000	$33,100	$61,100	$98,500	$143,000	$388,500

Source(s): Author's analysis of the 2013 American Community Survey (1 Year Estimates), weighted using the household weight.

Average household incomes are higher in Illinois because workers in the state are more productive, and workers in the state are more productive because they are highly-educated (Figure 4). Fully 23.2 percent of Illinois' population has earned at least a bachelor's degree. Note that this estimate takes all residents into account, including those under 24 years old. By contrast, bachelor's degree holders only comprise 16.6 percent of the Indiana's population, 18.4 percent of Iowa's population, 21.1 percent of Kansas' population, 19.4 percent of Missouri's population, and 19.9 percent of Wisconsin's population (Figure 4). This higher level of educational attainment is a reflection of the prevalence of top-tier universities in Illinois. Illinois is home to eight of the Top 150 universities in America, including three in the Top 50: the University of Chicago, Northwestern University, and the University of Illinois at Urbana-Champaign (Manzo, 2014).

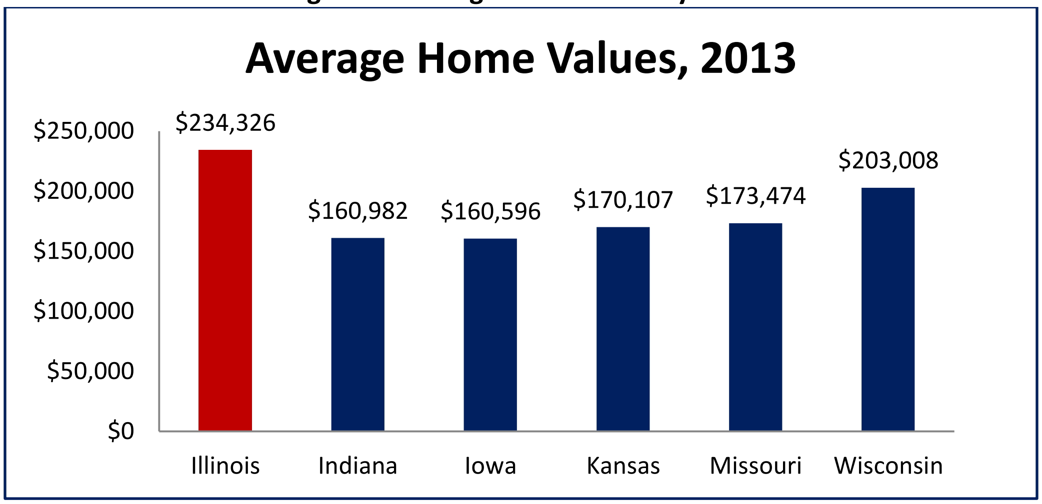
Figure 4: Educational Attainment of the Overall Population by State



Source(s): Author's analysis of the 2013 American Community Survey (1 Year Estimates), weighted using the household weight.

Greater household incomes and relatively better universities both tend to translate into higher home values (Figure 5). In fact, average home values in 2013 were significantly higher in Illinois than in the comparison states. At $234,326, the average home value in Illinois was over $30,000 higher than the average in Wisconsin, the second-highest state among the comparison group. Assessed against the $160,596 average in Iowa– the lowest figure of the neighboring states– home values were, on average, $73,730 higher in Illinois (Figure 5).[2] Due to higher home values, Illinois families may have to pay more in property taxes than their equivalents in other states *even if* rates are lower.

Figure 5: Average Home Value by State



Source(s): Author's analysis of the 2013 American Community Survey (1 Year Estimates), weighted using the household weight.

[2] Even after adjusting for 2013 "Regional Price Parities" by the Bureau of Economic Analysis at the U.S. Department of Commerce, Illinois has the highest average home value of all analyzed states. For example, average home values, adjusted for the cost-of-living, were $232,697 in Illinois and $176,322 in Indiana.

State Government Taxes

This section utilizes data from the 2013 *Annual Survey of State Government Finances* provided by the U.S. Census Bureau, the latest year for which state-level revenue information was available. It must be noted that the individual income tax in Illinois was 5 percent and the state corporate income tax was 7 percent at the time. As data becomes available for 2015 and 2016, the revenue figures for Illinois will be substantially lower due to the new 3.75 individual income tax and 5.25 corporate tax rates. Consequently, average state taxes paid as a share of household income is now lower than almost all neighboring states.

Illinois' state government collected $38.7 billion in total taxes and fees from all sources in 2013 (Figure 6). These cumulative tax collections include $8.2 billion in sales and gross receipts taxes, $16.5 billion in individual income taxes, $4.5 billion in corporate net income taxes, and $9.6 billion from other fees and sources. For the average Illinois household, the total tax burden amounted to $8,097 paid to the state over the year. Total taxes per household were consequently higher in Illinois than in all comparison states – ranging from $884 more than the average household pays in Wisconsin to $3,383 more than the average household pays in Missouri. This fact might make some think tanks stop short and claim that Illinois is a high-tax state compared to its neighbors (Berg, 2015). However, a complete analysis which puts tax contributions in context yields interesting results.

In 2013, total state taxes were relatively *lower* in Illinois than in both Indiana and Wisconsin (Figure 6). This is because Illinois households earn more in annual income (see Figure 2). When household tax burdens are divided by incomes, it revealed that the average Illinois household paid 9.1 percent of its income in total state taxes. The comparable total state tax share was 9.5 percent of household income in lower-wage Indiana and was 9.4 percent in Wisconsin. In addition, average taxes as a share of average incomes were 8.9 percent in Iowa and 8.8 percent in Kansas, respectively. With the significant drop in individual and corporate income tax rates in Illinois, total state taxes paid by the average household are now lower in Illinois than in Indiana, Iowa, Kansas, and Wisconsin.

Figure 6: Total State Government Taxes By State, Put in Context

Total State Taxes, 2013					
State Government Finances	A. Total State Taxes (2013) from All Sources	B. Total Households (2013)	C. Average Household Income (2013)	D. Total Taxes Per Household [A ÷ B]	E. Average Tax as Share of Average Income [D ÷ C]
Illinois	$38,729,322,000	4,783,421	$88,564	$8,097	9.14%
Indiana	$16,930,731,000	2,498,395	$71,578	$6,777	9.47%
Iowa	$8,374,376,000	1,236,209	$76,364	$6,774	8.87%
Kansas	$7,620,282,000	1,113,729	$78,004	$6,842	8.77%
Missouri	$11,139,394,000	2,362,853	$72,167	$4,714	6.53%
Wisconsin	$16,513,692,000	2,289,424	$76,819	$7,213	9.39%

Source(s): Author's analysis of the 2013 Annual Survey of State Government Finances, the 2013 Annual Survey of State and Local Government Finances, and the 2013 American Community Survey (1 Year Estimates), weighted using the household weight.

In 2013, the largest single contributing tax to total state revenues in Illinois was the individual income tax (Figure 7). The average household paid $3,458 in individual income taxes, or 3.90 percent of total income. Note that this percentage of average household income is lower than the 5.0 percent flat income tax rate imposed in 2013 due to exemptions, deductions, the state Earned Income Credit (EIC), and other factors. Illinois households paid a smaller amount, $1,706, in sales taxes and other gross receipts taxes (including licenses), amounting to less than 2 percent of total household income.

In other neighboring states, sales and gross receipts taxes accounted for a larger share of total payments by households. In Indiana, for example, the average household contributed 3.8 percent of its total income ($2,719) to sales and gross receipts taxes but only 2.8 percent of its total income ($1,992) to individual income taxes. Sales tax revenues were higher in Indiana than Illinois because the levied rate was higher and because fewer services were exempt from the tax. Similarly, sales and gross receipts taxes accounted for a larger share of the average household income in Iowa, Kansas, and Wisconsin as compared to Illinois (Figure 7).

Although corporate net income taxes are imposed on businesses, the corporate tax is also divided across Illinois households for comparability (Figure 7). The corporate income tax share (per household) was higher in Illinois than any comparison neighboring state. However, Illinois has disproportionately more *Fortune 1000* companies than any of the comparison states, ranking 6th in the nation in the number of *Fortune 1000* companies per million workers (Manzo & Bruno, 2015a). A relatively high collection of corporate income taxes is partially a reflection of this fact. Moreover, the 2016 figure will be considerably lower due to the drop in the corporate tax rate in Illinois.

Figure 7: Average Household Tax Contributions By State, By Major Type of Tax

Average Household Tax Contributions by Type of Tax, 2013			
Type of Tax:	**Sales and Gross Receipts Taxes**	**Individual Income Taxes**	**Corporate Income Taxes**
Illinois	$1,706	$3,458*	$933*
Indiana	$2,719	$1,992†	$313
Iowa	$2,039	$2,780	$347
Kansas	$2,601	$2,655	$345
Missouri	$1,335	$2,277	$160
Wisconsin	$1,926	$3,157	$417
	As a Percentage of Average Household Income (2013):		
Illinois	1.93%	3.90%*	1.05%*
Indiana	3.80%	2.78%†	0.44%
Iowa	2.67%	3.64%	0.45%
Kansas	3.33%	3.40%	0.44%
Missouri	1.85%	3.16%	0.22%
Wisconsin	2.51%	4.11%	0.54%

Source(s): Author's analysis of the 2013 Annual Survey of State Government Finances and the 2013 American Community Survey (1 Year Estimates), weighted using the household weight.
**In 2013, Illinois' flat individual income tax rate was 5.0 percent and flat corporate tax Rate was 7.50 percent. The rates are now 3.75 percent and 5.25 percent, respectively.*
†In 2013, Indiana's individual income tax rate was 3.4 percent. The rate is now 3.3 percent.

State taxes in Illinois would also be lower if the state did not have a federal-government revenue problem (Figure 8). A mid-2015 report by the Illinois Economic Policy Institute found that, while Illinois ranks 10th in per capita contributions into the federal income tax system due to higher wages, the state ranks 46th in federal funding (Manzo, 2015a). Figure 8 shows that the federal government supported Illinois' state government with an estimated $3,548 per household. Except for Kansas, every other comparison state experienced more financial support per household from the federal government. The whole picture, however, includes federal payments relative to average household incomes. By this metric, the federal government clearly provided more funding to every comparison state. In 2013, federal payments to the state government amounted to just 4.0 percent of overall household income in Illinois, compared to between 4.4 percent in Kansas and 6.3 percent in both Indiana and Iowa.

Illinois has been a "donor state" for decades, with Illinois households subsidizing the state budgets of poorer, neighboring states. While Americans should indeed support investments in education, infrastructure, poverty alleviation, and economic development so that no state falls behind, this redistribution inefficiently rewards states that enact bad public policies which encourage low wages. The absence of proportional support from the federal government has also forced Illinois to increase state taxes and fees higher than they otherwise would be.

Figure 8: State Revenues from Federal Payments By State, Put in Context

State Revenues from Federal Payments, 2013		
State Government Finances	Federal Revenue Per Household	As Share of Total Household Income
Illinois	$3,548	4.01%
Indiana	$4,480	6.26%
Iowa	$4,785	6.27%
Kansas	$3,402	4.36%
Missouri	$4,312	5.97%
Wisconsin	$3,910	5.09%

Source(s): Author's analysis of the 2013 Annual Survey of State Government Finances and the 2013 American Community Survey (1 Year Estimates), weighted using the household weight.

Figures 9 and 10 provide an apples-to-apples case study of what two hypothetical households would have to pay in individual income taxes to the selected state governments. To this point, the facts about state taxes have focused on actual data (which is good), but the information has all been from 2013 and may be outdated (which is bad). The purpose of Figures 9 and 10– and their accompanying exhibits in the Appendix– is to understand how the same individual would be taxed differently in each state.

Figure 9 presents 2015 state-level individual income tax rates, as reported by the Tax Foundation (2015). Illinois has a flat personal income tax rate of 3.75 percent. This means than all taxpayers pay the same rate, regardless of how much money they make. However, the personal exemption, deductions for dependents, the Earned Income Credit for low-wage workers, and other adjustments all mean that some workers pay a lower *effective* rate than others. Note that wealthier families can face lower effective income tax rates than poorer households in Illinois. Indiana is the only other comparison state with a flat income tax, at 3.3 percent.

The four other comparison states all have a progressive (or graduated) income tax which taxes richer households at higher rates than poorer households (Figure 9). Iowa has nine income tax brackets– six of which are higher marginal rates than Illinois' flat rate. On income greater than $69,255, an Iowa household pays 8.98 percent in state income taxes. All of Wisconsin's income tax rates are now higher than Illinois' flat tax, with the top marginal rate set at 7.65 percent. Rates in Kansas and in Missouri are both higher for the typical household than in Illinois, although certain adjustments in the tax code may allow a household to face a slightly lower rate than they would in Illinois.

Figure 9: Current Individual Income Tax Rates By State

Individual Income Tax Rates, 2015											
Illinois		Indiana		Iowa		Kansas		Missouri		Wisconsin	
Bracket	Rate	Bracket	Rate	Bracket	Rate	Bracket	Rate	Bracket	Rate	Bracket	Rate
All	3.75% of federal adjusted gross income with adjust-ments	All	3.30% of federal adjusted gross income with adjust-ments	> $0	0.36%	> $0	2.70%	> $0	1.50%	> $0	4.00%
				> $1,539	0.72%	> $15,000	4.60%	> $1,000	2.00%	> $10,910	5.84%
				> $3,078	2.43%			> $2,000	2.50%	> $40,000	6.27%
				> $6,156	4.50%			> $3,000	3.00%	> $60,000	7.65%
				> $13,851	6.12%			> $4,000	3.50%		
				> $23,085	6.48%			> $5,000	4.00%		
				> $30,780	6.80%			> $6,000	4.50%		
				> $46,170	7.92%			> $7,000	5.00%		
				> $69,255	8.98%			> $8,000	5.50%		
								> $9,000	6.00%		

Source(s): Tax Foundation (2015).

Figure 10 reports results from a thought experiment performed by the Illinois Economic Policy Institute (ILEPI). In apples-to-apples comparisons of state personal income taxes, ILEPI filled out 2014 income tax forms for each state for two hypothetical households– and adjusted to 2015 rates. The first household was simply a single individual without children who earns $50,000 a year in annual income and pays $1,000 in monthly rent. While $1,000 in monthly rent may be relatively high for the comparison states, the higher rent actually results in a lower tax burden for states that include a rent deduction, so $1,000 a month helps provide conservative estimates. The second household was married, filling jointly, with two children and $1,250 in theoretical monthly homeowner costs. For simplicity, ILEPI assumed a one-earner household. For completed forms, please see the Appendix at the conclusion of this report.

Regardless of where she lives, the hypothetical $50,000-single filer would face a $5,819 federal income tax burden, representing about 11.6 percent of her total income (Figure 10). Due to the personal exemption allowance, her $1,795 in personal income taxes paid to Illinois would account for 3.6 percent of her total income from wages and salaries (but still represents 3.75 percent of her "taxable income"). The exact same single woman earning $50,000 a year would experience a higher state income tax burden in Iowa and Wisconsin. In Iowa, she would pay $2,300 in state income taxes, or 4.6 percent of her total income. In Wisconsin, she would contribute $2,136 in income taxes to the state's coffers, representing 4.3 percent of her overall income. Her taxes would be about the same in Kansas ($37 more) and Missouri ($21 less). The only state where she would definitively face a lower state-level tax rate is in Indiana ($277 less). However, her sales tax contributions would be higher (see Figure 7) and she would also pay a local income tax rate, as discussed in the next sections.

Figure 10: Apples-to-Apples Comparisons of Current Personal Income Tax Contributions By State

Comparative Personal Income Tax Contributions, 2015			
Personal Income Tax	**Single, 0 Children, $50,000 Annual Income, $1,000 Monthly Rent**		
	Tax Burden	As Share of Total Income	Compared to Illinois
Federal	*$5,819*	*11.64%*	--
Illinois	$1,795	3.59%	--
Indiana	$1,518	3.04%	-$277
Iowa	$2,300	4.60%	$505
Kansas	$1,832	3.66%	$37
Missouri	$1,774	3.55%	-$21
Wisconsin	$2,136	4.27%	$341
Personal Income Tax	**Married, 2 Children, $100,000 Annual Income, $1,250 Homeowner Costs**		
	Tax Burden	As Share of Total Income	Compared to Illinois
Federal	*$10,163*	*10.16%*	--
Illinois	$3,431	3.43%	--
Indiana	$3,086	3.09%	-$345
Iowa	$5,851	5.85%	$2,420
Kansas	$3,377	3.38%	-$54
Missouri	$3,326	3.33%	-$105
Wisconsin	$5,254	5.25%	$1,823

Source(s): Author's analysis of 2014 Individual Income Tax Return forms for each jurisdiction– including the federal Form 1040A, Illinois' Form IL-1040, Indiana's Form IT-40, Iowa's IA 1040 form, Kansas' K-40 form, Missouri's Form MO-1040, and Wisconsin's 1A form.

The findings are similar for a hypothetical married family with two children earning $100,000 per year (Figure 10). Their federal income tax burden would be $10,163 for the year, or about 10.2 percent of their total income, regardless of where they live. At the state level, their income tax contributions would total $3,431 in Illinois, or 3.4 percent of their total income. In Iowa and Wisconsin, they would respectively pay $5,851 and $5,254 in state income taxes, representing between 5 and 6 percent of their total income. Income taxes would be marginally lower in the other three states, ranging from $54 lower (in Kansas) to $345 lower (in Indiana).

This case study shows how, if Illinois adopted the tax systems of nearby states, the state could have a very different amount of revenue. The exclusion (or inclusion) of exemptions, deductions, and other loopholes that other states allow would influence whether this change would be positive (or negative) for the state budget.

Local Government Taxes

Local governments across Illinois collected $30.5 billion in total taxes and fees from all sources in 2013 (Figure 11). These cumulative tax collections include $25.5 billion in property taxes, $4.3 billion in sales taxes, and $768.2 million from other fees. For the average Illinois household, the total tax burden amounted to $6,384 paid to the local governments over the year. The dollar amount of taxes per household was thus higher in Illinois than in all comparison states. When household tax burdens are divided by incomes, it revealed that the average Illinois household paid 7.2 percent of its income in total local taxes. The comparable total local government tax shares were 4.5 percent in Indiana, 5.7 percent in Iowa, 6.1 percent in Kansas, 5.7 percent in Missouri, and 6.3 percent in Wisconsin.

There are at least three reasons why local government taxes are relatively higher in Illinois. The first is that a disproportionate share of Illinois' residents is employed in and around Chicago, where local government taxes are high (*CNN Money*, 2015). Although the comparison states all have metropolitan regions, none is as urbanized as Illinois. This fact simply increases the average. The second reason is that Illinois has more units of local government than any other state. The significant amount of local government bodies may lead to higher tax shares (*NBC Chicago*, 2015). The third reason is once again that Illinois gets back much less in federal assistance than it contributes in federal contributions (Manzo, 2015a). When federal payments fall short, the state has less money to give to local services or to improving local roads and bridges. As a result, municipalities and counties across Illinois may be forced to implement higher taxes than would otherwise be the case if federal funding matched that of neighboring states.

Figure 11: Total Local Government Taxes By State, Put in Context

Total Local Taxes, 2013					
Local Government Finances	A. Total Local Taxes (2013) from All Sources	B. Total Households (2013)	C. Average Household Income (2013)	D. Total Taxes Per Household [A ÷ B]	E. Average Tax as Share of Average Income [D ÷ C]
Illinois	30,539,137,000	4,783,421	$88,564	$6,384	7.21%
Indiana	7,988,911,000	2,498,395	$71,578	$3,198	4.47%
Iowa	5,412,891,000	1,236,209	$76,364	$4,379	5.73%
Kansas	5,282,295,000	1,113,729	$78,004	$4,743	6.08%
Missouri	9,770,463,000	2,362,853	$72,167	$4,135	5.73%
Wisconsin	11,074,592,000	2,289,424	$76,819	$4,837	6.30%

Source(s): Author's analysis of the 2013 Annual Survey of State and Local Government Finances and the 2013 American Community Survey (1 Year Estimates), weighted using the household weight.

In 2013, the largest single contributing tax to total local revenues in Illinois was the property tax. However, average property taxes are high in Illinois *because* average home values are much higher in the state (Figure 12). The average household paid $5,327 in property taxes in 2013. This average property tax assessment is $769 higher than the annual burden faced by Wisconsin households. It is also $2,842 more than what Missouri households pay in property taxes. However, a complete analysis of property tax contributions in the context of average home values shows that Illinois' property taxes are not overly onerous. Annual property taxes represent just 2.3 percent of the average home value in Illinois ($234,326). This is actually less than the comparable share in Iowa (2.4 percent), a state which also allows school districts to impose a local income surtax to fund public education. Illinois' relative property tax burden as a share of average home value is also close to the shares in neighboring Wisconsin (2.3 percent) and nearby Kansas (2.1 percent). Only in Indiana and Missouri are annual property taxes less than 2 percent of average home values (Figure 12). While property taxes are still relatively high in Illinois, putting the rates into perspective illustrates how current rates are not out of line.

Figure 12: Average Household Property Tax Contributions By State

Average Household Property Tax Payments, 2013			
Local Government Finances	**A. Property Tax Payment Per Household (2013)**	**B. Average Home Value (2013)**	**C. Average Tax as Share of Average Home Value [A ÷ B]**
Illinois	$5,327	$234,326	2.27%
Indiana	$2,542	$160,982	1.58%
Iowa	$3,789	$160,596	2.36%
Kansas	$3,633	$170,107	2.14%
Missouri	$2,485	$173,474	1.43%
Wisconsin	$4,558	$203,008	2.25%

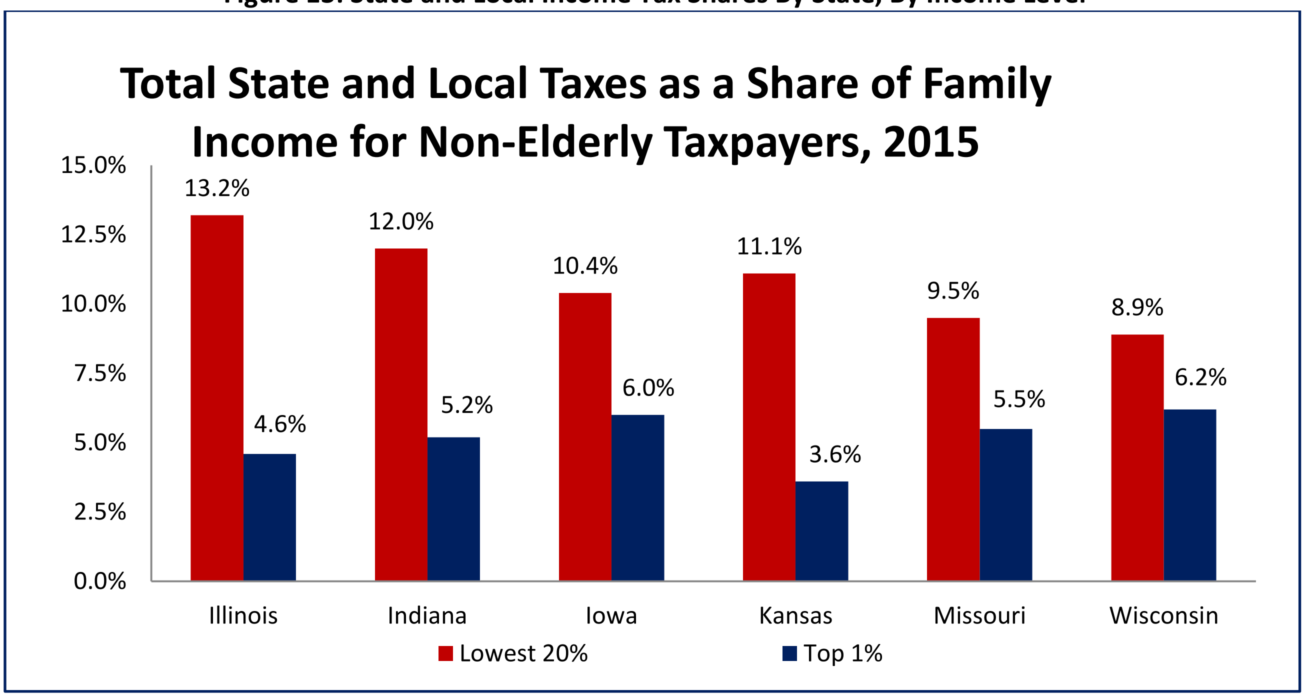
Source(s): Author's analysis of the 2013 Annual Survey of State and Local Government Finances and the 2013 American Community Survey (1 Year Estimates), weighted using the household weight.

What Would Happen if Illinois Adopted the Tax Rates of Neighboring States?

Illinois currently has the 5th-most unfair tax system in the country, according to the progressive-leaning Institute on Taxation and Economic Policy in *Who Pays? A Distributional Analysis of the Tax Systems in All Fifty States (Fifth Edition)* (ITEP, 2015). Illinois' tax code includes features to make it more equitable, such as an Earned Income Credit, a non-refundable property tax credit, and combined reporting for the corporate income tax. However, the tax code's regressive characteristics outweigh these positive features. Among the regressive characteristics are a flat personal income tax rate, the exemption of all retirement income, and a lack of refundable child tax credits.

As a result of the current system in Illinois, the Bottom 20 Percent of non-elderly taxpayers pay significantly more in state and local taxes than the Top 1 Percent in Illinois (Figure 13). Because they spend a higher share of their earned incomes on essential goods such as food and housing, low-income households proportionately pay more in sales and property taxes than wealthy families. Consequently, the Institute on Taxation and Economic Policy finds that the Bottom 20 Percent of households in Illinois contribute 13.2 percent of their incomes to total state and local taxes. Meanwhile, the Top 1 Percent in the state contributes just 4.6 percent of their incomes to state and local taxes. Illinois' tax system would likely become *slightly* more equitable if it adopted components of neighboring tax codes. For instance, as depicted in Figure 13, state and local taxes in Iowa and Wisconsin are more equitable. Overall, however, they still tend to favor the rich.

Figure 13: State and Local Income Tax Shares By State, By Income Level



Source(s): The Institute on Taxation & Economic Policy (2015).

The remainder of this section specifically explores expected state-level Illinois tax revenues *if* the state adopted characteristics of neighboring tax codes. The focus is on *potential* solutions to resolve Illinois' state budget crisis. Accordingly, the analysis emphasizes projected changes in individual income tax collections (including taxing retirement income), in corporate net income tax revenues, and in sales and gross receipts taxes. The sales and gross receipts taxes include goods and services covered under the tax codes of neighboring states.

Indiana

If Illinois adopted similar rates and tax structures as Indiana, the state could bring in $28.3 billion to the General Revenue Fund. This is a $4.6 billion increase over projected state tax collections from primary revenue sources, which would help to reduce the budget deficit. Theoretically, the adoption of Indiana's individual income taxes (including taxing retirement income), corporate income taxes, and sales and gross receipts taxes could be combined with moderate spending cuts to balance Illinois' budget.

The major differences between the tax structures of Illinois and Indiana are the income taxes. Under current state law, Illinois' flat personal income tax is 3.75 percent and its state corporate tax rate is 5.25 percent. The 2.5 percent Personal Property Replacement Tax in Illinois, essentially a second corporate tax, is collected and distributed to local governments. Indiana, by comparison, has a flat personal income tax of 3.3 percent and its corporate tax rate is 7.0 percent. However, Indiana allows counties to levy income taxes as well. All 92 Indiana counties impose some form of income tax that is withheld from workers' paychecks, with local rates ranging from 0.2 to 3.1 percent (Payroll Taxes, 2015). For example, a resident living in Marion County, Indiana– which includes Indianapolis– pays 1.8 percent in additional local income taxes. The average county-level income tax is 1.5 percent (Figure 14). Due to the lower state-level income tax rates, Illinois would lose approximately $609 million in combined individual and corporate income tax revenues from adopting Indiana's rates, exemptions, and deductions (Figure 15).

Figure 14: Local Income Tax Rates in All 92 Indiana Counties, for Permanent Residents, 2015

Adjusted Gross Income Taxes, Economic Development Income Taxes, and Option Income Taxes in Indiana on Residents, by County, 2015							
Adams	1.62%	Franklin	1.25%	Lawrence	1.75%	Rush	1.50%
Allen	1.35%	Fulton	1.93%	Madison	1.75%	St. Joseph	1.75%
Bartholomew	1.25%	Gibson	0.50%	Marion	1.77%	Scott	1.41%
Benton	1.79%	Grant	2.25%	Marshall	1.25%	Shelby	1.25%
Blackford	1.50%	Greene	1.25%	Martin	1.50%	Spencer	0.80%
Boone	1.00%	Hamilton	1.00%	Miami	2.54%	Starke	1.71%
Brown	2.40%	Hancock	1.70%	Monroe	1.10%	Steuben	1.79%
Carroll	1.70%	Harrison	1.00%	Montgomery	2.10%	Sullivan	0.30%
Cass	2.50%	Hendricks	1.50%	Morgan	2.72%	Switzerland	1.00%
Clay	2.25%	Henry	1.25%	Newton	1.00%	Tippecanoe	1.10%
Clark	2.00%	Howard	1.65%	Noble	1.50%	Tipton	1.98%
Clinton	2.00%	Huntington	1.75%	Ohio	1.00%	Union	1.50%
Crawford	1.00%	Jackson	1.60%	Orange	1.25%	Vanderburgh	1.00%
Daviess	1.75%	Jasper	2.96%	Owen	1.30%	Vermillion	0.20%
Dearborn	0.60%	Jay	2.45%	Parke	2.45%	Vigo	1.25%
Decatur	1.33%	Jefferson	0.35%	Perry	1.56%	Wabash	2.90%
DeKalb	2.00%	Jennings	1.75%	Pike	0.40%	Warren	2.12%
Delaware	1.05%	Johnson	1.00%	Porter	0.50%	Warrick	0.50%
Dubois	1.00%	Knox	1.00%	Posey	1.00%	Washington	2.00%
Elkhart	2.00%	Kosciusko	1.00%	Pulaski	3.13%	Wayne	1.50%
Fayette	2.37%	LaGrange	1.40%	Putnam	1.75%	Wells	2.10%
Floyd	1.15%	Lake	1.50%	Randolph	2.25%	White	1.32%
Fountain	1.10%	LaPorte	0.95%	Ripley	1.38%	Whitley	1.23%
Average: 1.51%				*Median: 1.50%*			

Source(s): Payroll Taxes, 2015.

On the other hand, Indiana taxes most forms of retirement income, with an exception for Social Security. Out-of-state retirement income is also taxed in full. Figure 15 assumes that Illinois would tax retirement income (analogous to how the federal government taxes retirement income) with an exception for Social Security. Using the average individual income tax rate as a share of household income for Indiana (minus a tenth of a percent for the rate reduction), it is estimated that adopting Indiana rates and taxing retirement income would generate $1.2 billion in additional revenue. It should be noted, however, that taxing retirement income would reduce the incentive for workers to save for retirement and could lead to more retirees leaving Illinois.

Illinois collects a 6.25 percent sales tax, which is divided between the state (5.0 percent) and local governments (1.25 percent). Retailers also keep a portion of Illinois' sales tax as a fee through a 1.75 percent tax collection discount. Indiana, on the other hand, levies a 7.0 percent tax on both sales and services. Illinois also only taxes 17 services compared to 29 in Indiana (Civic Federation, 2015). Among the many services taxed by Indiana but not Illinois are: landscaping, renting and lodging, leasing of personal property, aircraft leasing, flight instruction, and certain digital projects. Adopting Indiana's state sales tax rate of 7.0 percent– combined with an expanded tax base by including more services and mirroring Indiana's "gross receipts" fees (including licensing)– would increase state government revenues in Illinois by $4.0 billion. Note that this estimate assumes that the additional 1.25 percent sales tax to Illinois' local governments is maintained. These sales tax collections would be the largest contributor to added tax revenues from adoption of Indiana's rates.

Figure 15: Potential Illinois Revenue from Adopting Key Components of Indiana's State Tax Code

If Illinois Adopted: Indiana's Tax Rates, 2015					
($ in Millions)	**Current Illinois Tax Rate**	**Current Illinois Revenue**	**If Adopted Indiana's Rate**	**Potential Illinois Revenue**	**Difference**
Individual Income Tax Rate	3.75%	$13,180	3.30%	$11,438	-$1,742
Added Retirement Income Tax	0.00%	0	2.68%†	$1,211	$1,211
Corporate Tax (State Share)	5.25%	$2,338	7.00%	$3,471	$1,133
Sales Taxes (State Share)*	5.00%	$8,204	7.00%	$12,209	$4,005
Total	--	***$23,722***	--	***$28,329***	***+$4,607***

Source(s): Author's analysis of the 2013 Annual Survey of State Government Finances, weighted 2013 American Community Survey (1 Year Estimates), information from the Tax Foundation (2015), and the Fiscal Year 2016 Proposed Budget by the Illinois Office of Management and Budget (OMB, 2015).
**Sales taxes include broader scope of service taxes and "gross receipts" taxes.*
†Based on the average individual income tax share of total household income in Figure 7.

Iowa

If Illinois adopted similar rates and tax structures as Iowa, the state could bring in $31.0 billion to the General Revenue Fund (Figure 16). This is a $7.3 billion increase over projected state tax collections from primary revenue sources, which would largely eliminate the budget deficit. Theoretically, the adoption of Iowa's individual income taxes, corporate income taxes, and sales and gross receipts taxes could be used to balance Illinois' budget.

The major differences between the tax structures of Illinois and Iowa are the income taxes. Under current state law, Illinois' flat personal income tax is 3.75 percent and its state corporate tax rate is 5.25 percent. The 2.5 percent Personal Property Replacement Tax in Illinois, essentially a second corporate tax, is collected and distributed to local governments. Iowa, by comparison, has a graduated personal income tax that progressively increases to 8.98 percent and generates more revenue than Illinois at almost all income levels. Iowa's corporate income tax rate is also progressive: a corporation pays 6 percent on its first $25,000 in taxable income, 8 percent on its next $75,000, 10 percent on income between $100,000 and $250,000, and 12 percent on all income over $250,000. Given that Iowa allows corporations to deduct federal corporate taxes paid, this analysis assumes a 9.0 percent effective rate, a 3.75 percentage-point increase over the current rate. Accordingly, Illinois would stand to gain $2.2 billion in individual income tax revenues and $2.1 billion in corporate income tax revenues from adopting Iowa's rates. The increase in individual income tax revenues would be the largest contributor to added tax revenues from adoption of Iowa's rates (Figure 16).

Iowa also taxes retirement income, with exemptions for income up to $6,000 for individuals and $12,000 for joint filers. Figure 16 assumes that Illinois would tax retirement income (analogous to how the federal government taxes retirement income) with an exception for Social Security. Using the average individual income tax rate as a share of household income for Iowa, it is estimated that adopting Iowa rates and taxing retirement income would generate $1.6 billion in additional revenue. It should be noted, however, that taxing retirement income would reduce the incentive for workers to save for retirement and could lead to more retirees leaving Illinois.

In addition, Iowa permits an additional local income surtax to fund schools. The income surtax levied by local governments is based on the amount of state income taxes paid by individuals, and is used by 82 percent of all school districts in Iowa. Most districts have a rate between 6 percent and 10 percent of the state income tax obligation (Iowa Fiscal Partnership, 2009). While this surtax is not included in Figure 16, it is another progressive feature in Iowa's tax code since it is based on the graduated income tax and goes entirely toward funding public education.

Illinois collects a 6.25 percent sales tax, which is divided between the state (5.0 percent) and local governments (1.25 percent). Retailers also keep a portion of Illinois' sales tax as a fee through a 1.75 percent tax collection discount. Iowa, on the other hand, levies a 6.0 percent tax on both sales and services. Illinois also only taxes 17 services compared to 24 in Iowa (Civic Federation, 2015). Among the many services taxed by Iowa but not Illinois are: exterminators, carpentry, various vehicle and machinery repairs, and pet grooming. Adopting Iowa's state sales tax rate of 6.0 percent while expanding the tax base to cover more services and mirror Iowa's "gross receipts" fees (including licensing) would increase state government revenues in Illinois by $1.3 billion (Figure 16). Note that this estimate assumes that the additional 1.25 percent sales tax to Illinois' local governments is maintained.

Figure 16: Potential Illinois Revenue from Adopting Key Components of Iowa's State Tax Code

If Illinois Adopted: Iowa's Tax Rates, 2015					
($ in Millions)	**Current Illinois Tax Rate**	**Current Illinois Revenue**	**If Adopted Iowa's Rate**	**Potential Illinois Revenue**	**Difference**
Individual Income Tax Rate	3.75%	$13,180	0.36%-8.98%	$15,423	$2,243
Added Retirement Income Tax	0.00%	0	3.64%†	$1,645	$1,645
Corporate Tax (State Share)	5.25%	$2,338	6.0%-12.0%	$4,463	$2,125
Sales Taxes (State Share)*	5.00%	$8,204	6.00%	$9,471	$1,267
Total	--	***$23,722***	--	***$31,002***	***+$7,280***

Source(s): Author's analysis of the 2013 Annual Survey of State Government Finances, weighted 2013 American Community Survey (1 Year Estimates), information from the Tax Foundation (2015), and the Fiscal Year 2016 Proposed Budget by the Illinois Office of Management and Budget (OMB, 2015).
**Sales taxes include broader scope of service taxes and "gross receipts" taxes.*
†Based on the average individual income tax share of total household income in Figure 7.

Kansas

If Illinois adopted similar rates and tax structures as Kansas, the state could bring in $28.8 billion to the General Revenue Fund (Figure 17). This is a $5.1 billion increase over projected state tax collections from primary revenue sources, which would help to reduce the budget deficit. Theoretically, the adoption of Kansas' individual income taxes, corporate income taxes, and sales and gross receipts taxes could be combined with moderate spending cuts to balance Illinois' budget.

The major differences between the tax structures of Illinois and Kansas are the income taxes. Under current state law, Illinois' flat personal income tax is 3.75 percent and its state corporate tax rate is 5.25 percent. The 2.5 percent Personal Property Replacement Tax in Illinois, essentially a second corporate tax, is collected and distributed to local governments. Kansas, by comparison, has a graduated personal income tax that ranges from 2.7 percent to 4.8 percent. Kansas' corporate income tax rate is also progressive, ranging from 4.0 percent to 7.0 percent. As a result of these differences, Illinois could raise $1.2 billion in individual income tax revenues from adopting Kansas' rates. Corporate income tax collections would also rise by $389 million. Like Illinois, Kansas generally does not tax retirement income (Figure 17).

Illinois collects a 6.25 percent sales tax, which is divided between the state (5.0 percent) and local governments (1.25 percent). Retailers also keep a portion of Illinois' sales tax as a fee through a 1.75 percent tax collection discount. Many services are not currently taxed in Illinois' current system. Kansas, on the other hand, levies a 6.15 percent tax on both sales and services. Among the many services taxed by Kansas but not Illinois are: swimming pool cleaning and maintenance, taxidermy, health clubs, and bowling alleys. Adopting Kansas' state sales tax rate of 6.15 percent while expanding the tax base to cover more services and mirror Kansas' "gross receipts" fees (including licensing) would increase state government revenues in Illinois by $3.4 billion. Note that this estimate assumes that the additional 1.25 percent sales tax to Illinois' local governments is maintained. These sales tax collections would be the largest contributor to added tax revenues from adoption of Kansas' rates (Figure 17).

Figure 17: Potential Illinois Revenue from Adopting Key Components of Kansas' State Tax Code

If Illinois Adopted: Kansas' Tax Rates, 2015					
($ in Millions)	**Current Illinois Tax Rate**	**Current Illinois Revenue**	**If Adopted Kansas' Rate**	**Potential Illinois Revenue**	**Difference**
Individual Income Tax Rate	3.75%	$13,180	2.7%-4.8%	$14,417	$1,237
Added Retirement Income Tax	0.00%	0	0.00%	$0	$0
Corporate Tax (State Share)	5.25%	$2,338	4.0-7.0%	$2,727	$389
Sales Taxes (State Share)*	5.00%	$8,204	6.15%	$11,636	$3,432
Total	**--**	***$23,722***	**--**	***$28,780***	***+$5,058***

Source(s): Author's analysis of the 2013 Annual Survey of State Government Finances, weighted 2013 American Community Survey (1 Year Estimates), information from the Tax Foundation (2015), and the Fiscal Year 2016 Proposed Budget by the Illinois Office of Management and Budget (OMB, 2015).
**Sales taxes include broader scope of service taxes and "gross receipts" taxes.*

Missouri

Missouri is the only comparison state with a tax code that would not significantly help in Illinois. If Illinois adopted similar rates and tax structures as Missouri, the state would bring in $24.3 billion to the General Revenue Fund (Figure 18). This is a $594 million gain compared to projected state tax collections from primary revenue sources, which would need to be combined with sizeable spending cuts to balance the budget.

Under current state law, Illinois' flat personal income tax is 3.75 percent and its state corporate tax rate is 5.25 percent. The 2.5 percent Personal Property Replacement Tax in Illinois, essentially a second corporate tax, is collected and distributed to local governments. Missouri has a graduated personal income tax that progressively increases to 6.0 percent but generates similar revenue to Illinois at any given income level due to exemptions and deductions in the state. Missouri's state corporate income tax rate is a flat 6.25 percent, 1.25 percentage points higher than across the border in Illinois. Adoption of these rates in Illinois would cause individual and corporate income taxes to rise by a combined $949 million (Figure 18).

Missouri does tax retirement income, but offers many exemptions and deductions for retirees. Nevertheless, Figure 18 assumes that Illinois would not carry over these exemptions and deductions. Using the average individual income tax rate as a share of household income for Missouri, it is estimated that adopting Missouri rates and taxing retirement income would generate $1.4 billion in additional revenue. It should be noted, however, that taxing retirement income would reduce the incentive for workers to save for retirement and could lead to more retirees leaving Illinois.

The State of Illinois receives 5.0 percent of the 6.25 percent levied sales tax, while Missouri's sales tax is just 4.225 percent. Retailers in Illinois also keep a portion the sales tax as a fee through a 1.75 percent tax collection discount. Even after expanding the tax base to cover more services, the adoption of Missouri's sales and gross receipts tax rates would decrease state government revenues in Illinois by $2.3 billion (Figure 18). Note that this estimate assumes that the additional 1.25 percent sales tax to Illinois' local governments is maintained.

Figure 18: Potential Illinois Revenue from Adopting Key Components of Missouri's State Tax Code

If Illinois Adopted: Missouri's Tax Rates, 2015					
($ in Millions)	Current Illinois Tax Rate	Current Illinois Revenue	If Adopted Missouri's Rate	Potential Illinois Revenue	Difference
Individual Income Tax Rate	3.75%	$13,180	1.5%-6.0%	$13,368	$188
Added Retirement Income Tax	0.00%	0	3.16%†	$1,428	$1,428
Corporate Tax (State Share)	5.25%	$2,338	6.25%	$3,099	$761
Sales Taxes (State Share)*	5.00%	$8,204	4.225%	$6,421	-$2,310
Total	--	***$23,722***	--	***$24,316***	***+$594***

Source(s): Author's analysis of the 2013 Annual Survey of State Government Finances, weighted 2013 American Community Survey (1 Year Estimates), information from the Tax Foundation (2015), and the Fiscal Year 2016 Proposed Budget by the Illinois Office of Management and Budget (OMB, 2015).
**Sales taxes include broader scope of service taxes and "gross receipts" taxes.*
†Based on the average individual income tax share of total household income in Figure 7.

Wisconsin

If Illinois adopted similar rates and tax structures as Wisconsin, the state could bring in $32.0 billion to the General Revenue Fund (Figure 19). This is an $8.3 billion increase over projected state tax collections from primary revenue sources, which would eliminate the budget deficit. Theoretically, the adoption of Wisconsin's individual income taxes, corporate income taxes, and sales and gross receipts taxes could balance Illinois' budget.

The major differences between the tax structures of Illinois and Wisconsin are the income taxes. Under current state law, Illinois' flat personal income tax is 3.75 percent and its state corporate tax rate is 5.25 percent. The 2.5 percent Personal Property Replacement Tax in Illinois, essentially a second corporate tax, is collected and distributed to local governments. Wisconsin, by comparison, has a graduated personal income tax that progressively increases to 7.65 percent and generates more revenue than Illinois at all income levels. Wisconsin's state corporate income tax rate is a flat 7.9 percent, 2.9 percentage points higher than across the border in Illinois. As a result of these higher rates, adopting this section of Wisconsin's tax code would raise individual income taxes by $4.2 billion (the largest contributor from adoption of Wisconsin's rates) and corporate income taxes by $1.8 billion (Figure 19).

Wisconsin also taxes retirement income similarly to how the federal government taxes retirement income. Figure 19 assumes that Illinois would tax retirement income with an exception for Social Security. Using the average individual income tax rate as a share of household income for Wisconsin, it is estimated that adopting Wisconsin rates and taxing retirement income would generate $1.9 billion in additional revenue. It should be noted, however, that taxing retirement income would reduce the incentive for workers to save for retirement and could lead to more retirees leaving Illinois.

Illinois collects a 6.25 percent sales tax, which is divided between the state (5.0 percent) and local governments (1.25 percent). Retailers also keep a portion of Illinois' sales tax as a fee through a 1.75 percent tax collection discount.

Wisconsin, on the other hand, levies a 5.0 percent tax on both sales and services. Illinois also only taxes 17 services compared to 76 in Wisconsin (Civic Federation, 2015). Among the many services taxed by Wisconsin but not Illinois are: admission to athletic or entertainment events, boat docking and storage, laundry and dry cleaning services, and towing and hauling of motor vehicles by a tow truck. Maintaining Illinois' 5.0 percent state sales tax collection (as in Wisconsin) while expanding the tax base to more services and to mirror Wisconsin's "gross receipts" fees (including licensing), would increase state government revenues in Illinois by $796 million (Figure 19).

Figure 19: Potential Illinois Revenue from Adopting Key Components of Wisconsin's State Tax Code

If Illinois Adopted: Wisconsin's Tax Rates, 2015					
($ in Millions)	**Current Illinois Tax Rate**	**Current Illinois Revenue**	**If Adopted Wisconsin's Rate**	**Potential Illinois Revenue**	**Difference**
Individual Income Tax Rate	3.75%	$13,180	4.0%-7.65%	$17,410	$4,230
Added Retirement Income Tax	0.00%	0	4.11%†	$1,858	$1,858
Corporate Tax (State Share)	5.25%	$2,338	7.90%	$3,739	$1,808
Sales Taxes (State Share)*	5.00%	$8,204	5.00%	$9,000	$796
Total	--	***$23,722***	--	***$32,007***	***+8,285***

Source(s): Author's analysis of the 2013 Annual Survey of State Government Finances, weighted 2013 American Community Survey (1 Year Estimates), information from the Tax Foundation (2015), and the Fiscal Year 2016 Proposed Budget by the Illinois Office of Management and Budget (OMB, 2015).
**Sales taxes include broader scope of service taxes and "gross receipts" taxes.*
†Based on the average individual income tax share of total household income in Figure 7.

Policy Implications

The State of Illinois now faces a $9 billion annual deficit, according to the Institute of Government & Public Affairs at the University of Illinois (Dye et al., 2015). Using this estimate, Illinois could effectively balance its state budget by adopting similar rates and structures as Wisconsin. Incorporating Wisconsin's graduated individual income tax rates, slightly higher corporate income tax rate, added levies on retirement income, and broader sales and service taxes would generate $8.3 billion over the next year in Illinois. Changing to Wisconsin's approach would make Illinois' tax code fairer by concentrating tax increases on the rich. Adopting Iowa's rates– which would nearly eliminate the budget deficit by raising $7.3 billion in revenues– would also improve the progressivity of Illinois' tax code, if that is a goal of the state legislature.

Adopting key parts of the tax systems of both Kansas and Indiana would also help to solve Illinois' financial woes, but would have to be accompanied by modest budget cuts as well. The approach taken by Kansas, if adopted in Illinois, would generate approximately $5.1 billion. New taxes on retirement income– which Kansas does not impose– could add almost enough revenue to close the fiscal gap in Illinois, but would also likely lead to additional retirees leaving the state. Similarly, if Illinois adopted Indiana's rates, the state could raise about $4.6 billion in new tax revenues. However, Indiana's methods are decidedly regressive: a lower flat tax rate, a lower corporate tax rate, with a higher and broader state sales tax rate. It is worth noting that, in response to significantly lower state revenues from massive income tax cuts enacted in 2012, Kansas has decided to increase its sales tax from 6.15 percent to 6.5 percent and to hike cigarette taxes by 50 cents per pack. By cutting its (progressive) income tax and raising its (regressive) sales taxes, Kansas' recent adjustments to the tax code have harmed low-income residents since they earn less but spend more of what they do take home.

There are other ways to fix Illinois' budget problem. One improbable solution is to change how federal funds are allocated to states. There is significant room for improvement in the amount of federal revenues provided to Illinois. If federal funding to Illinois matched the national average, Illinois' state government would have up to $8 billion in additional annual revenues (Manzo, 2015a). It makes little sense for high-road states, like Illinois, to risk declaring bankruptcy while they have been subsidizing the budgets of other state governments for years. Illinois can no longer afford to be a "donor state." This solution, however, would require a coordinated national effort.

A more practical, balanced solution would be to follow many of the sound recommendations of the Civic Federation (2015) to pay down the bills. In its *State of Illinois FY2016 Budget Roadmap*, the Civic Federation offered 12 recommendations to balance the budget. The major recommendations include a retroactive increase in both the individual income tax rate from 3.75 percent to 4.25 percent and the corporate income tax rate from 5.25 percent to 6.0 percent until 2018. The Civic Federation also proposes establishing spending controls over the next five years, taxing retirement income above $50,000 per year, broadening the sales tax base by taxing 32 new services, ending revenue diversions from the General Fund, and allowing local governments to impose municipal taxes on services and on food and non-prescription drugs (among other recommendations).

Illinois' top economists and public policy academics want the state to balance its budget (Manzo, 2015b). In August 2015, the Illinois Economic Policy Institute sent out a survey to all 437 economists and public policy academics at Illinois' accredited *universities* (excluding colleges). When presented with the statement "[r]esolving Illinois' state budget problems should include making any necessary cuts in spending AND raising new revenues through tax increases," 75 percent of responding academics were in support, while only 10 percent were opposed. Given that the margin of error for the sample was ±9 percent, it can be stated with confidence that a consensus of Illinois top economists and public policy academics would endorse changes in the tax code in order to balance the budget.

Conclusions

Illinois politicians need to weed through ideological rhetoric, the unreasonable claims of exorbitant cost savings from policy changes on one side of the aisle, and the overly-rosy revenue projections on the other side of the aisle to arrive at a sensible solution to the state's budget crisis. While this Policy Brief only focused on possibilities from the revenue side of the equation, achieving a budget surplus will likely require decreases in expenditures as well. The nonpartisan Civic Federation recommends specific proposals that could be followed and the state's top economists and policy academics support a mix of tax increases and spending cuts to close the deficit– as long as investments in human capital and investments in physical capital are not cut.

Illinois remains a great state. Educational achievement is high, household incomes are high, and home values are high compared to neighboring states. State taxes, when put into context, are actually not "too high" in Illinois relative to neighboring states. In 2013, total state taxes were lower as a share of household income in Illinois than in both Wisconsin and Indiana. Due to the phase-out of the temporary individual and corporate income tax hikes, revenues per household are now below those of Iowa and Kansas in 2016. A single, childless worker earning a $50,000 annual income, for example, would presently pay $505 more in state income taxes in Iowa than in Illinois.

Illinois can adopt tax rates and schedules equivalent to those in neighboring states to nearly (or entirely) close the budget deficit. The key components of Wisconsin's tax code, if applied to Illinois, would raise $8.3 billion in additional state revenues. The comparable revenue increases are $4.6 billion with Indiana's rates and $7.3 billion with similar taxes as Iowa. Although only some of these changes may be enacted in Illinois, they should all be considered as options. The financial condition of Illinois can be improved– at least in part– by looking toward neighboring states.

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Appendix

Begins on the next page.

$50,000 single

Form **1040A** Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return (99) **2014** IRS Use Only—Do not write or staple in this space.

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.	▲ Make sure the SSN(s) above and on line 6c are correct.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).		**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. ☐ You ☐ Spouse
Foreign country name	Foreign province/state/county	Foreign postal code

Filing status
Check only one box.

1 ☒ Single
2 ☐ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶
4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child (see instructions)

Exemptions

6a ☒ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a.
b ☐ **Spouse**

Boxes checked on 6a and 6b 1

c **Dependents:**

If more than six dependents, see instructions.

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if child under age 17 qualifying for child tax credit (see instructions)
				☐
				☐
				☐
				☐
				☐
				☐

No. of children on 6c who:
• lived with you
• did not live with you due to divorce or separation (see instructions)
Dependents on 6c not entered above

d Total number of exemptions claimed.

Add numbers on lines above ▶ 1

Income

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

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

7	Wages, salaries, tips, etc. Attach Form(s) W-2.			7	50 000	00
8a	**Taxable** interest. Attach Schedule B if required.			8a		
b	**Tax-exempt** interest. **Do not** include on line 8a.	8b				
9a	Ordinary dividends. Attach Schedule B if required.			9a		
b	Qualified dividends (see instructions).	9b				
10	Capital gain distributions (see instructions).			10		
11a	IRA distributions.	11a	11b Taxable amount (see instructions).	11b		
12a	Pensions and annuities.	12a	12b Taxable amount (see instructions).	12b		
13	Unemployment compensation and Alaska Permanent Fund dividends.			13		
14a	Social security benefits.	14a	14b Taxable amount (see instructions).	14b		
15	Add lines 7 through 14b (far right column). This is your **total income.** ▶			15	50,000	00

Adjusted gross income

16	Educator expenses (see instructions).	16				
17	IRA deduction (see instructions).	17				
18	Student loan interest deduction (see instructions).	18				
19	Tuition and fees. Attach Form 8917.	19				
20	Add lines 16 through 19. These are your **total adjustments.**			20	0	00
21	Subtract line 20 from line 15. This is your **adjusted gross income.** ▶			21	50,000	00

Tax, credits, and payments

Standard Deduction for—
- People who check any box on line 23a or 23b **or** who can be claimed as a dependent, see instructions.
- All others:

Single or Married filing separately, $6,200
Married filing jointly or Qualifying widow(er), $12,400
Head of household, $9,100

22	Enter the amount from line 21 (adjusted gross income).	22	50,000 00
23a	Check if: { ☐ **You** were born before January 2, 1950, ☐ Blind } { ☐ **Spouse** was born before January 2, 1950, ☐ Blind } **Total boxes checked** ▶ 23a ☐		
b	If you are married filing separately and your spouse itemizes deductions, check here ▶ 23b ☐		
24	Enter your **standard deduction.**	24	6,200 00
25	Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-.	25	43,800 00
26	**Exemptions.** Multiply $3,950 by the number on line 6d.	26	3,950 00
27	Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your **taxable income.** ▶	27	39,850 00
28	**Tax,** including any alternative minimum tax (see instructions). 28		
29	Excess advance premium tax credit repayment. Attach Form 8962. 29		
30	Add lines 28 and 29.	30	
31	Credit for child and dependent care expenses. Attach Form 2441. 31		
32	Credit for the elderly or the disabled. Attach Schedule R. 32		
33	Education credits from Form 8863, line 19. 33		
34	Retirement savings contributions credit. Attach Form 8880. 34		
35	Child tax credit. Attach Schedule 8812, if required. 35		
36	Add lines 31 through 35. These are your **total credits.**	36	
37	Subtract line 36 from line 30. If line 36 is more than line 30, enter -0-.	37	0 00
38	Health care: individual responsibility (see instructions). Full-year coverage ☐	38	
39	Add line 37 and line 38. This is your **total tax.**	39	5,818 35

14.60% Taxable
11.64% Total Incom

If you have a qualifying child, attach Schedule EIC.

40	Federal income tax withheld from Forms W-2 and 1099. 40		
41	2014 estimated tax payments and amount applied from 2013 return. 41		
42a	**Earned income credit (EIC).** 42a		
b	Nontaxable combat pay election. 42b		
43	Additional child tax credit. Attach Schedule 8812. 43		
44	American opportunity credit from Form 8863, line 8. 44		
45	Net premium tax credit. Attach Form 8962. 45		
46	Add lines 40, 41, 42a, 43, 44, and 45. These are your **total payments.** ▶	46	

Refund

Direct deposit? See instructions and fill in 48b, 48c, and 48d or Form 8888.

47	If line 46 is more than line 39, subtract line 39 from line 46. This is the amount you **overpaid.**	47	
48a	Amount of line 47 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐	48a	
▶ b	Routing number ☐☐☐☐☐☐☐☐☐ ▶ **c** Type: ☐ Checking ☐ Savings		
▶ d	Account number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐		
49	Amount of line 47 you want **applied to your 2015 estimated tax.** 49		

Amount you owe

50	**Amount you owe.** Subtract line 46 from line 39. For details on how to pay, see instructions. ▶	50	
51	Estimated tax penalty (see instructions). 51		

Third party designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ **Yes.** Complete the following. ☐ **No**

Designee's name ▶ Phone no. ▶ Personal identification number (PIN) ▶ ☐☐☐☐☐

Sign here

Joint return? See instructions. 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 accurately list 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.

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.) ☐☐☐☐☐☐

Paid preparer use only

Print/type preparer's name	Preparer's signature	Date	Check ▶ ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Illinois Department of Revenue

2014 Form IL-1040

$50,000 single

Individual Income Tax Return

or for fiscal year ending __ __/__ __

Over 80% of taxpayers file electronically. It is easy and you will get your refund faster. Visit tax.illinois.gov.

Do not write above this line.

Step 1: Personal Information

A Social Security numbers in the order they appear on your federal return

___ ___ ___ - ___ ___ - ___ ___ ___ ___ Your Social Security number

___ ___ ___ - ___ ___ - ___ ___ ___ ___ Spouse's Social Security number

B Personal information

Your first name and initial ______ Your last name ______

Spouse's first name and initial ______ Spouse's last name ______

Mailing address (See instructions if foreign address) ______ Apartment number ______

City ______ State ______ ZIP or Postal Code ______

Foreign Nation, if not United States (do not abbreviate) ______

C Filing status (see instructions)

☒ Single or head of household ☐ Married filing jointly ☐ Married filing separately ☐ Widowed

D Check if you or your spouse are a military veteran and want your name and address shared with the Illinois Department of Veterans' Affairs. ☐ You ☐ Spouse

			(Whole dollars only)
Step 2: Income	1	Federal adjusted gross income from your U.S. 1040, Line 37; U.S. 1040A, Line 21; or U.S. 1040EZ, Line 4	1 50,000 .00
	2	Federally tax-exempt interest and dividend income from your U.S. 1040 or 1040A, Line 8b; or U.S. 1040EZ	2 ______ .00
	3	Other additions. **Attach** Schedule M.	3 ______ .00
	4	**Total income.** Add Lines 1 through 3.	4 50,000 .00
Step 3: Base Income	5	Social Security benefits and certain retirement plan income received if included in Line 1. **Attach** Page 1 of federal return. 5 ______ .00	
	6	Illinois Income Tax overpayment included in U.S. 1040, Line 10 6 ______ .00	
	7	Other subtractions. **Attach** Schedule M. 7 ______ .00 Check if Line 7 includes any amount from Schedule 1299-C. ☐	
	8	Add Lines 5, 6, and 7. This is the total of your subtractions.	8 ______ .00
	9	**Illinois base income.** Subtract Line 8 from Line 4.	9 50,000 .00
Step 4: Exemptions	10	a Number of exemptions from your federal return 1 X $2,125 a 2125 .00	
		b If someone can claim you as a dependent, see instructions. ___ X $2,125 b ______ .00	
		c Check if 65 or older: ☐ You + ☐ Spouse = ___ X $1,000 c ______ .00	
		d Check if legally blind: ☐ You + ☐ Spouse = ___ X $1,000 d ______ .00	
		Exemption allowance. Add Lines a through d.	10 2,125 .00
Step 5: Net Income	11	***Residents:*** **Net income.** Subtract Line 10 from Line 9. *Skip* Line 12.	11 47,875 .00
	12	***Nonresidents and part-year residents:*** Check the box that applies to you during 2014 ☐ Nonresident ☐ Part-year resident, and enter the **Illinois base income** from Schedule NR. **Attach** Schedule NR. 12 ______ .00	
Step 6: Tax	13	***Residents:*** Multiply Line 11 by ~~5% (.05)~~ (3.75%). Cannot be less than zero. ***Nonresidents and part-year residents:*** Enter the tax from Schedule NR.	13 1,795.31 .00
	14	Recapture of investment tax credits. **Attach** Schedule 4255.	14 ______ .00
	15	**Income tax.** Add Lines 13 and 14. Cannot be less than zero.	15 1,795.31 .00
Step 7: Tax After Non-refundable Credits	16	Income tax paid to another state while an Illinois resident. **Attach** Schedule CR. 16 ______ .00	3.59% of tot Income
	17	Property tax and K-12 education expense credit amount from Schedule ICR. **Attach** Schedule ICR. 17 ______ .00	
	18	Credit amount from Schedule 1299-C. **Attach** Schedule 1299-C. 18 ______ .00	
	19	Add Lines 16, 17, and 18. This is the total of your credits. Cannot exceed the tax amount on Line 15.	19 ______ .00
	20	**Tax after nonrefundable credits.** Subtract Line 19 from Line 15.	20 ______ .00

Staple W-2 and 1099 forms here

Staple your check and IL-1040-V

	21	Tax after nonrefundable credits from Page 1, Line 20	21 ______ .00
Step 8: Other Taxes	22	Household employment tax. See instructions.	22 ______ .00
	23	Use tax on internet, mail order, or other out-of-state purchases from UT Worksheet or UT Table in the instructions. **Do not** leave blank.	23 ______ .00
	24	Compassionate Use of Medical Cannabis Pilot Program Act Surcharge	24 ______ .00
	25	**Total Tax.** Add Lines 21, 22, 23, and 24.	25 ______ .00
Step 9: Payments and Refundable Credit	26	Illinois Income Tax withheld. **Attach** all W-2 and 1099 forms.	26 ______ .00
	27	Estimated payments from Forms IL-1040-ES and IL-505-I, including any overpayment applied from a prior year return	27 ______ .00
	28	Pass-through entity tax payments. **Attach** Schedule K-1-P or K-1-T.	28 ______ .00
	29	Earned Income Credit from Schedule ICR. **Attach** Schedule ICR.	29 ______ .00
	30	**Total payments and refundable credit.** Add Lines 26 through 29.	30 ______ .00
Step 10: Result	31	**Overpayment.** If Line 30 is greater than Line 25, subtract Line 25 from Line 30.	31 ______ .00
	32	**Underpayment.** If Line 25 is greater than Line 30, subtract Line 30 from Line 25.	32 ______ .00
Step 11: Underpayment of Estimated Tax Penalty and Donations	33	Late-payment penalty for underpayment of estimated tax	33 ______ .00
		a Check if at least two-thirds of your federal gross income is from farming. ☐	
		b Check if you or your spouse are 65 or older and permanently living in a nursing home. ☐	
		c Check if your income was not received evenly during the year and you annualized your income on Form IL-2210. **Attach** Form IL-2210. ☐	
		d Check if you were not required to file an Illinois Individual Income Tax return in the previous tax year. ☐	
	34	Voluntary charitable donations. **Attach** Schedule G.	34 ______ .00
	35	**Total penalty and donations.** Add Lines 33 and 34.	35 ______ .00
Step 12: Refund or Amount You Owe	36	If you have an overpayment on Line 31 and this amount is greater than Line 35, subtract Line 35 from Line 31. This is your remaining **overpayment.**	36 ______ .00
	37	Amount from Line 36 you want **refunded to you.** Check one box on Line 38. See instructions.	37 ______ .00
	38	I choose to receive my refund by	

☐ **direct deposit** - Complete the information below if you check this box.

Routing number ☐☐☐☐☐☐☐☐☐ ☐ Checking or ☐ Savings

Account number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

☐ **Illinois Individual Income Tax refund debit card**

☐ **paper check**

	39	Amount to be **applied to estimated tax.** Subtract Line 37 from Line 36. See instructions.	39 ______ .00
	40	If you have an underpayment on Line 32, add Lines 32 and 35. **or** If you have an overpayment on Line 31 and this amount is less than Line 35, subtract Line 31 from Line 35. This is the **amount you owe.** See instructions.	40 ______ .00

Step 13: Sign and Date

Under penalties of perjury, I state that I have examined this return, and, to the best of my knowledge, it is true, correct, and complete.

Your signature ______ Date ______ Daytime phone number ______ Your spouse's signature ______ Date ______

Paid preparer's signature ______ Date ______ Preparer's phone number ______ Preparer's FEIN, SSN, or PTIN ______

Third Party Designee

☐ Check, and complete the designee's name and phone number below, to allow another person to discuss this return and any previous return that affects the liability reported on this return with the Illinois Department of Revenue.

Designee's name (please print) ______ Designee's phone number ______

Form 1099-G Information

☐ If you are unable to obtain your Form 1099-G from our website, you may check the box to receive a paper 1099-G form next year. We will mail you a 1099-G form if you meet the criteria requiring us to issue one to you.

If no payment enclosed, mail to:
ILLINOIS DEPARTMENT OF REVENUE
SPRINGFIELD IL 62719-0001

If payment enclosed, mail to:
ILLINOIS DEPARTMENT OF REVENUE
SPRINGFIELD IL 62726-0001

DR______ AP______ RR DC IR

Form **IT-40** State Form 154 (R13 / 9-14)

2014 Indiana Full-Year Resident Individual Income Tax Return

$50,000
single

Due April 15, 2015

If filing for a fiscal year, enter the dates (see instructions) (MM/DD/YYYY):

from ____ ____ ______ to: ____ ____ ______

Your Social Security Number ____ ____ ______

☐ Place "X" in box if applying for ITIN

Spouse's Social Security Number ____ ____ ______

☐ Place "X" in box if applying for ITIN

Your first name | Initial | Last name | Suffix

If filing a joint return, spouse's first name | Initial | Last name | Suffix

Present address (number and street or rural route)

Place "X" in box if you are married filing separately. ☐

City | State | Zip/Postal code

Foreign country 2-character code (see instructions)

School corporation number (see instructions)

Enter below the **2-digit county code** numbers (found on the back of Schedule CT-40) for the county where you lived and worked on January 1, 2014.

County where **you** lived ____ County where **you** worked ____ County where **spouse** lived ____ County where **spouse** worked ____

Round all entries

1. Enter your federal adjusted gross income (AGI) from your federal tax return (from Form 1040, line 37; Form 1040A, line 21; or from Form 1040EZ, line 4) **Federal AGI**	1	50,000	.00
2. Enter amount from Schedule 1, line 8, and enclose Schedule 1 **Indiana Add-Backs**	2		.00
3. Add line 1 and line 2	3	50,000	.00
4. Enter amount from Schedule 2, line 12, and enclose Schedule 2 **Indiana Deductions**	4	3,000	.00
5. Subtract line 4 from line 3 **Indiana Adjusted Income**	5	47,000	.00
6. You must complete Schedule 3. Enter amount from Schedule 3, line 5, and enclose Schedule 3 **Indiana Exemptions**	6	1,000	.00
7. Subtract line 6 from line 5 **State Taxable Income**	7	46,000	.00
8. State adjusted gross income tax: multiply line 7 by ~~3.4% (.034)~~ (3.3%) (if answer is less than zero, leave blank)	8	1,518	.00
9. County tax. Enter county tax due from Schedule CT-40 (if answer is less than zero, leave blank)	9		.00
10. Other taxes. Enter amount from Schedule 4, line 4 (enclose sch.)	10		.00
11. Add lines 8, 9 and 10. Enter total here and on line 15 on the back **Indiana Taxes**	11		.00

3.3% of taxable
3.04% of total

15114111694

12. Enter credits from Schedule 5, line 9 (enclose schedule) 12 .00

13. Enter offset credits from Schedule 6, line 8 (enclose schedule) 13 .00

14. Add lines 12 and 13 **Indiana Credits** 14 .00

15. Enter amount from line 11 **Indiana Taxes** 15 .00

16. If line 14 is equal to or more than line 15, subtract line 15 from line 14 (if smaller, skip to line 23) 16 .00

17. Amount from line 16 to be donated to the Indiana Nongame Wildlife Fund 17 .00

18. Subtract line 17 from line 16 **Overpayment** 18 .00

19. Amount from line 18 to be applied to your 2015 estimated tax account (see instructions).

    Enter your county code ☐ county tax to be applied $ a .00

    Spouse's county code ☐ county tax to be applied $ b .00

    Indiana adjusted gross income tax to be applied $ c .00

    Total to be applied to your estimated tax account (a + b + c; cannot be more than line 18) 19d .00

20. Penalty for underpayment of estimated tax from Schedule IT-2210 or IT-2210A (enclose sch.) 20 .00

21. Refund: Line 18 minus lines 19d and 20. Note: If less than zero, see line 23 **Your Refund** 21 .00

22. Direct Deposit (see instructions)

a. Routing Number

b. Account Number

c. Type: ☐ Checking ☐ Savings ☐ Hoosier Works MC

d. Place an "X" in the box if refund will go to an account outside the United States ☐

23. If line 15 is more than line 14, subtract line 14 from line 15. Add to this any amount on line 20 (see instructions) 23 .00

24. Penalty if filed after due date (see instructions) 24 .00

25. Interest if filed after due date (see instructions) 25 .00

26. Amount Due: Add lines 23, 24 and 25 **Amount You Owe** 26 .00
Do not send cash. Please make your check or money order payable to: Indiana Department of Revenue. Credit card payers must see instructions.

Sign and date this return after reading the Authorization statement on Schedule 7. You must enclose Schedule 7.

Your Signature Date Spouse's Signature Date

- If enclosing payment mail to: Indiana Department of Revenue, P.O. Box 7224, Indianapolis, IN 46207-7224.
- Mail all other returns to: Indiana Department of Revenue, P.O. Box 40, Indianapolis, IN 46206-0040.

15114121694

2014 IA 1040 Iowa Individual Income Tax Form

For fiscal year beginning ____/____ 2014 and ending ____/____/____

$50,000 single

Step 1: Fill in all spaces. You must fill in your Social Security Number (SSN).

Your last name | Your first name/middle initial

Spouse's last name | Spouse's first name/middle initial

Current mailing address (number and street, apartment, lot, or suite number) or PO Box

City, State, ZIP

Spouse SSN ● | Your SSN ● | Email Address:

Step 2 Filing Status: Mark one box only.

Check this box if you or your spouse were 65 or older as of 12/31/14. ☐ ●

1	X	Single: Were you claimed as a dependent on another person's Iowa return? Yes ☐ No ☒ ▲
2		Married filing a joint return. (Two-income families may benefit by using status 3 or 4.)
3		Married filing separately on this combined return. Spouse use column B.
4		Married filing separate returns. Spouse's name: ▲SSN: Net Income: $
5		Head of household with qualifying person. If qualifying person is not claimed as a dependent on this return, enter the person's name and SSN below.
6		Qualifying Widow(er) with dependent child. Name: SSN:

Residence on 12/31/14: County No. ● School District No. ●

Dependent children for whom an exemption is claimed in Step 3
How many have health care coverage?(including Medicaid or hawk-i) _____ •
How many do not have health care coverage? _____ •

Step 3 Exemptions

		B. Spouse (Filing Status 3 ONLY)			A. You or Joint		
a.	Personal Credit: Col. A: Enter 1 (enter 2 if filing status 2 or 5); Col. B: Enter 1 if filing status 3	▲ 1	X $ 40 =	$ 40	▲	X $ 40 =	$
b.	Enter 1 for each taxpayer who is 65 or older and/or 1 for each taxpayer who is blind	▲ 0	X $ 20 =	$ 0	▲	X $ 20 =	$
c.	Dependents: Enter 1 for each dependent	▲ 0	X $ 40 =	$ 0	▲	X $ 40 =	$
d.	Enter first names of dependents here		e. Total	$ 40		e. Total	$

Step 4 Reportable Social Security Benefits as calculated on line 11 of Iowa social security worksheet B. Spouse/Status 3 ▲ ____ A. You or Joint ▲ 40

			B. Spouse/Status 3	A. You or Joint	B. Spouse/Status 3	A. You or Joint
Step 5 Gross Income	1. Wages, salaries, tips, etc	1.	.00	50,000 .00		
	2. Taxable interest income. If more than $1,500, complete Sch. B	2.	.00	.00		
	3. Ordinary dividend income. If more than $1,500, complete Sch. B	3.	.00	.00		
	4. Alimony received	4.	.00	.00		
	5. Business income/(loss) from federal Schedule C or C-EZ	5.	.00	.00		
	6. Capital gain/(loss), federal Sch. D if required for federal purposes	6.	.00	.00		
	7. Other gains/(losses) from federal form 4797	7.	.00	.00		
	8. Taxable IRA distributions	8.	.00	.00		
	9. Taxable pensions and annuities	9.	.00	.00		
	10. Rents, royalties, partnerships, estates, etc	10.	.00	.00		
	11. Farm income/(loss) from federal Schedule F	11.	.00	.00		
	12. Unemployment compensation. See instructions	12.	.00	.00		
	13. Gambling winnings	13.	.00	.00		
	14. Other income, bonus depreciation, and section 179 adjustment	14.	.00	.00		
	15. Gross Income. Add lines 1-14	15.			.00 ▲	50,000 .00
Step 6 Adjustments to Income	16. Payments to an IRA, Keogh, or SEP	16.	.00	.00		
	17. Deductible part of self-employment tax.	17.	.00	.00		
	18. Health insurance deduction	18.	.00	.00		
	19. Penalty on early withdrawal of savings	19.	.00	.00		
	20. Alimony paid	20.	.00	.00		
	21. Pension/retirement income exclusion	21.	.00 ▲	.00		
	22. Moving expense deduction from federal form 3903	22.	.00	.00		
	23. Iowa capital gain deduction; certain sales only. See instructions	23.	.00 ▲	.00		
	24. Other adjustments	24.	.00	.00		
	25. Total adjustments. Add lines 16-24	25.			.00 ▲	.00
	26. Net Income. Subtract line 25 from line 15	26.			.00 ▲	50,000 .00
Step 7 Federal Tax Addition and Deduction	27. Federal income tax refund / overpayment received in 2014	27.	.00 ▲	.00		
	28. Self-employment/household employment taxes	28.	.00 ▲	.00		
	29. Addition for federal taxes. Add lines 27 and 28	29.			.00	.00
	30. Total. Add lines 26 and 29	30.			.00	.00
	31. Federal tax withheld	31.	.00 ▲	.00		
	32. Federal estimated tax payments made in 2014	32.	.00 ▲	5819 .00		
	33. Additional federal tax paid in 2014 for 2013 and prior years	33.	.00 ▲	.00		
	34. Deduction for federal taxes. Add lines 31, 32, and 33	34.			.00	5819 .00
	35. Balance. Subtract line 34 from line 30. Enter here and on line 36, page 2	35.			.00 ▲	44181 .00

NOTE: Use only blue or black ink, no pencils or red ink.

2014 IA 1040, page 2

	Line		B. Spouse/Status 3	A. You or Joint	B. Spouse/Status 3	A. You or Joint
Step 8 Taxable Income	36.	BALANCE. From side 1, line 35			36. .00	44,181 .00
	37.	Deduction. Check one box ▲ Itemized.(Include IA Schedule A) ☐ Standard ☒			37. .00	▲ 1,920 .00
	38.	TAXABLE INCOME. SUBTRACT line 37 from line 36			38. .00	42,261 .00
Step 9 Tax, Credits, and Check-off Contribu - tions	39.	Tax from tables or alternate tax	39. .00	▲ 2,300 .00		
	40.	Iowa lump-sum tax. 25% of federal tax from form 4972	40. .00	▲ .00		
	41.	Iowa minimum tax. Attach IA 6251.	41. .00	▲ .00		
	42.	Total tax. ADD lines 39, 40, and 41.			42. .00	2,300 .00
	43.	Total exemption credit amount(s) from Step 3, side 1.	43. .00	.00		5.44% of tax
	44.	Tuition and textbook credit for dependents K-12.	44. .00	▲ .00		4.60% of tax
	45.	Volunteer firefighter/EMS/reserve peace officer credit.	45. .00	▲ .00		
	46.	Total credits. ADD lines 43, 44, and 45.			46. .00	.00
	47.	BALANCE. SUBTRACT line 46 from line 42. If less than zero, enter zero.			47. .00	▲ .00
	48.	Credit for nonresident or part-year resident. Include IA 126 and federal return.			48. .00	▲ .00
	49.	BALANCE. SUBTRACT line 48 from 47. If less than zero, enter zero.			49. .00	▲ .00
	50.	Other nonrefundable Iowa credits. Include IA 148 Tax Credits Schedule.			50. .00	▲ .00
	51.	BALANCE. SUBTRACT line 50 from line 49. If less than zero, enter zero.			51. .00	▲ .00
	52.	School district surtax or EMS surtax. Take percentage from table; multiply by line 51.			52. .00	▲ .00
	53.	Total tax. ADD lines 51 and 52.			53. .00	▲ .00
	54.	TOTAL tax before contributions. Combine columns A and B on line 53 and enter here.			54.	.00
	55.	Contributions. Contributions will reduce your refund or add to the amount you owe. Amounts must be in whole dollars. Fish/Wildlife 55a: ▲ ____ State Fair 55b: ▲ ____ Firefighters/Veterans 55c: ▲ ____ Child abuse Prevention 55d: ▲ ____ Enter here			55.	.00
	56.	TOTAL TAX AND CONTRIBUTIONS. Add line 54 and line 55 and enter here.			56. ▲	.00
Step 10 Credits	57.	Out-of-state tax credit. Include IA 130.	57. .00	▲ .00		
	58.	Iowa Fuel tax credit. Include IA 4136	58. .00	▲ .00		
	59.	Check One: Child and dependent care credit ☐ OR ▲ Early childhood development credit ☐	59. .00	▲ .00		
	60.	Iowa earned income tax credit. 15.0% (.15) of federal credit	60. .00	▲ .00		
	61.	Other refundable credits. Include IA 148 Tax Credits Schedule.	61. .00	▲ .00		
	62.	Total refundable credits. ADD lines 57 - 61.	62. .00	▲ .00		
	63.	Tax after credits. Subtract line 62 from line 53. If less than 0, enter 0	63. .00	▲ .00		
	64.	Taxpayers trust fund tax credit. See instructions	64. .00	▲ .00		
	65.	Iowa income tax withheld.	65. .00	▲ .00		
	66.	Estimated and voucher payments made for tax year 2014.	66. .00	▲ .00		
	67.	TOTAL. ADD lines 62, 64, 65, and 66	67. .00	▲ .00		
	68.	TOTAL CREDITS. ADD columns A and B on line 67 and enter here			68.	.00
Step 11 Refund or Amount Due	69.	If line 68 is more than line 56, Subtract line 56 from line 68. This is the amount you overpaid.			69. ▲	.00
	70.	Amount of line 69 to be REFUNDED. REFUND			70. ▲	.00
		For a faster refund file electronically. Go to www.iowa.gov/tax for details				
	71.	Amount of line 69 to be applied to your 2015 estimated tax.	71. .00	▲ .00		
	72.	If line 68 is less than line 56, Subtract line 68 from line 56. This is the AMOUNT OF TAX YOU OWE			72. ▲	.00
	73.	Penalty for underpayment of estimated tax from IA 2210, IA 2210S, or IA 2210F. Check if annualized income method is used. ▲☐			73. ▲	.00
	74.	Penalty and interest ▲ 74A.Penalty ____ .00 ▲74b. Interest ____ .00 ADD Enter total.			74.	.00
	75.	TOTAL AMOUNT DUE. ADD lines 72, 73, and 74, and enter here. PAY THIS AMOUNT			75. ▲	.00

You can pay online at www.iowa.gov/tax.
Mailing address: Iowa Income Tax Document Processing, PO Box 9187, Des Moines IA 50306-9187. Make check payable to Treasurer, State of Iowa.

Step 12

Political Checkoff - This checkoff does not increase the amount of tax you owe or decrease your refund.

▲Spouse: $1.50 to Republican Party ☐ $1.50 to Democratic Party ☐ $1.50 to Campaign Fund ☐

▲Yourself: $1.50 to Republican Party ☐ $1.50 to Democratic Party ☐ $1.50 to Campaign Fund ☐

Step 13

I (We), the undersigned, declare under penalty of perjury that I (we) have examined this return, including all accompanying schedules and statements, and, to the best of my (our) knowledge and belief, it is a true, correct, and complete return. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

SIGN HERE

Your Signature | Date | ▲☐ Check if Deceased | Date of Death | Preparer's Signature | Date

SIGN HERE

Spouse's Signature | Date | ▲☐ Check if Deceased | Date of Death | Preparer's PTIN | Firm's FEIN

Daytime Telephone Number | Daytime Telephone Number

This return is due April 30, 2015. Please sign, enclose W-2s, and verify SSNs.
MAILING ADDRESS: See line 75 above.

K-40
(Rev. 7/14)

DO NOT STAPLE

2014 KANSAS INDIVIDUAL INCOME TAX

$50,000 single

114514

Your First Name	Initial	Last Name
Spouse's First Name	Initial	Last Name

Mailing Address (Number and Street, including Rural Route)			School District No.
City, Town, or Post Office	State	Zip Code	County Abbreviation

Enter the first four letters of your last name. Use **ALL CAPITAL** letters.

Your Social Security number

Enter the first four letters of your spouse's last name. Use **ALL CAPITAL** letters.

Spouse's Social Security number

Daytime telephone number

☐ If your **name or address has changed** since last year, mark an "X" in this box

☐ If taxpayer (or spouse if filing joint) **died during this tax year,** mark an "X" in this box

Amended Return (Mark ONE)

If this is an **AMENDED** 2014 Kansas return mark one of the following boxes:

☐ Amended affects Kansas only ☐ Amended Federal tax return ☐ Adjustment by the IRS

Filing Status (Mark ONE)

☒ Single ☐ Married filing joint (Even if only one had income) ☐ Married filing separate ☐ Head of household (Do not mark if filing a joint return)

Residency Status (Mark ONE)

☒ Resident ☐ Part-year resident from ______ to ______ (Complete Sch. S, Part B) ☐ Nonresident (Complete Sch. S, Part B)

Exemptions and Dependents

1 Enter the number of exemptions you claimed on your 2014 federal return. If no federal return is required, enter total exemptions for you, your spouse (if applicable), and each person you claim as a dependent.

0 If filing status above is *Head of household*, add one exemption.

1 **Total Kansas exemptions.**

Enter the requested information for all persons claimed as dependents. **Do NOT include you or your spouse.** Enclose separate schedule if necessary.

Name (please print)	Date of Birth (mm/dd/yy)	Relationship	SSN (Social Security Number)

Food Sales Tax Credit

You must have been a Kansas resident for ALL of 2014. Complete this section to determine your qualifications and credit.

Mark ONE box

A. Had a dependent child who lived with you all year and was under the age of 18 all of 2014? . . . . YES ☐ NO ☐

B. Were you (or spouse) 55 years of age or older all of 2014 (born before January 1, 1959)? . . . . . . YES ☐ NO ☐

C. Were you (or spouse) totally and permanently disabled or blind all of 2014, regardless of age? . . YES ☐ NO ☐

If you answered NO to A, B, and C, **STOP HERE**; you do not qualify for this credit.

D. If you answered YES to A, B, or C, enter your federal adjusted gross income from line 1 of this return. If it is more than $30,615, **STOP HERE**; you do not qualify for this credit. – 00

E. Number of exemptions claimed on your **federal** income tax return . . . .

F. Number of dependents that are 18 years of age or older (born before January 1, 1997) . . . .

G. Total qualifying exemptions (subtract line F from line E). . . . .

H. Food sales tax credit (multiply line G by $125). Enter the result here and on line 17 of this form. 00

Mail to: Kansas Income Tax, Kansas Dept. of Revenue
915 SW Harrison St., Topeka, KS 66612-1588

114214

ENTER AMOUNTS IN WHOLE DOLLARS ONLY

Income Shade the box for negative amounts. Example: ▬	1. Federal adjusted gross income (as reported on your federal income tax return)	1	50,000	00
	2. Modifications (from Schedule S, line A28; **enclose Schedule S**)	2		00
	3. Kansas adjusted gross income (line 2 added to or subtracted from line 1)	3	50,000	00
Deductions	4. Standard deduction OR itemized deductions (**if itemizing, complete Part C of Schedule S**)	4	3,000	00
	5. Exemption allowance ($2,250 x number of exemptions claimed)	5	2,250	00
	6. Total deductions (add lines 4 and 5)	6	5,250	00
	7. Taxable income (subtract line 6 from line 3; if less than zero, enter 0)	7	44,750	00
Tax Computation	8. Tax (from Tax Tables or Tax Computation Schedule)	8	1,832	00
	9. Nonresident percentage (from Schedule S, line B23; or if 100%, enter 100.0000)	9		
	10. Nonresident tax (multiply line 8 by line 9)	10		00
	11. Kansas tax on lump sum distributions (residents only - see instructions)	11		00
	12. TOTAL INCOME TAX (residents: add lines 8 & 11; nonresidents: enter amount from line 10)	12	1,832	00
Credits	13. Credit for taxes paid to other states (see instructions; **enclose return(s) from other states**)	13	4.09% of taxable	00
	14. Other credits (enclose all appropriate credit schedules)	14	3.66% of total	00
	15. Subtotal (subtract lines 13 and 14 from line 12)	15		00
	16. Earned income tax credit (**from worksheet on page 8 of instructions**)	16		00
	17. Food sales tax credit (from line H, front of this form)	17		00
	18. Tax balance after credits (subtract lines 16 and 17 from line 15; cannot be less than zero)	18		00
Use Tax	19. Use tax due (see instructions)	19		00
	20. Total tax balance (add lines 18 and 19)	20		00
Withholding and Payments	21. Kansas income tax withheld from W-2, 1099, or K-19 (enclose K-19; see instructions)	21		00
	22. Estimated tax paid	22		00
	23. Amount paid with Kansas extension	23		00
	24. Refundable portion of earned income tax credit (**from worksheet, page 8 of instructions**)	24		00
If this is an AMENDED return, complete lines 26 and 27.	25. Refundable portion of tax credits	25		00
	26. Payments remitted with original return	26		00
	27. Overpayment from original return (this figure is a subtraction; see instructions) ▬	27		00
	28. Total refundable credits (add lines 21 through 26; then subtract line 27)	28		00
Balance Due	29. **Underpayment** (if line 20 is *greater* than line 28, enter the difference here)	29		00
	30. Interest (see instructions)	30		00
	31. Penalty (see instructions)	31		00
	32. Estimated Tax Penalty ☐ Mark box if engaged in commercial farming or fishing in 2014.	32		00
	33. **AMOUNT YOU OWE** (add lines 29 throught 32 and any entries on lines 36 through 41)	33		00
Overpayment	34. **Overpayment** (if line 20 is *less* than line 28, enter the difference here)	34		00
	35. **CREDIT FORWARD** (enter amount you wish to be applied to your 2015 estimated tax)	35		00
You may donate to any of the programs on lines 36 through 41. The amount you enter will reduce your refund or increase the amount you owe.	36. CHICKADEE CHECKOFF (Kansas Nongame Wildlife Improvement Program)	36		00
	37. SENIOR CITIZENS MEALS ON WHEELS CONTRIBUTION PROGRAM	37		00
	38. BREAST CANCER RESEARCH FUND	38		00
	39. MILITARY EMERGENCY RELIEF FUND	39		00
	40. KANSAS HOMETOWN HEROES FUND	40		00
	41. KANSAS CREATIVE ARTS INDUSTRY FUND	41		00
	42. **REFUND** (subtract lines 35 through 41 from line 34)	42		00

Signature(s)

☐ I authorize the Director of Taxation or the Director's designee to discuss my return and enclosures with my preparer.

I declare under the penalties of perjury that to the best of my knowledge this is a true, correct, and complete return.

Signature of taxpayer | Date | Signature of preparer other than taxpayer | Phone number of preparer

Signature of spouse if Married Filing Joint | Tax preparer's EIN or SSN

ENCLOSE any necessary documents with this form. DO NOT STAPLE.

$50,000 single

MISSOURI DEPARTMENT OF REVENUE

INDIVIDUAL INCOME TAX RETURN—LONG FORM

2014 FORM MO-1040

FOR CALENDAR YEAR JAN. 1–DEC. 31, 2014, OR FISCAL YEAR BEGINNING 20___, ENDING 20___

AMENDED RETURN — CHECK HERE ☐

SOFTWARE VENDOR CODE (Assigned by DOR) 000

NAME AND ADDRESS

SOCIAL SECURITY NUMBER ___ - ___ - ___ | SPOUSE'S SOCIAL SECURITY NUMBER ___ - ___ - ___

LAST NAME	FIRST NAME	M. INITIAL	SUFFIX (JR, SR, etc.)	DECEASED 2014 ☐
SPOUSE'S LAST NAME	FIRST NAME	M. INITIAL	SUFFIX (JR, SR, etc.)	DECEASED 2014 ☐

IN CARE OF NAME (ATTORNEY, EXECUTOR, PERSONAL REPRESENTATIVE, ETC.) | COUNTY OF RESIDENCE

PRESENT ADDRESS (INCLUDE APARTMENT NUMBER OR RURAL ROUTE) | CITY, TOWN, OR POST OFFICE, STATE, AND ZIP CODE

You may contribute to any one or all of the trust funds on Line 45. See pages 9–10 for a description of each trust fund, as well as trust fund codes to enter on Line 45.

Children's Trust Fund | Veterans Trust Fund | Elderly Home Delivered Meals Trust Fund | Missouri National Guard Trust Fund | Workers' Memorial Fund | Childhood Lead Testing Fund | Missouri Military Family Relief Fund | General Revenue Fund | Organ Donor Program Fund

PLEASE CHECK THE APPROPRIATE BOXES THAT APPLY TO YOURSELF OR YOUR SPOUSE AS OF DECEMBER 31, 2014.

AGE 62 THROUGH 64	AGE 65 OR OLDER	BLIND	100% DISABLED	NON-OBLIGATED SPOUSE
☐ YOURSELF	☐ YOURSELF	☐ YOURSELF	☐ YOURSELF	☐ YOURSELF
☐ SPOUSE	☐ SPOUSE	☐ SPOUSE	☐ SPOUSE	☐ SPOUSE

INCOME

Line			Yourself		Spouse
1.	Federal adjusted gross income from your 2014 federal return (See worksheet on page 6.)	1Y	50,000 00	1S	00
2.	Total additions (from Form MO-A, Part 1, Line 6)	2Y	00	2S	00
3.	Total income — Add Lines 1 and 2.	3Y	50,000 00	3S	00
4.	Total subtractions (from Form MO-A, Part 1, Line 14)	4Y	0 00	4S	00
5.	Missouri adjusted gross income — Subtract Line 4 from Line 3.	5Y	50,000 00	5S	00
6.	Total Missouri adjusted gross income — Add columns 5Y and 5S.	6	50,000 00		
7.	Income percentages — Divide columns 5Y and 5S by total on Line 6. (Must equal 100%.)	7Y	100 %	7S	%

EXEMPTIONS AND DEDUCTIONS

8. Pension and Social Security/Social Security Disability/Military exemption (from Form MO-A, Part 3, Section E.) — 8: 00

9. Mark your filing status box below and enter the appropriate exemption amount on Line 9.
- ☒ A. Single — $2,100 **(See Box B before checking.)**
- ☐ B. Claimed as a dependent on another person's federal tax return — $0.00
- ☐ C. Married filing joint federal & combined Missouri — $4,200
- ☐ D. Married filing separate — $2,100
- ☐ E. Married filing separate (spouse NOT filing) — $4,200
- ☐ F. Head of household — $3,500
- ☐ G. Qualifying widow(er) with dependent child — $3,500

9: 2,100 00

10. Tax from federal return (Do not enter federal income tax withheld.)
- Federal Form 1040, Line 56 minus Lines 45, 46, 66a, 68, and 69
- Federal Form 1040A, Line 37, minus Lines 29, 42a, 44, 45, and any alternative minimum tax included on Line 28.
- Federal Form 1040EZ, Line 10 minus Line 8a — 10: 5819 00

11. Other tax from federal return — Attach copy of your federal return (pages 1 and 2). — 11: 00

12. Total tax from federal return — Add Lines 10 and 11. — 12: 5819 00

13. Federal tax deduction — Enter amount from Line 12 not to exceed $5,000 for individual filer; $10,000 for combined filers. — 13: 5000 00

14. Missouri standard deduction or itemized deductions. Single or Married Filing Separate — $6,200; Head of Household— $9,100; Married Filing a Combined Return or Qualifying Widow(er) — $12,400; If you are age 65 or older, blind, or claimed as a dependent, see your federal return or page 7. If you are itemizing, see Form MO-A, Part 2 — 14: 6,200 00

15. Number of dependents from Federal Form 1040 or 1040A, Line 6c **(DO NOT INCLUDE YOURSELF OR SPOUSE.)** [0] X $1,200 = — 15: 0 00

16. Number of dependents on Line 15 who are 65 years of age or older and do not receive Medicaid or state funding **(DO NOT INCLUDE YOURSELF OR SPOUSE.)** [ ] X $1,000 = — 16: 00

Do not include yourself or spouse.

17. Long-term care insurance deduction — 17: 00

18. A. Health care sharing ministry deduction $ ________ B. New jobs deduction $ ________ — 18: 00

19. Total deductions — Add Lines 8, 9, 13, 14, 15, 16, 17, and 18. — 19: 13,300 00

20. Subtotal — Subtract Line 19 from Line 6. — 20: 36,700 00

Line			Yourself		Spouse
21.	Multiply Line 20 by appropriate percentages (%) on Lines 7Y and 7S.	21Y	36,700 00	21S	00
22.	Enterprise zone or rural empowerment zone income modification	22Y	00	22S	00
23.	Subtract Line 22 from Line 21. Enter here and on Line 24.	23Y	36,700 00	23S	00

For Privacy Notice, see Instructions.

TAX

	Yourself		Spouse	
24. Taxable income amount from Lines 23Y and 23S	24Y	36,700 00	24S	00
25. Tax (See tax chart on page 25 of the instructions.)	25Y	1,977 00	25S	00
26. Resident credit — Attach Form MO-CR and other states' income tax return(s).	26Y	00	26S	00
27. Missouri income percentage — Enter 100% unless you are completing Form MO-NRI. Attach Form MO-NRI and a copy of your federal return if less than 100%.	27Y	100 %	27S	%
28. Balance — Subtract Line 26 from Line 25; OR Multiply Line 25 by percentage on Line 27.	28Y	1,977 00	28S	00
29. Other taxes (Check box and attach federal form indicated.) ☐ Lump sum distribution (Form 4972) ☐ Recapture of low income housing credit (Form 8611)	29Y	00	29S	00
30. Subtotal — Add Lines 28 and 29.	30Y	1,977 00	30S	00

31. Total Tax — Add Lines 30Y and 30S.	31	1,977 00

PAYMENTS / CREDITS

32. MISSOURI tax withheld — Attach Forms W-2 and 1099.	32	00
33. 2014 Missouri estimated tax payments (include overpayment from 2013 applied to 2014)	33	00
34. Missouri tax payments for nonresident partners or S corporation shareholders — Attach Forms MO-2NR and MO-NRP.	34	00
35. Missouri tax payments for nonresident entertainers — Attach Form MO-2ENT.	35	00
36. Amount paid with Missouri extension of time to file (Form MO-60)	36	00
37. Miscellaneous tax credits (from Form MO-TC, Line 13) — Attach Form MO-TC	37	00
38. Property tax credit — Attach Form MO-PTS.	38	203 00
39. Total payments and credits — Add Lines 32 through 38.	39	00

AMENDED RETURN

Skip Lines 40–42 if you are not filing an amended return.

40. Amount paid on original return	40	00
41. Overpayment as shown (or adjusted) on original return	41	00

INDICATE REASON FOR AMENDING. M M D D Y Y

- ☐ A. Federal audit .... Enter date of IRS report.
- ☐ B. Net operating loss carryback .... Enter year of loss.
- ☐ C. Investment tax credit carryback .... Enter year of credit.
- ☐ D. Correction other than A, B, or C ..... Enter date of federal amended return, if filed.

42. Amended Return — total payments and credits. Add Line 40 to Line 39 or subtract Line 41 from Line 39.	42	1,774 00

REFUND

43. If Line 39, or if amended return, Line 42, is larger than Line 31, enter difference (amount of OVERPAYMENT) here.	43	00
44. Amount of Line 43 to be applied to your 2015 estimated tax	44	00

45. Enter the amount of your donation in the trust fund boxes to the right. See instructions for trust fund codes. 45

Children's Trust Fund	Veterans Trust Fund	Elderly Home Delivered Meals Trust Fund	Missouri National Guard Trust Fund	Workers' Memorial Fund	Childhood Lead Testing Fund	Missouri Military Family Relief Fund	General Revenue Fund	Organ Donor Program Fund	Additional Fund Code (See Instr.)	Additional Fund Code (See Instr.)
00	00	00	00	00	00	00	00	00	00	00

46. **REFUND** - Subtract Lines 44 and 45 from Line 43 and enter here. Sign below and mail return to: Department of Revenue, PO Box 500, Jefferson City, MO 65106-0500.	46	00

AMOUNT DUE

47. If Line 31 is larger than Line 39 or Line 42, enter the difference (amount of UNDERPAYMENT) here and go to instructions for Line 48.	47	00
48. Underpayment of estimated tax penalty — Attach Form MO-2210. Enter penalty amount here.	48	00
49. **AMOUNT DUE** - Add Lines 47 and 48 and enter here. Sign below and mail return and payment to: Department of Revenue, PO Box 329, Jefferson City, MO 65107-0329. See instructions for Line 49.	49	1,774 00

If you pay by check, you authorize the Department of Revenue to process the check electronically. Any returned check may be presented again electronically.

4.83% of taxable
3.55% of total

SIGNATURE

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which he or she has any knowledge. As provided in Chapter 143, RSMo, a penalty of up to $500 shall be imposed on any individual who files a frivolous return. I also declare under penalties of perjury that I employ no illegal or unauthorized aliens as defined under federal law and that I am not eligible for any tax exemption, credit or abatement if I employ such aliens.

I authorize the Director of Revenue or delegate to discuss my return and attachments with the preparer or any member of the preparer's firm. ☐ YES ☐ NO	E-MAIL ADDRESS	PREPARER'S TELEPHONE (___) ___-____
SIGNATURE	DATE (MMDDYYYY) __/__/____	PREPARER'S SIGNATURE
SPOUSE'S SIGNATURE (If filing combined, BOTH must sign)	DAYTIME TELEPHONE (___) ___-____	PREPARER'S ADDRESS AND ZIP CODE

FEIN, SSN, OR PTIN

DATE (MMDDYYYY) __/__/____

This form is available upon request in alternative accessible format(s).

$50,000 Single

1A Wisconsin income tax 2014

Complete form using BLACK INK

Note: DO NOT STAPLE

Your legal last name	Legal first name	M.I.	Your social security number
If a joint return, spouse's legal last name	Spouse's legal first name	M.I.	Spouse's social security number
Home address (number and street). If you have a PO Box, see page 6.	Apt. No.		
City or post office	State	Zip code	

Tax district Check below then fill in either the name of city, village, or town and the county in which you lived at the end of 2014.

☐ City ☐ Village ☐ Town

City, village, or town ▶ ______

County of ▶ ______

School district number (see page 23) ______

Special conditions ☐ ______

Filing status

☒ Single

☐ Married filing joint return (even if only one had income)

☐ Head of household
Also, check here if married. ▶ ☐ Fill in qualifying person's name ▼ ______

Print numbers like this → 0123456789 **Not like this →** Ø147 **NO COMMAS; NO CENTS**

ENCLOSE withholding statements

1	Wages, salaries, tips, etc. (see page 7)			1	50 000 .00
2	Interest (see page 7)			2	.00
3	Ordinary dividends (from line 9a of federal Form 1040A or 1040)			3	.00
4	Capital gain distributions (see page 8)			4	.00
5	Unemployment compensation (from worksheet, page 8)			5	.00
6	Taxable IRA distributions, pensions, and annuities (see page 8)			6	.00
7	Add lines 1 through 6			7	.00
8	IRA deduction (see page 10)	8	.00		
9	Student loan interest deduction (see page 10)	9	.00		
10	Medical care insurance deduction (see page 10)	10	.00		
11	Add lines 8 through 10			11	0 .00
12	Subtract line 11 from line 7. This is your Wisconsin income			12	50 000 .00
13	If your parent (or someone else) can claim you (or your spouse) as a dependent, check here ▶			13	☐
14	Fill in the **standard deduction** for your filing status from table, page 31. **But if** you checked line 13, fill in amount from worksheet, page 11			14	5794 .00
15	Subtract line 14 from line 12. If line 14 is larger than line 12, fill in 0			15	44206 .00
16	**Exemptions** (Caution: see page 11)				
	a Fill in exemptions from your federal return ▶ 1 x $700	16a	700 .00		
	b Check if 65 or older ☐ You + ☐ Spouse = ___ x $250	16b	.00		
	c Add lines 16a and 16b			16c	700 .00
17	Subtract line 16c from line 15. If line 16c is larger than line 15, fill in 0. This is your taxable income			17	43506 .00
18	Tax. Use amount on line 17 to find your tax using table, page 24			18	2436 .00
19	Armed forces member credit (must be stationed outside U.S., see page 11)	19	.00		
20	School property tax credit				
	a Rent paid in 2014–heat included (1,000/mo) .00; Rent paid in 2014–heat not included 12,000 .00 } Find credit from table page 12	20a	300 .00		
	b Property taxes paid on home in 2014 .00 ▶ Find credit from table page 13	20b	.00		
21	Married couple credit. Complete schedule on reverse side	21	.00		
22	Add lines 19 through 21. This is the total of your credits			22	300 .00
23	Subtract line 22 from line 18. If line 22 is larger than line 18, fill in 0. This is your net tax			23	2136 .00

PAPER CLIP payment here

I-080i (R. 10-14)

NO COMMAS; NO CENTS

24 Fill in net tax from line 23 . . . 24 2136 .00

25 Sales and use tax due on Internet, mail order, or other out-of-state purchases (see page 14) 25 .00
If you certify that no sales or use tax is due, check here . . . ▶

4.91% of taxable
4.27% of total

26 Donations (decreases refund or increases amount owed)

a Endangered resources	.00	f Firefighters memorial	.00
b Packers football stadium	.00	g Military family relief	.00
c Cancer research	.00	h Second Harvest/Feeding Amer.	.00
d Veterans trust fund	.00	i Red Cross WI Disaster Relief	.00
e Multiple sclerosis	.00	j Special Olympics Wisconsin	.00

Total (add lines a through j) . . . . ▶ 26k .00

27 Add lines 24, 25, and 26k . . . 27 .00

28 Wisconsin income tax withheld. Enclose withholding statements . . . 28 .00

29 2014 estimated tax payments and amount applied from 2013 return . . . 29 .00

30 Earned income credit (see page 16)
Qualifying children ▶ ____ Federal credit . . ____ .00 x ____ % = . . 30 .00

31 Homestead credit. Attach Schedule H or H-EZ . . . 31 .00

32 Eligible veterans and surviving spouses property tax credit (see page 16) 32 .00

33 Add lines 28 through 32 . . . 33 .00

34 If line 33 is more than line 27, subtract line 27 from line 33. This is the **AMOUNT YOU OVERPAID** . . 34 .00

35 Amount of line 34 you want **REFUNDED TO YOU** . . . 35 .00

36 Amount of line 34 you want **applied to your 2015 estimated tax** . . . 36 .00

37 If line 33 is less than line 27, subtract line 33 from line 27. This is the **AMOUNT YOU OWE** . . 37 .00

38 Underpayment interest. Fill in exception code – See Sch. U → ____ 38 .00
(See page 18)

Third Party Designee Do you want to allow another person to discuss this return with the department *(see page 19)*? ____ **Yes** Complete the following. ____ **No**

Designee's name ▶ Phone no. ▶ ( ) Personal identification number (PIN) ▶

Sign below *Under penalties of law, I declare that this return and all attachments are true, correct, and complete to the best of my knowledge and belief.*

Your signature | Spouse's signature (if filing jointly, BOTH must sign) | Date | Daytime phone ( )

Mail your return to: Wisconsin Department of Revenue
If tax due .... PO Box 268, Madison WI 53790-0001
If homestead credit claimed......... PO Box 34, Madison WI 53786-0001
If refund or no tax due........ PO Box 59, Madison WI 53785-0001

Married Couple Credit When Both Spouses Are Employed

		(A) YOURSELF	(B) YOUR SPOUSE
1 Wages, salaries, tips, and other employee compensation from line 1 of Form 1A. Do not include deferred compensation or scholarships and fellowships that are not reported on a W-2.	1	.00	.00
2 IRA deduction, if any, from line 8 of Form 1A. . . .	2	.00	.00
3 Subtract line 2 from line 1. . . .	3	.00	.00

4 Compare amounts in columns (A) and (B) of line 3. Fill in the smaller amount here. If more than $16,000, fill in $16,000. . . . 4 .00

5 Rate of credit is .03 (3%) . . . 5 x **.03**

6 Multiply line 4 by line 5. Round the result and fill in here and on line 21 of Form 1A . . . **Do NOT fill in more than $480** 6 .00

C *For Department Use Only*

$100,000 Married + 2 children

Form **1040A** Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return (99) **2014** IRS Use Only—Do not write or staple in this space.

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.	▲ Make sure the SSN(s) above and on line 6c are correct.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).		**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. ☐ You ☐ Spouse
Foreign country name	Foreign province/state/county	Foreign postal code

Filing status Check only one box.

1 ☐ Single
2 ☒ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶
4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child (see instructions)

Exemptions

6a ☒ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a.
b ☒ **Spouse**

Boxes checked on 6a and 6b: 2

c **Dependents:**

If more than six dependents, see instructions.

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if child under age 17 qualifying for child tax credit (see instructions)
			☐
			☐
			☐
			☐
			☐
			☐

No. of children on 6c who:
• lived with you: 2
• did not live with you due to divorce or separation (see instructions):
Dependents on 6c not entered above:

d Total number of exemptions claimed. Add numbers on lines above ▶ 4

Income

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

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

7	Wages, salaries, tips, etc. Attach Form(s) W-2.	7	100,000 00
8a	**Taxable** interest. Attach Schedule B if required.	8a	
b	**Tax-exempt** interest. **Do not** include on line 8a. 8b		
9a	Ordinary dividends. Attach Schedule B if required.	9a	
b	Qualified dividends (see instructions). 9b		
10	Capital gain distributions (see instructions).	10	
11a	IRA distributions. 11a — 11b Taxable amount (see instructions).	11b	
12a	Pensions and annuities. 12a — 12b Taxable amount (see instructions).	12b	
13	Unemployment compensation and Alaska Permanent Fund dividends.	13	
14a	Social security benefits. 14a — 14b Taxable amount (see instructions).	14b	
15	Add lines 7 through 14b (far right column). This is your **total income.** ▶	15	100,000 00

Adjusted gross income

16	Educator expenses (see instructions). 16		
17	IRA deduction (see instructions). 17		
18	Student loan interest deduction (see instructions). 18		
19	Tuition and fees. Attach Form 8917. 19		
20	Add lines 16 through 19. These are your **total adjustments.**	20	0 00
21	Subtract line 20 from line 15. This is your **adjusted gross income.** ▶	21	100,000 00

Tax, credits, and payments

22	Enter the amount from line 21 (adjusted gross income).		22	100,000 00
23a	Check if: { ☐ **You** were born before January 2, 1950, ☐ Blind; ☐ **Spouse** was born before January 2, 1950, ☐ Blind } **Total boxes checked** ▶ 23a ☐			
b	If you are married filing separately and your spouse itemizes deductions, check here ▶ 23b ☐			
24	Enter your **standard deduction.**		24	12,400 00
25	Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-.		25	87,600 00
26	**Exemptions.** Multiply $3,950 by the number on line 6d.		26	15,800 00
27	Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your **taxable income.** ▶		27	71,800 00
28	**Tax,** including any alternative minimum tax (see instructions).	28		
29	Excess advance premium tax credit repayment. Attach Form 8962.	29		
30	Add lines 28 and 29.		30	
31	Credit for child and dependent care expenses. Attach Form 2441.	31		
32	Credit for the elderly or the disabled. Attach Schedule R.	32		
33	Education credits from Form 8863, line 19.	33		
34	Retirement savings contributions credit. Attach Form 8880.	34		
35	Child tax credit. Attach Schedule 8812, if required.	35		
36	Add lines 31 through 35. These are your **total credits.**		36	
37	Subtract line 36 from line 30. If line 36 is more than line 30, enter -0-.		37	0 00
38	Health care: individual responsibility (see instructions). Full-year coverage ☐		38	
39	Add line 37 and line 38. This is your **total tax.**		39	10,162 35
40	Federal income tax withheld from Forms W-2 and 1099.	40		
41	2014 estimated tax payments and amount applied from 2013 return.	41		
42a	**Earned income credit (EIC).**	42a		
b	Nontaxable combat pay election. 42b			
43	Additional child tax credit. Attach Schedule 8812.	43		
44	American opportunity credit from Form 8863, line 8.	44		
45	Net premium tax credit. Attach Form 8962.	45		
46	Add lines 40, 41, 42a, 43, 44, and 45. These are your **total payments.** ▶		46	

14.15% Taxable Income

10.16% Total Income

Standard Deduction for—
- People who check any box on line 23a or 23b **or** who can be claimed as a dependent, see instructions.
- All others:

Single or Married filing separately, $6,200

Married filing jointly or Qualifying widow(er), $12,400

Head of household, $9,100

If you have a qualifying child, attach Schedule EIC.

Refund

47	If line 46 is more than line 39, subtract line 39 from line 46. This is the amount you **overpaid.**	47	
48a	Amount of line 47 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐	48a	
▶ b	Routing number ☐☐☐☐☐☐☐☐☐ ▶ c Type: ☐ Checking ☐ Savings		
▶ d	Account number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐		
49	Amount of line 47 you want **applied to your 2015 estimated tax.** 49		

Direct deposit? See instructions and fill in 48b, 48c, and 48d or Form 8888.

Amount you owe

50	**Amount you owe.** Subtract line 46 from line 39. For details on how to pay, see instructions. ▶	50	
51	Estimated tax penalty (see instructions). 51		

Third party designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ **Yes.** Complete the following. ☐ **No**

Designee's name ▶ Phone no. ▶ Personal identification number (PIN) ▶

Sign here

Joint return? See instructions. 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 accurately list 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.

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid preparer use only

Print/type preparer's name	Preparer's signature	Date	Check ▶ ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Illinois Department of Revenue

2014 Form IL-1040

Individual Income Tax Return

$100,000 Married + 2 Children

or for fiscal year ending __ __/__ __

Over 80% of taxpayers file electronically. It is easy and you will get your refund faster. Visit tax.illinois.gov.

Do not write above this line.

Step 1: Personal Information

A Social Security numbers in the order they appear on your federal return

Your Social Security number ___ ___ ___ - ___ ___ - ___ ___ ___ ___

Spouse's Social Security number ___ ___ ___ - ___ ___ - ___ ___ ___ ___

B Personal information

Your first name and initial ________ Your last name ________

Spouse's first name and initial ________ Spouse's last name ________

Mailing address (See instructions if foreign address) ________ Apartment number ________

City ________ State ________ ZIP or Postal Code ________

Foreign Nation, if not United States (do not abbreviate) ________

C Filing status (see instructions)

☐ Single or head of household ☒ Married filing jointly ☐ Married filing separately ☐ Widowed

D Check if you or your spouse are a military veteran and want your name and address shared with the Illinois Department of Veterans' Affairs. ☐ You ☐ Spouse

				(Whole dollars only)
Step 2: Income	1	Federal adjusted gross income from your U.S. 1040, Line 37; U.S. 1040A, Line 21; or U.S. 1040EZ, Line 4		1 100,000 .00
	2	Federally tax-exempt interest and dividend income from your U.S. 1040 or 1040A, Line 8b; or U.S. 1040EZ		2 .00
	3	Other additions. **Attach** Schedule M.		3 .00
	4	**Total income.** Add Lines 1 through 3.		4 100,000 .00
Step 3: Base Income	5	Social Security benefits and certain retirement plan income received if included in Line 1. **Attach** Page 1 of federal return.	5 .00	
	6	Illinois Income Tax overpayment included in U.S. 1040, Line 10	6 .00	
	7	Other subtractions. **Attach** Schedule M. Check if Line 7 includes any amount from Schedule 1299-C. ☐	7 .00	
	8	Add Lines 5, 6, and 7. This is the total of your subtractions.		8 .00
	9	**Illinois base income.** Subtract Line 8 from Line 4.		9 100,000 .00
Step 4: Exemptions	10	a Number of exemptions from your federal return 4 X $2,125	a 8,500 .00	
		b If someone can claim you as a dependent, see instructions. ___ X $2,125	b .00	
		c Check if 65 or older: ☐ You + ☐ Spouse = ___ X $1,000	c .00	
		d Check if legally blind: ☐ You + ☐ Spouse = ___ X $1,000	d .00	
		Exemption allowance. Add Lines a through d.		10 8,500 .00
Step 5: Net Income	11	***Residents:* Net income.** Subtract Line 10 from Line 9. *Skip* Line 12.		11 91,500 .00
	12	***Nonresidents and part-year residents:*** Check the box that applies to you during 2014 ☐ Nonresident ☐ Part-year resident, and enter the **Illinois base income** from Schedule NR. **Attach** Schedule NR.	12 .00	
Step 6: Tax	13	***Residents:*** Multiply Line 11 by ~~5% (.05)~~. Cannot be less than zero. (3.75%) ***Nonresidents and part-year residents:*** Enter the tax from Schedule NR.		13 3,431.25 .00
	14	Recapture of investment tax credits. **Attach** Schedule 4255.		14 .00
	15	**Income tax.** Add Lines 13 and 14. Cannot be less than zero.		15 3,431.25 .00
Step 7: Tax After Non-refundable Credits	16	Income tax paid to another state while an Illinois resident. **Attach** Schedule CR.	16 .00	3.43% of total income
	17	Property tax and K-12 education expense credit amount from Schedule ICR. **Attach** Schedule ICR.	17 .00	
	18	Credit amount from Schedule 1299-C. **Attach** Schedule 1299-C.	18 .00	
	19	Add Lines 16, 17, and 18. This is the total of your credits. Cannot exceed the tax amount on Line 15.		19 .00
	20	**Tax after nonrefundable credits.** Subtract Line 19 from Line 15.		20 .00

Staple W-2 and 1099 forms here

Staple your check and IL-1040-V

This form is authorized as outlined under the Illinois Income Tax Act. Disclosure of this information is required. Failure to provide information could result in a penalty.

21 Tax after nonrefundable credits from Page 1, Line 20 — 21 ______ .00

Step 8: Other Taxes

22 Household employment tax. See instructions. — 22 ______ .00

23 Use tax on internet, mail order, or other out-of-state purchases from UT Worksheet or UT Table in the instructions. **Do not** leave blank. — 23 ______ .00

24 Compassionate Use of Medical Cannabis Pilot Program Act Surcharge — 24 ______ .00

25 **Total Tax.** Add Lines 21, 22, 23, and 24. — 25 ______ .00

Step 9: Payments and Refundable Credit

26 Illinois Income Tax withheld. **Attach** all W-2 and 1099 forms. — 26 ______ .00

27 Estimated payments from Forms IL-1040-ES and IL-505-I, including any overpayment applied from a prior year return — 27 ______ .00

28 Pass-through entity tax payments. **Attach** Schedule K-1-P or K-1-T. — 28 ______ .00

29 Earned Income Credit from Schedule ICR. **Attach** Schedule ICR. — 29 ______ .00

30 **Total payments and refundable credit.** Add Lines 26 through 29. — 30 ______ .00

Step 10: Result

31 **Overpayment.** If Line 30 is greater than Line 25, subtract Line 25 from Line 30. — 31 ______ .00

32 **Underpayment.** If Line 25 is greater than Line 30, subtract Line 30 from Line 25. — 32 ______ .00

Step 11: Underpayment of Estimated Tax Penalty and Donations

33 Late-payment penalty for underpayment of estimated tax — 33 ______ .00

a Check if at least two-thirds of your federal gross income is from farming. ☐

b Check if you or your spouse are 65 or older and permanently living in a nursing home. ☐

c Check if your income was not received evenly during the year and you annualized your income on Form IL-2210. **Attach** Form IL-2210. ☐

d Check if you were not required to file an Illinois Individual Income Tax return in the previous tax year. ☐

34 Voluntary charitable donations. **Attach** Schedule G. — 34 ______ .00

35 **Total penalty and donations.** Add Lines 33 and 34. — 35 ______ .00

Step 12: Refund or Amount You Owe

36 If you have an overpayment on Line 31 and this amount is greater than Line 35, subtract Line 35 from Line 31. This is your remaining **overpayment.** — 36 ______ .00

37 Amount from Line 36 you want **refunded to you.** Check one box on Line 38. See instructions. — 37 ______ .00

38 I choose to receive my refund by

☐ **direct deposit** - Complete the information below if you check this box.

Routing number ☐☐☐☐☐☐☐☐☐ ☐ Checking or ☐ Savings

Account number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

☐ **Illinois Individual Income Tax refund debit card**

☐ **paper check**

39 Amount to be **applied to estimated tax.** Subtract Line 37 from Line 36. See instructions. — 39 ______ .00

40 If you have an underpayment on Line 32, add Lines 32 and 35. **or** If you have an overpayment on Line 31 and this amount is less than Line 35, subtract Line 31 from Line 35. This is the **amount you owe.** See instructions. — 40 ______ .00

Step 13: Sign and Date

Under penalties of perjury, I state that I have examined this return, and, to the best of my knowledge, it is true, correct, and complete.

Your signature	Date	Daytime phone number	Your spouse's signature	Date
Paid preparer's signature	Date	Preparer's phone number	Preparer's FEIN, SSN, or PTIN	

Third Party Designee

☐ Check, and complete the designee's name and phone number below, to allow another person to discuss this return and any previous return that affects the liability reported on this return with the Illinois Department of Revenue.

Designee's name (please print) ______ Designee's phone number ______

Form 1099-G Information

☐ If you are unable to obtain your Form 1099-G from our website, you may check the box to receive a paper 1099-G form next year. We will mail you a 1099-G form if you meet the criteria requiring us to issue one to you.

If no payment enclosed, mail to:
ILLINOIS DEPARTMENT OF REVENUE
SPRINGFIELD IL 62719-0001

If payment enclosed, mail to:
ILLINOIS DEPARTMENT OF REVENUE
SPRINGFIELD IL 62726-0001

 DR______ AP______ RR DC IR

Form IT-40
State Form 154
(R13 / 9-14)

2014 Indiana Full-Year Resident Individual Income Tax Return

$100,000 Married +2 children

Due April 15, 2015

If filing for a fiscal year, enter the dates (see instructions) (MM/DD/YYYY):

from ______ ______ ______ to: ______ ______ ______

Your Social Security Number ______ ______ ______

Spouse's Social Security Number ______ ______ ______

☐ Place "X" in box if applying for ITIN

☐ Place "X" in box if applying for ITIN

Your first name	Initial	Last name	Suffix

If filing a joint return, spouse's first name	Initial	Last name	Suffix

Present address (number and street or rural route)

Place "X" in box if you are married filing separately. ☐

City	State	Zip/Postal code

Foreign country 2-character code (see instructions)

School corporation number (see instructions)

Enter below the **2-digit county code** numbers (found on the back of Schedule CT-40) for the county where you lived and worked on January 1, 2014.

County where **you** lived ______ County where **you** worked ______ County where **spouse** lived ______ County where **spouse** worked ______

Round all entries

1.	Enter your federal adjusted gross income (AGI) from your federal tax return (from Form 1040, line 37; Form 1040A, line 21; or from Form 1040EZ, line 4)	**Federal AGI**	1	100,000.00
2.	Enter amount from Schedule 1, line 8, and enclose Schedule 1	**Indiana Add-Backs**	2	.00
3.	Add line 1 and line 2		3	100,000.00
4.	Enter amount from Schedule 2, line 12, and enclose Schedule 2	**Indiana Deductions**	4	2,500.00 Max Mortgage
5.	Subtract line 4 from line 3	**Indiana Adjusted Income**	5	97,500.00
6.	You must complete Schedule 3. Enter amount from Schedule 3, line 5, and enclose Schedule 3	**Indiana Exemptions**	6	4,000.00
7.	Subtract line 6 from line 5	**State Taxable Income**	7	93,500.00
8.	State adjusted gross income tax: multiply line 7 by 3~~.4% (.034)~~ (3.3%) (if answer is less than zero, leave blank)		8	3086.00
9.	County tax. Enter county tax due from Schedule CT-40 (if answer is less than zero, leave blank)		9	.00
10.	Other taxes. Enter amount from Schedule 4, line 4 (enclose sch.)		10	.00
11.	Add lines 8, 9 and 10. Enter total here and on line 15 on the back	**Indiana Taxes**	11	.00

3.3% taxable
3.09% of total

15114111694

12. Enter credits from Schedule 5, line 9 (enclose schedule) ____ | 12 | .00

13. Enter offset credits from Schedule 6, line 8 (enclose schedule) | 13 | .00

14. Add lines 12 and 13 ____ **Indiana Credits** | 14 | .00

15. Enter amount from line 11 ____ **Indiana Taxes** | 15 | .00

16. If line 14 is equal to or more than line 15, subtract line 15 from line 14 (if smaller, skip to line 23) | 16 | .00

17. Amount from line 16 to be donated to the Indiana Nongame Wildlife Fund ____ | 17 | .00

18. Subtract line 17 from line 16 ____ **Overpayment** | 18 | .00

19. Amount from line 18 to be applied to your 2015 estimated tax account (see instructions).

Enter your county code [ ] county tax to be applied _ $ | a | .00

Spouse's county code [ ] county tax to be applied _ $ | b | .00

Indiana adjusted gross income tax to be applied ____ $ | c | .00

Total to be applied to your estimated tax account (a + b + c; cannot be more than line 18) ____ | 19d | .00

20. Penalty for underpayment of estimated tax from Schedule IT-2210 or IT-2210A (enclose sch.) _ | 20 | .00

21. Refund: Line 18 minus lines 19d and 20. Note: If less than zero, see line 23 ___ **Your Refund** | 21 | .00

22. Direct Deposit (see instructions)

a. Routing Number

b. Account Number

c. Type: [ ] Checking [ ] Savings [ ] Hoosier Works MC

d. Place an "X" in the box if refund will go to an account outside the United States [ ]

23. If line 15 is more than line 14, subtract line 14 from line 15. Add to this any amount on line 20 (see instructions) ____ | 23 | .00

24. Penalty if filed after due date (see instructions) ____ | 24 | .00

25. Interest if filed after due date (see instructions) ____ | 25 | .00

26. Amount Due: Add lines 23, 24 and 25 ____ **Amount You Owe** | 26 | .00
Do not send cash. Please make your check or money order payable to:
Indiana Department of Revenue. Credit card payers must see instructions.

Sign and date this return after reading the Authorization statement on Schedule 7. You must enclose Schedule 7.

Your Signature ____ Date ____ Spouse's Signature ____ Date ____

- If enclosing payment mail to: Indiana Department of Revenue, P.O. Box 7224, Indianapolis, IN 46207-7224.
- Mail all other returns to: Indiana Department of Revenue, P.O. Box 40, Indianapolis, IN 46206-0040.

15114121694

2014 IA 1040 Iowa Individual Income Tax Form

For fiscal year beginning ____/____ 2014 and ending ____/____/____

$100,000 Married + 2 children

Step 1: Fill in all spaces. You must fill in your Social Security Number (SSN).

Your last name | Your first name/middle initial

Spouse's last name | Spouse's first name/middle initial

Current mailing address (number and street, apartment, lot, or suite number) or PO Box

City, State, ZIP

Spouse SSN • | Your SSN •

Email Address:

Check this box if you or your spouse were 65 or older as of 12/31/14. ☐ •

Residence on 12/31/14: County No. • School District No. •

Dependent children for whom an exemption is claimed in Step 3
How many have health care coverage?(including Medicaid or hawk-i) _____ •
How many do not have health care coverage? _____ •

Step 2 Filing Status: Mark one box only.

1	☐	Single: Were you claimed as a dependent on another person's Iowa return? Yes ☐ No ☐ ▲
2	X	Married filing a joint return. (Two-income families may benefit by using status 3 or 4.)
3	☐	Married filing separately on this combined return. Spouse use column B.
4	☐	Married filing separate returns. Spouse's name: ▲SSN: Net Income: $
5	☐	Head of household with qualifying person. If qualifying person is not claimed as a dependent on this return, enter the person's name and SSN below.
6	☐	Qualifying Widow(er) with dependent child. Name: SSN:

Step 3 Exemptions •

		B. Spouse (Filing Status 3 ONLY)			A. You or Joint		
a.	Personal Credit: Col. A: Enter 1 (enter 2 if filing status 2 or 5); Col. B: Enter 1 if filing status 3	▲ 2	X $ 40 =	$ 80	▲	X $ 40 =	$
b.	Enter 1 for each taxpayer who is 65 or older and/or 1 for each taxpayer who is blind	▲ 0	X $ 20 =	$ 0	▲	X $ 20 =	$
c.	Dependents: Enter 1 for each dependent	▲ 2	X $ 40 =	$ 80	▲	X $ 40 =	$
d.	Enter first names of dependents here		e. Total	$		e. Total	$

Step 4 Reportable Social Security Benefits as calculated on line 11 of Iowa social security worksheet B. Spouse/Status 3 ▲ ______ A. You or Joint ▲ 160

		B. Spouse/Status 3	A. You or Joint	B. Spouse/Status 3	A. You or Joint
Step 5 Gross Income	1. Wages, salaries, tips, etc .... 1.	0 .00	100,000 .00		
	2. Taxable interest income. If more than $1,500, complete Sch. B .... 2.	.00	.00		
	3. Ordinary dividend income. If more than $1,500, complete Sch. B .... 3.	.00	.00		
	4. Alimony received .... 4.	.00	.00		
	5. Business income/(loss) from federal Schedule C or C-EZ .... 5.	.00	.00		
	6. Capital gain/(loss), federal Sch. D if required for federal purposes .... 6.	.00	.00		
	7. Other gains/(losses) from federal form 4797 .... 7.	.00	.00		
	8. Taxable IRA distributions .... 8.	.00	.00		
	9. Taxable pensions and annuities .... 9.	.00	.00		
	10. Rents, royalties, partnerships, estates, etc .... 10.	.00	.00		
	11. Farm income/(loss) from federal Schedule F .... 11.	.00	.00		
	12. Unemployment compensation. See instructions .... 12.	.00	.00		
	13. Gambling winnings .... 13.	.00	.00		
	14. Other income, bonus depreciation, and section 179 adjustment .... 14.	.00	.00		
	15. Gross Income. Add lines 1-14 .... 15.			0 .00	▲ 100,000 .00
Step 6 Adjustments to Income	16. Payments to an IRA, Keogh, or SEP .... 16.	.00	.00		
	17. Deductible part of self-employment tax .... 17.	.00	.00		
	18. Health insurance deduction .... 18.	.00	.00		
	19. Penalty on early withdrawal of savings .... 19.	.00	.00		
	20. Alimony paid .... 20.	.00	.00		
	21. Pension/retirement income exclusion .... 21.	.00	▲ .00		
	22. Moving expense deduction from federal form 3903 .... 22.	.00	.00		
	23. Iowa capital gain deduction; certain sales only. See instructions .... 23.	.00	▲ .00		
	24. Other adjustments .... 24.	.00	.00		
	25. Total adjustments. Add lines 16-24 .... 25.			• .00	▲ .00
	26. Net Income. Subtract line 25 from line 15 .... 26.			0 .00	▲ 100,000 .00
Step 7 Federal Tax Addition and Deduction	27. Federal income tax refund / overpayment received in 2014 .... 27.	.00	▲ .00		
	28. Self-employment/household employment taxes .... 28.	.00	▲ .00		
	29. Addition for federal taxes. Add lines 27 and 28 .... 29.			.00	.00
	30. Total. Add lines 26 and 29 .... 30.			.00	.00
	31. Federal tax withheld .... 31.	.00	▲ .00		
	32. Federal estimated tax payments made in 2014 .... 32.	.00	▲ 10,163 .00		
	33. Additional federal tax paid in 2014 for 2013 and prior years .... 33.	.00	▲ .00		
	34. Deduction for federal taxes. Add lines 31, 32, and 33 .... 34.			.00	10,163 .00
	35. Balance. Subtract line 34 from line 30. Enter here and on line 36, page 2 .... 35.			.00	▲ 89,837 .00

NOTE: Use only blue or black ink, no pencils or red ink.

2014 IA 1040, page 2

			B. Spouse/Status 3	A. You or Joint		B. Spouse/Status 3	A. You or Joint
Step 8 Taxable Income	36.	BALANCE. From side 1, line 35			36.	.00	89,837 .00
	37.	Deduction. Check one box ▲ Itemized.(Include IA Schedule A) ☐ Standard ☒			37.	.00 ▲	4,740 .00
	38.	TAXABLE INCOME. SUBTRACT line 37 from line 36			38.	.00	85,097 .00
Step 9 Tax, Credits, and Check-off Contributions	39.	Tax from tables or alternate tax	39. .00 ▲	5851 .00			
	40.	Iowa lump-sum tax. 25% of federal tax from form 4972	40. .00 ▲	.00			
	41.	Iowa minimum tax. Attach IA 6251.	41. .00 ▲	.00			
	42.	Total tax. ADD lines 39, 40, and 41.			42.	.00	5851 .00
	43.	Total exemption credit amount(s) from Step 3, side 1.	43. .00	.00			6.88% of taxable
	44.	Tuition and textbook credit for dependents K-12.	44. .00 ▲	.00			5.85% of total
	45.	Volunteer firefighter/EMS/reserve peace officer credit.	45. .00 ▲	.00			
	46.	Total credits. ADD lines 43, 44, and 45.			46.	.00	.00
	47.	BALANCE. SUBTRACT line 46 from line 42. If less than zero, enter zero.			47.	.00 ▲	.00
	48.	Credit for nonresident or part-year resident. Include IA 126 and federal return.			48.	.00 ▲	.00
	49.	BALANCE. SUBTRACT line 48 from 47. If less than zero, enter zero.			49.	.00 ▲	.00
	50.	Other nonrefundable Iowa credits. Include IA 148 Tax Credits Schedule.			50.	.00 ▲	.00
	51.	BALANCE. SUBTRACT line 50 from line 49. If less than zero, enter zero.			51.	.00 ▲	.00
	52.	School district surtax or EMS surtax. Take percentage from table; multiply by line 51.			52.	.00 ▲	.00
	53.	Total tax. ADD lines 51 and 52.			53.	.00 ▲	.00
	54.	TOTAL tax before contributions. Combine columns A and B on line 53 and enter here.			54.		.00
	55.	Contributions. Contributions will reduce your refund or add to the amount you owe. Amounts must be in whole dollars. Fish/Wildlife 55a: ▲ ____ State Fair 55b: ▲ ____ Firefighters/Veterans 55c: ▲ ____ Child abuse Prevention 55d: ▲ ____ Enter here			55.		.00
	56.	TOTAL TAX AND CONTRIBUTIONS. Add line 54 and line 55 and enter here.			56.	▲	.00
Step 10 Credits	57.	Out-of-state tax credit. Include IA 130.	57. .00 ▲	.00			
	58.	Iowa Fuel tax credit. Include IA 4136	58. .00 ▲	.00			
	59.	Check One: Child and dependent care credit ☐ OR ▲ Early childhood development credit ☐	59. .00 ▲	.00			
	60.	Iowa earned income tax credit. 15.0% (.15) of federal credit	60. .00 ▲	.00			
	61.	Other refundable credits. Include IA 148 Tax Credits Schedule.	61. .00 ▲	.00			
	62.	Total refundable credits. ADD lines 57 - 61.	62. .00 ▲	.00			
	63.	Tax after credits. Subtract line 62 from line 53. If less than 0, enter 0	63. .00 ▲	.00			
	64.	Taxpayers trust fund tax credit. See instructions	64. .00 ▲	.00			
	65.	Iowa income tax withheld.	65. .00 ▲	.00			
	66.	Estimated and voucher payments made for tax year 2014.	66. .00 ▲	.00			
	67.	TOTAL. ADD lines 62, 64, 65, and 66	67. .00 ▲	.00			
	68.	TOTAL CREDITS. ADD columns A and B on line 67 and enter here			68.		.00
Step 11 Refund or Amount Due	69.	If line 68 is more than line 56, Subtract line 56 from line 68. This is the amount you overpaid.			69.	▲	.00
	70.	Amount of line 69 to be REFUNDED. REFUND For a faster refund file electronically. Go to www.iowa.gov/tax for details			70.	▲	.00
	71.	Amount of line 69 to be applied to your 2015 estimated tax.	71. .00 ▲	.00			
	72.	If line 68 is less than line 56, Subtract line 68 from line 56. This is the AMOUNT OF TAX YOU OWE			72.	▲	.00
	73.	Penalty for underpayment of estimated tax from IA 2210, IA 2210S, or IA 2210F. Check if annualized income method is used. ▲☐			73.	▲	.00
	74.	Penalty and interest ▲ 74A.Penalty ____ .00 ▲74b. Interest ____ .00 ADD Enter total.			74.		.00
	75.	TOTAL AMOUNT DUE. ADD lines 72, 73, and 74, and enter here. PAY THIS AMOUNT			75.	▲	.00

You can pay online at www.iowa.gov/tax.
Mailing address: Iowa Income Tax Document Processing, PO Box 9187, Des Moines IA 50306-9187. Make check payable to Treasurer, State of Iowa.

Step 12

Political Checkoff - This checkoff does not increase the amount of tax you owe or decrease your refund.

▲Spouse	$1.50 to Republican Party ☐ $1.50 to Democratic Party ☐ $1.50 to Campaign Fund ☐	▲Yourself	$1.50 to Republican Party ☐ $1.50 to Democratic Party ☐ $1.50 to Campaign Fund ☐

Step 13 I (We), the undersigned, declare under penalty of perjury that I (we) have examined this return, including all accompanying schedules and statements, and, to the best of my (our) knowledge and belief, it is a true, correct, and complete return. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

SIGN HERE

Your Signature | Date | ▲☐ Check if Deceased | Date of Death | Preparer's Signature | Date

SIGN HERE

Spouse's Signature | Date | ▲☐ Check if Deceased | Date of Death | Preparer's PTIN | Firm's FEIN

Daytime Telephone Number | Daytime Telephone Number

This return is due April 30, 2015. Please sign, enclose W-2s, and verify SSNs.
MAILING ADDRESS: See line 75 above.

K-40

(Rev. 7/14)

DO NOT STAPLE

2014
KANSAS INDIVIDUAL INCOME TAX

$100,000 Married + Two Children

114514

Your First Name	Initial	Last Name	
Spouse's First Name	Initial	Last Name	
Mailing Address (Number and Street, including Rural Route)			School District No.
City, Town, or Post Office	State	Zip Code	County Abbreviation

Enter the first four letters of your last name. Use **ALL CAPITAL** letters.

Your Social Security number

Enter the first four letters of your spouse's last name. Use **ALL CAPITAL** letters.

Spouse's Social Security number

Daytime telephone number

☐ If your **name or address has changed** since last year, mark an "X" in this box

☐ If taxpayer (or spouse if filing joint) **died during this tax year,** mark an "X" in this box

Amended Return (Mark ONE)

If this is an **AMENDED** 2014 Kansas return mark one of the following boxes:

☐ Amended affects Kansas only ☐ Amended Federal tax return ☐ Adjustment by the IRS

Filing Status (Mark ONE)

☐ Single ☒ Married filing joint (Even if only one had income) ☐ Married filing separate ☐ Head of household (Do not mark if filing a joint return)

Residency Status (Mark ONE)

☒ Resident ☐ Part-year resident from ______ to ______ (Complete Sch. S, Part B) ☐ Nonresident (Complete Sch. S, Part B)

Exemptions and Dependents

4 Enter the number of exemptions you claimed on your 2014 federal return. If no federal return is required, enter total exemptions for you, your spouse (if applicable), and each person you claim as a dependent.

0 If filing status above is *Head of household*, add one exemption.

4 **Total Kansas exemptions.**

Enter the requested information for all persons claimed as dependents. **Do NOT include you or your spouse.** Enclose separate schedule if necessary.

Name (please print)	Date of Birth (mm/dd/yy)	Relationship	SSN (Social Security Number)

Food Sales Tax Credit

You must have been a Kansas resident for ALL of 2014. Complete this section to determine your qualifications and credit.

Mark ONE box

A. Had a dependent child who lived with you all year and was under the age of 18 all of 2014? . . . . YES ☐ NO ☐

B. Were you (or spouse) 55 years of age or older all of 2014 (born before January 1, 1959)? . . . . . . YES ☐ NO ☐

C. Were you (or spouse) totally and permanently disabled or blind all of 2014, regardless of age? . . YES ☐ NO ☐

If you answered NO to A, B, and C, **STOP HERE**; you do not qualify for this credit.

D. If you answered YES to A, B, or C, enter your federal adjusted gross income from line 1 of this return. If it is more than $30,615, **STOP HERE**; you do not qualify for this credit. – 00

E. Number of exemptions claimed on your **federal** income tax return . . . .

F. Number of dependents that are 18 years of age or older (born before January 1, 1997) . . . .

G. Total qualifying exemptions (subtract line F from line E). . . . .

H. Food sales tax credit (multiply line G by $125). Enter the result here and on line 17 of this form. 00

Mail to: Kansas Income Tax, Kansas Dept. of Revenue
915 SW Harrison St., Topeka, KS 66612-1588

114214

ENTER AMOUNTS IN WHOLE DOLLARS ONLY

Income Shade the box for negative amounts. Example: ▬	1.	Federal adjusted gross income (as reported on your federal income tax return)	1	100,000	00
	2.	Modifications (from Schedule S, line A28; **enclose Schedule S**)	2	0	00
	3.	Kansas adjusted gross income (line 2 added to or subtracted from line 1)	3	100,000	00
Deductions	4.	Standard deduction OR itemized deductions (**if itemizing, complete Part C of Schedule S**)	4	7,500	00
	5.	Exemption allowance ($2,250 x number of exemptions claimed)	5	9,000	00
	6.	Total deductions (add lines 4 and 5)	6	16,500	00
	7.	Taxable income (subtract line 6 from line 3; if less than zero, enter 0)	7	83,500	00
Tax Computation	8.	Tax (from Tax Tables or Tax Computation Schedule)	8	3,377	00
	9.	Nonresident percentage (from Schedule S, line B23; or if 100%, enter 100.0000)	9		
	10.	Nonresident tax (multiply line 8 by line 9)	10		00
	11.	Kansas tax on lump sum distributions (residents only - see instructions)	11		00
	12.	TOTAL INCOME TAX (residents: add lines 8 & 11; nonresidents: enter amount from line 10)	12	3,377	00
Credits	13.	Credit for taxes paid to other states (see instructions; **enclose return(s) from other states**)	13	4.04% of taxable	00
	14.	Other credits (enclose all appropriate credit schedules)	14	3.38% of total	00
	15.	Subtotal (subtract lines 13 and 14 from line 12)	15		00
	16.	Earned income tax credit (**from worksheet on page 8 of instructions**)	16		00
	17.	Food sales tax credit (from line H, front of this form)	17		00
	18.	Tax balance after credits (subtract lines 16 and 17 from line 15; cannot be less than zero)	18		00
Use Tax	19.	Use tax due (see instructions)	19		00
	20.	Total tax balance (add lines 18 and 19)	20		00
Withholding and Payments	21.	Kansas income tax withheld from W-2, 1099, or K-19 (enclose K-19; see instructions)	21		00
	22.	Estimated tax paid	22		00
	23.	Amount paid with Kansas extension	23		00
	24.	Refundable portion of earned income tax credit (**from worksheet, page 8 of instructions**)	24		00
If this is an AMENDED return, complete lines 26 and 27.	25.	Refundable portion of tax credits	25		00
	26.	Payments remitted with original return	26		00
	27.	Overpayment from original return (this figure is a subtraction; see instructions) ▬	27		00
	28.	Total refundable credits (add lines 21 through 26; then subtract line 27)	28		00
Balance Due	29.	**Underpayment** (if line 20 is *greater* than line 28, enter the difference here)	29		00
	30.	Interest (see instructions)	30		00
	31.	Penalty (see instructions)	31		00
	32.	Estimated Tax Penalty ☐ Mark box if engaged in commercial farming or fishing in 2014.	32		00
	33.	**AMOUNT YOU OWE** (add lines 29 throught 32 and any entries on lines 36 through 41)	33		00
Overpayment	34.	**Overpayment** (if line 20 is *less* than line 28, enter the difference here)	34		00
	35.	**CREDIT FORWARD** (enter amount you wish to be applied to your 2015 estimated tax)	35		00
You may donate to any of the programs on lines 36 through 41. The amount you enter will reduce your refund or increase the amount you owe.	36.	CHICKADEE CHECKOFF (Kansas Nongame Wildlife Improvement Program)	36		00
	37.	SENIOR CITIZENS MEALS ON WHEELS CONTRIBUTION PROGRAM	37		00
	38.	BREAST CANCER RESEARCH FUND	38		00
	39.	MILITARY EMERGENCY RELIEF FUND	39		00
	40.	KANSAS HOMETOWN HEROES FUND	40		00
	41.	KANSAS CREATIVE ARTS INDUSTRY FUND	41		00
	42.	**REFUND** (subtract lines 35 through 41 from line 34)	42		00

Signature(s)

☐ I authorize the Director of Taxation or the Director's designee to discuss my return and enclosures with my preparer.

I declare under the penalties of perjury that to the best of my knowledge this is a true, correct, and complete return.

Signature of taxpayer | Date | Signature of preparer other than taxpayer | Phone number of preparer

Signature of spouse if Married Filing Joint | Tax preparer's EIN or SSN

ENCLOSE any necessary documents with this form. DO NOT STAPLE.

$100,000 Married + Two children

MISSOURI DEPARTMENT OF REVENUE

INDIVIDUAL INCOME TAX RETURN—LONG FORM

2014 FORM MO-1040

FOR CALENDAR YEAR JAN. 1–DEC. 31, 2014, OR FISCAL YEAR BEGINNING 20____, ENDING 20____

AMENDED RETURN — CHECK HERE ☐

SOFTWARE VENDOR CODE (Assigned by DOR) 000

NAME AND ADDRESS

SOCIAL SECURITY NUMBER ___ ___ ___ - ___ ___ - ___ ___ ___ ___ | SPOUSE'S SOCIAL SECURITY NUMBER ___ ___ ___ - ___ ___ - ___ ___ ___ ___

LAST NAME | FIRST NAME | M. INITIAL | SUFFIX (JR, SR, etc.) | DECEASED 2014 ☐

SPOUSE'S LAST NAME | FIRST NAME | M. INITIAL | SUFFIX (JR, SR, etc.) | DECEASED 2014 ☐

IN CARE OF NAME (ATTORNEY, EXECUTOR, PERSONAL REPRESENTATIVE, ETC.) | COUNTY OF RESIDENCE

PRESENT ADDRESS (INCLUDE APARTMENT NUMBER OR RURAL ROUTE) | CITY, TOWN, OR POST OFFICE, STATE, AND ZIP CODE

You may contribute to any one or all of the trust funds on Line 45. See pages 9–10 for a description of each trust fund, as well as trust fund codes to enter on Line 45.

Children's Trust Fund | Veterans Trust Fund | Elderly Home Delivered Meals Trust Fund | Missouri National Guard Trust Fund | Workers' Memorial Fund | Childhood Lead Testing Fund | Missouri Military Family Relief Fund | General Revenue Fund | Organ Donor Program Fund

PLEASE CHECK THE APPROPRIATE BOXES THAT APPLY TO YOURSELF OR YOUR SPOUSE AS OF DECEMBER 31, 2014.

AGE 62 THROUGH 64	AGE 65 OR OLDER	BLIND	100% DISABLED	NON-OBLIGATED SPOUSE
☐ YOURSELF	☐ YOURSELF	☐ YOURSELF	☐ YOURSELF	☐ YOURSELF
☐ SPOUSE	☐ SPOUSE	☐ SPOUSE	☐ SPOUSE	☐ SPOUSE

INCOME

			Yourself		Spouse
1.	Federal adjusted gross income from your 2014 federal return (See worksheet on page 6.)	1Y	100,000 .00	1S	0 .00
2.	Total additions (from Form MO-A, Part 1, Line 6)	2Y	.00	2S	.00
3.	Total income — Add Lines 1 and 2.	3Y	100,000 .00	3S	0 .00
4.	Total subtractions (from Form MO-A, Part 1, Line 14)	4Y	0 .00	4S	0 .00
5.	Missouri adjusted gross income — Subtract Line 4 from Line 3.	5Y	100,000 .00	5S	0 .00
6.	Total Missouri adjusted gross income — Add columns 5Y and 5S.	6	100,000 .00		
7.	Income percentages — Divide columns 5Y and 5S by total on Line 6. (Must equal 100%.)	7Y	100 %	7S	0 %

EXEMPTIONS AND DEDUCTIONS

8. Pension and Social Security/Social Security Disability/Military exemption (from Form MO-A, Part 3, Section E.) — 8: .00

9. Mark your filing status box below and enter the appropriate exemption amount on Line 9.
   - ☐ A. Single — $2,100 **(See Box B before checking.)**
   - ☐ B. Claimed as a dependent on another person's federal tax return — $0.00
   - ☒ C. Married filing joint federal & combined Missouri — $4,200
   - ☐ D. Married filing separate — $2,100
   - ☐ E. Married filing separate (spouse NOT filing) — $4,200
   - ☐ F. Head of household — $3,500
   - ☐ G. Qualifying widow(er) with dependent child — $3,500

   9: 4,200 .00

10. Tax from federal return (Do not enter federal income tax withheld.)
   - Federal Form 1040, Line 56 minus Lines 45, 46, 66a, 68, and 69
   - Federal Form 1040A, Line 37, minus Lines 29, 42a, 44, 45, and any alternative minimum tax included on Line 28.
   - Federal Form 1040EZ, Line 10 minus Line 8a — 10: 10,613 .00

11. Other tax from federal return — Attach copy of your federal return (pages 1 and 2). — 11: .00

12. Total tax from federal return — Add Lines 10 and 11. — 12: 10,613 .00

13. Federal tax deduction — Enter amount from Line 12 not to exceed $5,000 for individual filer; $10,000 for combined filers. — 13: 10,000 .00

14. Missouri standard deduction or itemized deductions. Single or Married Filing Separate — $6,200; Head of Household— $9,100; Married Filing a Combined Return or Qualifying Widow(er) — $12,400; If you are age 65 or older, blind, or claimed as a dependent, see your federal return or page 7. If you are itemizing, see Form MO-A, Part 2 — 14: 12,400 .00

15. Number of dependents from Federal Form 1040 or 1040A, Line 6c **(DO NOT INCLUDE YOURSELF OR SPOUSE.)** [2] X $1,200 = — 15: 2,400 .00

16. Number of dependents on Line 15 who are 65 years of age or older and do not receive Medicaid or state funding **(DO NOT INCLUDE YOURSELF OR SPOUSE.)** [ ] X $1,000 = — 16: 0 .00

Do not include yourself or spouse.

17. Long-term care insurance deduction — 17: .00

18. A. Health care sharing ministry deduction $ ________ B. New jobs deduction $ ________ — 18: .00

19. Total deductions — Add Lines 8, 9, 13, 14, 15, 16, 17, and 18. — 19: 29,000 .00

20. Subtotal — Subtract Line 19 from Line 6. — 20: 71,000 .00

21.	Multiply Line 20 by appropriate percentages (%) on Lines 7Y and 7S.	21Y	71,000 .00	21S	0 .00
22.	Enterprise zone or rural empowerment zone income modification	22Y	.00	22S	.00
23.	Subtract Line 22 from Line 21. Enter here and on Line 24.	23Y	71,000 .00	23S	0 .00

TAX

		Yourself		Spouse	
24. Taxable income amount from Lines 23Y and 23S	24Y	71,000	00	24S	0 00
25. Tax (See tax chart on page 25 of the instructions.)	25Y	4,035	00	25S	0 00
26. Resident credit — Attach Form MO-CR and other states' income tax return(s).	26Y		00	26S	00
27. Missouri income percentage — Enter 100% unless you are completing Form MO-NRI. Attach Form MO-NRI and a copy of your federal return if less than 100%.	27Y	100	%	27S	100 %
28. Balance — Subtract Line 26 from Line 25; OR Multiply Line 25 by percentage on Line 27.	28Y	4,035	00	28S	0 00
29. Other taxes (Check box and attach federal form indicated.) ☐ Lump sum distribution (Form 4972) ☐ Recapture of low income housing credit (Form 8611)	29Y	~~4,035~~	00	29S	0 00
30. Subtotal — Add Lines 28 and 29.	30Y	4,035	00	30S	0 00

31. Total Tax — Add Lines 30Y and 30S.	31	4,035	00

PAYMENTS / CREDITS

32. MISSOURI tax withheld — Attach Forms W-2 and 1099.	32		00
33. 2014 Missouri estimated tax payments (include overpayment from 2013 applied to 2014)	33		00
34. Missouri tax payments for nonresident partners or S corporation shareholders — Attach Forms MO-2NR and MO-NRP.	34		00
35. Missouri tax payments for nonresident entertainers — Attach Form MO-2ENT.	35		00
36. Amount paid with Missouri extension of time to file (Form MO-60)	36		00
37. Miscellaneous tax credits (from Form MO-TC, Line 13) — Attach Form MO-TC.	37		00
38. Property tax credit — Attach Form MO-PTS.	38	709	00
39. Total payments and credits — Add Lines 32 through 38.	39		00

AMENDED RETURN

Skip Lines 40–42 if you are not filing an amended return.

40. Amount paid on original return	40		00
41. Overpayment as shown (or adjusted) on original return	41		00

INDICATE REASON FOR AMENDING. M M D D Y Y

- ☐ A. Federal audit .... Enter date of IRS report.
- ☐ B. Net operating loss carryback .... Enter year of loss.
- ☐ C. Investment tax credit carryback .... Enter year of credit.
- ☐ D. Correction other than A, B, or C ..... Enter date of federal amended return, if filed.

42. Amended Return — total payments and credits. Add Line 40 to Line 39 or subtract Line 41 from Line 39.	42	3,326	00

REFUND

43. If Line 39, or if amended return, Line 42, is larger than Line 31, enter difference (amount of OVERPAYMENT) here.	43		00
44. Amount of Line 43 to be applied to your 2015 estimated tax	44		00

45. Enter the amount of your donation in the trust fund boxes to the right. See instructions for trust fund codes. 45

Children's Trust Fund	Veterans Trust Fund	Elderly Home Delivered Meals Trust Fund	Missouri National Guard Trust Fund	Workers' Memorial Fund	Childhood Lead Testing Fund	Missouri Military Family Relief Fund	General Revenue Fund	Organ Donor Program Fund	Additional Fund Code (See Instr.)	Additional Fund Code (See Instr.)
00	00	00	00	00	00	00	00	00	00	00

46. **REFUND -** Subtract Lines 44 and 45 from Line 43 and enter here. Sign below and mail return to: Department of Revenue, PO Box 500, Jefferson City, MO 65106-0500.	46		00

AMOUNT DUE

47. If Line 31 is larger than Line 39 or Line 42, enter the difference (amount of UNDERPAYMENT) here and go to instructions for Line 48.	47		00
48. Underpayment of estimated tax penalty — Attach Form MO-2210. Enter penalty amount here.	48		00
49. **AMOUNT DUE -** Add Lines 47 and 48 and enter here. Sign below and mail return and payment to: Department of Revenue, PO Box 329, Jefferson City, MO 65107-0329. See instructions for Line 49.	49	3,326	00

If you pay by check, you authorize the Department of Revenue to process the check electronically. Any returned check may be presented again electronically.

4.68% of taxable
3.33% of total

SIGNATURE

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which he or she has any knowledge. As provided in Chapter 143, RSMo, a penalty of up to $500 shall be imposed on any individual who files a frivolous return. I also declare under penalties of perjury that I employ no illegal or unauthorized aliens as defined under federal law and that I am not eligible for any tax exemption, credit or abatement if I employ such aliens.

I authorize the Director of Revenue or delegate to discuss my return and attachments with the preparer or any member of the preparer's firm. ☐ YES ☐ NO	E-MAIL ADDRESS	PREPARER'S TELEPHONE ( ) -
SIGNATURE	DATE (MMDDYYYY) / /	PREPARER'S SIGNATURE	FEIN, SSN, OR PTIN
SPOUSE'S SIGNATURE (If filing combined, BOTH must sign)	DAYTIME TELEPHONE ( ) -	PREPARER'S ADDRESS AND ZIP CODE	DATE (MMDDYYYY) / /

This form is available upon request in alternative accessible format(s).

$100,000 Married
+2 children

1A Wisconsin income tax 2014

Complete form using BLACK INK

Note

DO NOT STAPLE

Your legal last name	Legal first name	M.I.	Your social security number
If a joint return, spouse's legal last name	Spouse's legal first name	M.I.	Spouse's social security number

Home address (number and street). If you have a PO Box, see page 6.	Apt. No.

City or post office	State	Zip code

Tax district Check below then fill in either the name of city, village, or town and the county in which you lived at the end of 2014.

☐ City ☐ Village ☐ Town

City, village, or town ▶

County of ▶

School district number (see page 23)

Special conditions

Filing status

☐ Single

☒ Married filing joint return (even if only one had income)

☐ Head of household
Also, check here if married. ▶ ☐ Fill in qualifying person's name ▼

Print numbers like this → 0123456789 **Not like this →** Ø147 **NO COMMAS; NO CENTS**

ENCLOSE withholding statements

1	Wages, salaries, tips, etc. (see page 7)			1	100 000 .00
2	Interest (see page 7)			2	.00
3	Ordinary dividends (from line 9a of federal Form 1040A or 1040)			3	.00
4	Capital gain distributions (see page 8)			4	.00
5	Unemployment compensation (from worksheet, page 8)			5	.00
6	Taxable IRA distributions, pensions, and annuities (see page 8)			6	.00
7	Add lines 1 through 6			7	.00
8	IRA deduction (see page 10)	8	.00		
9	Student loan interest deduction (see page 10)	9	.00		
10	Medical care insurance deduction (see page 10)	10	.00		
11	Add lines 8 through 10			11	0 .00
12	Subtract line 11 from line 7. This is your Wisconsin income			12	100 000 .00
13	If your parent (or someone else) can claim you (or your spouse) as a dependent, check here ▶			13	☐
14	Fill in the **standard deduction** for your filing status from table, page 31. **But if** you checked line 13, fill in amount from worksheet, page 11			14	2355 .00
15	Subtract line 14 from line 12. If line 14 is larger than line 12, fill in 0			15	97645 .00
16	**Exemptions** (Caution: see page 11)				
	a Fill in exemptions from your federal return ▶ 4 x $700	16a	2800 .00		
	b Check if 65 or older ☐ You + ☐ Spouse = ___ x $250	16b	.00		
	c Add lines 16a and 16b			16c	2800 .00
17	Subtract line 16c from line 15. If line 16c is larger than line 15, fill in 0. This is your taxable income			17	94845 .00
18	Tax. Use amount on line 17 to find your tax using table, page 24			18	5554 .00
19	Armed forces member credit (must be stationed outside U.S., see page 11)	19	.00		
20	School property tax credit				
	a Rent paid in 2014–heat included .00; Rent paid in 2014–heat not included .00 } Find credit from table page 12	20a	.00		
	b Property taxes paid on home in 2014 2500+ .00 ▶ Find credit from table page 13	20b	300 .00		
21	Married couple credit. Complete schedule on reverse side	21	N/A .00		
22	Add lines 19 through 21. This is the total of your credits			22	300 .00
23	Subtract line 22 from line 18. If line 22 is larger than line 18, fill in 0. This is your net tax			23	5254 .00

PAPER CLIP payment here

I-080i (R. 10-14)

NO COMMAS; NO CENTS

24	Fill in net tax from line 23	24	5254 .00
25	Sales and use tax due on Internet, mail order, or other out-of-state purchases (see page 14) If you certify that no sales or use tax is due, check here ▶	25	.00

5.54% of taxable
5.25% of total

26 Donations (decreases refund or increases amount owed)

a Endangered resources	.00	f Firefighters memorial	.00
b Packers football stadium	.00	g Military family relief	.00
c Cancer research	.00	h Second Harvest/Feeding Amer.	.00
d Veterans trust fund	.00	i Red Cross WI Disaster Relief	.00
e Multiple sclerosis	.00	j Special Olympics Wisconsin	.00

Total (add lines a through j) ▶ 26k .00

27	Add lines 24, 25, and 26k			27	.00
28	Wisconsin income tax withheld. Enclose withholding statements	28	.00		
29	2014 estimated tax payments and amount applied from 2013 return	29	.00		
30	Earned income credit (see page 16) Qualifying children ▶ ____ Federal credit ____ .00 x ____ % =	30	.00		
31	Homestead credit. Attach Schedule H or H-EZ	31	.00		
32	Eligible veterans and surviving spouses property tax credit (see page 16)	32	.00		
33	Add lines 28 through 32			33	.00
34	If line 33 is more than line 27, subtract line 27 from line 33. This is the **AMOUNT YOU OVERPAID**			34	.00
35	Amount of line 34 you want **REFUNDED TO YOU**			35	.00
36	Amount of line 34 you want **applied to your 2015 estimated tax**	36	.00		
37	If line 33 is less than line 27, subtract line 33 from line 27. This is the **AMOUNT YOU OWE**			37	.00
38	Underpayment interest. Fill in exception code – See Sch. U → ____ (See page 18)	38	.00		

Third Party Designee Do you want to allow another person to discuss this return with the department *(see page 19)*? ___ **Yes** Complete the following. ___ **No**

Designee's name ▶ Phone no. ▶ ( ) Personal identification number (PIN) ▶

Sign below *Under penalties of law, I declare that this return and all attachments are true, correct, and complete to the best of my knowledge and belief.*

Your signature | Spouse's signature (if filing jointly, BOTH must sign) | Date | Daytime phone ( )

Mail your return to: Wisconsin Department of Revenue

If tax due .... PO Box 268, Madison WI 53790-0001
If homestead credit claimed .... PO Box 34, Madison WI 53786-0001
If refund or no tax due .... PO Box 59, Madison WI 53785-0001

Married Couple Credit When Both Spouses Are Employed

			(A) YOURSELF	(B) YOUR SPOUSE
1	Wages, salaries, tips, and other employee compensation from line 1 of Form 1A. Do not include deferred compensation or scholarships and fellowships that are not reported on a W-2	1	.00	.00
2	IRA deduction, if any, from line 8 of Form 1A	2	.00	.00
3	Subtract line 2 from line 1	3	.00	.00

4	Compare amounts in columns (A) and (B) of line 3. Fill in the smaller amount here. If more than $16,000, fill in $16,000	4	.00
5	Rate of credit is .03 (3%)	5	x **.03**
6	Multiply line 4 by line 5. Round the result and fill in here and on line 21 of Form 1A **Do NOT fill in more than $480**	6	.00

C

For Department Use Only