



## NEWS RELEASE

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### Reasons for Filing Amended Individual Income Tax Returns

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*Thomson Reuters analyst explains considerations and steps for filing an amended return*

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**NEW YORK, March 13, 2013**— “Most U.S. individual taxpayers eventually make a mistake or two on their federal income tax return or have another need to adjust a prior year’s return,” says Jim Van Grevenhof, a senior tax analyst at Thomson Reuters. That is why the IRS created Form 1040X (Amended U.S. Individual Tax Return). “Keep in mind that changes submitted can increase as well as decrease your tax bill,” cautions Van Grevenhof.

Form 1040X can be used to correct previously filed Forms 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ. It can also be used to make certain elections after the deadline, change amounts previously adjusted by the IRS, or make a claim for a carryback due to a loss or unused credit, notes van Grevenhof.

Form 1040X contains three columns in which the taxpayer indicates the original submission amount, the net change to the original submission amount, and, finally, the correct amount. In addition, the taxpayer must include information explaining the change or changes.

To complete Form 1040X, the taxpayer should start by making any required changes to the adjusted gross income (AGI) which is the total of income minus certain deductions (adjustments). (It is the amount that appears on the last line of page 1 on Forms 1040 and 1040A.) Examples include the addition of alimony payments, business income, or capital gains the taxpayer forgot to include in income or business expenses, moving expenses, self-employment taxes, or student loan interest the taxpayer forgot to deduct on the original return. Van Grevenhof advises to keep in mind that a change to AGI can cause other amounts to increase or decrease including miscellaneous itemized deductions, education credits, allowable charitable contributions, and the taxable amount of social security benefits.

Next, the taxpayer should report any changes impacting itemized deductions or standard deduction. Examples include incorrect reported amounts of and/or failure to include interest on a home loan, real estate or state income taxes, and charitable contributions.

Finally, the taxpayer should make any changes to the number of the exemptions claimed to determine taxable income. Then compute the tax liability and subtract any credits and payments to determine the amount of tax owed or refund due.

A taxpayer should only file Form 1040X after filing the original return, notes Van Grevenhof. Generally, for a credit or refund, taxpayers must file Form 1040X within three years (including extensions) after the date they filed their original return or within two years after the date they paid the tax, whichever is later.

Taxpayers should consult with a personal tax adviser before applying these or other tax strategies.

Up-to-date analyses of legislation and regulations affecting individual taxpayers are available for tax and accounting professionals on the industry-leading, award-winning [Thomson Reuters Checkpoint](#) research platform.



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