

# UNDERSTANDING YOUR TAX RETURN

## A SIMPLE GUIDE TO THE FORM 1040 & KEY SCHEDULES

At Infinity, we believe that clarity builds confidence. Your tax return should feel understandable—not overwhelming. This guide explains the major components of your Form 1040 so you can feel informed and empowered.

### **WHAT IS FORM 1040?**

Form 1040 is the main document that reports your income, deductions, credits, and final tax calculation. Every individual taxpayer files a version of this form.

#### **PAGE 1 – PERSONAL INFORMATION & FILING STATUS**

Here you'll see:

- Your name, SSN, and address
- Filing status (Single, MFJ, MFS, HOH, QW)
- Dependents & credits tied to dependents

Why it matters: Filing status influences your tax bracket, credits, and deduction amounts.

#### **PAGE 1 – INCOME SUMMARY**

This section aggregates:

- W-2 wages
- Interest & dividends
- Business or rental income
- Retirement distributions
- Social Security
- Capital gains

The total of these is your "Total Income."

#### **PAGE 1 – ADJUSTMENTS & AGI**

Adjustments reduce your income before deductions.

Examples:

- IRA contributions
- HSA contributions
- Student loan interest
- Self-employment tax adjustments
- Educator expenses

Your Adjusted Gross Income (AGI) is the foundation for most tax calculations.

#### **PAGE 2 – TAX, CREDITS & PAYMENTS**

This is where:

- Your tax bracket is applied
- Credits like Child Tax Credit or education credits reduce your tax
- Payments (withholding, estimates) are accounted for

#### **PAGE 2 – REFUND OR AMOUNT DUE**

Finally, you'll see:

- Whether you owe or receive a refund
- Bank info for direct deposit
- Any penalties

#### **KEY SCHEDULES**

Schedule 1: Additional income & adjustments

Schedule 2: Additional taxes (AMT, NIIT)

Schedule 3: Additional credits

Schedule A: Itemized deductions

Schedule B: Interest & dividends

Schedule C: Business income

Schedule D: Capital gains

Schedule E: Rentals, partnerships, S-corps

Schedule SE: Self-employment tax

If you ever want a walkthrough of your return, your Infinity team is here to help! Give us a call at 256-527-4214 or email us at [info@infinitytaxandfinancial.com](mailto:info@infinitytaxandfinancial.com)