

NAME: _____

DATE: _____

ACTIVITY

Example 1040

What + Why: Explore Form 1040 and Schedule C to learn what each section is used for and how they organize financial information.

When people earn money, they report that income to the federal government using Form 1040. This form shows how much someone earned during the year and helps calculate whether they get a refund or owe taxes.

If someone earns money from a self-owned business, freelance work, or a side job, they use Schedule C to list business income and expenses. The profit or loss from Schedule C is then included on Form 1040. (Note: First-time workers typically use a Form 1040, not a Schedule C.)

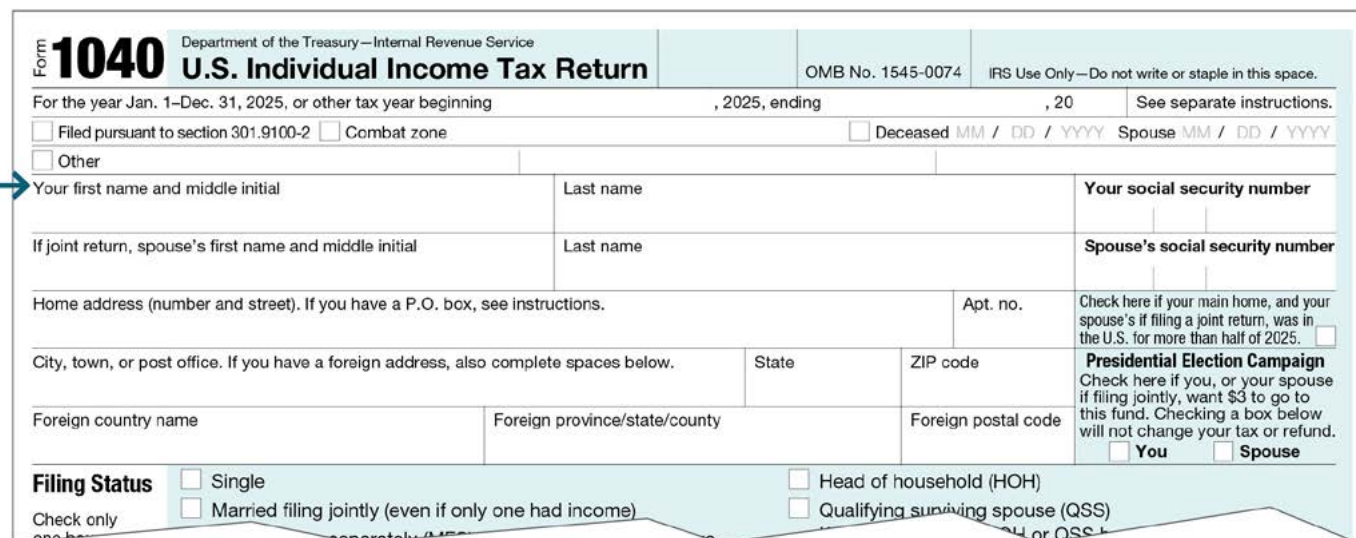
Instructions:

1. Review the different parts of Form 1040 and Schedule C to learn what each section of the forms are used for.
2. As you explore, focus on how different sections of the forms organize information and help determine whether someone receives a refund or owes taxes.
3. Respond to each question using details from the forms.

Where on Form 1040 do income, taxes, and payments appear?

What happens between total income and the final amount owed or refunded?

How does Schedule C information flow into Form 1040?



Form 1040 Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2025, or other tax year beginning _____, 2025, ending _____, 20. See separate instructions.

☐ Filed pursuant to section 301.9100-2 ☐ Combat zone ☐ Deceased MM / DD / YYYY Spouse MM / DD / YYYY

☐ Other

Your first name and middle initial _____ Last name _____ Your social security number _____

If joint return, spouse's first name and middle initial _____ Last name _____ Spouse's social security number _____

Home address (number and street). If you have a P.O. box, see instructions. _____ Apt. no. _____

City, town, or post office. If you have a foreign address, also complete spaces below. _____ State _____ ZIP code _____

Foreign country name _____ Foreign province/state/county _____ Foreign postal code _____

Filing Status ☐ Single ☐ Head of household (HOH) ☐ Married filing jointly (even if only one had income) ☐ Qualifying surviving spouse (QSS)

Check only one box. If you are filing a joint return, check the "Married filing jointly" box.

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

Personal Information - Enter personal identifying information

Select a filing status.

- **Single or Married Filing Separately** - unmarried, legally separated or married but choosing to file separately
- **Married Filing Jointly** - married and filing together
- **Qualifying Surviving Spouse** - spouse died within the last two years and a dependent child claimed
- **Head of Household** - unmarried and paying most household costs for a dependent

Foreign country name _____ Foreign province/state/country _____ postal code _____ this filing status will not change your tax or refund. ☐ You ☐ Spouse

Filing Status Check only one box.

☐ Single

☐ Married filing jointly (even if only one had income)

☐ Married filing separately (MFS). Enter spouse's SSN above and full name here: _____

☐ Head of household (HOH)

☐ Qualifying surviving spouse (QSS)
If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent: _____

☐ If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required): _____

Digital Assets At any time during 2025, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☐ No

Dependents (see instructions)

If more than four dependents, see instructions and check here ☐

	Dependent 1	Dependent 2	Dependent 3	Dependent 4
(1) First name				
(2) Last name				
(3) SSN				
(4) Relationship				
(5) Check if lived with you more than half of 2025	(a) ☐ Yes (b) ☐ And in the U.S.	(a) ☐ Yes (b) ☐ And in the U.S.	(a) ☐ Yes (b) ☐ And in the U.S.	(a) ☐ Yes (b) ☐ And in the U.S.
(6) Status	Full-time ☐ Part-time ☐ Permanently and totally disabled ☐	Full-time ☐ Part-time ☐ Permanently and totally disabled ☐	Full-time ☐ Part-time ☐ Permanently and totally disabled ☐	Full-time ☐ Part-time ☐ Permanently and totally disabled ☐
(7) Credit for other dependents	☐	☐	☐	☐

Dependents - List individuals who receive financial support, including children or qualifying adults

separated according to your state law under a written separation agreement or a decree of separate maintenance and you did not live in the same household as your spouse at the end of 2025.

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions.

Attach Sch. B if required.

1a	Total amount from Form(s) W-2, box 1 (see instructions)		1a	
b	Household employee wages not reported on Form(s) W-2		1b	
c	Tip income not reported on line 1a (see instructions)		1c	
d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)		1d	
e	Taxable dependent care benefits from Form 2441, line 26		1e	
f	Employer-provided adoption benefits from Form 8839, line 31		1f	
g	Wages from Form 8919, line 6		1g	
h	Other earned income (see instructions). Enter type and amount: _____		1h	
i	Nontaxable combat pay election (see instructions)	1i		
z	Add lines 1a through 1h		1z	
2a	Tax-exempt interest	2a		
3a	Qualified dividends	3a		
c	Check if your child's dividends are included in ☐ Line 3a		2	☐ Line 3b
4a	IRA distributions	4a		
c	Check if (see instructions) ☐ Rollover		2	☐ QCD ☐ 3 ☐
5a	Pensions and annuities	5a		
c	Check if (see instructions) ☐ Rollover		2	☐ PSO ☐ 3 ☐
6a	Social security benefits	6a		
c	If you elect to use the lump-sum election method, check here (see instructions) ☐		b	Taxable amount
d	If you are married filing separately and lived apart from your spouse the entire year (see inst.), check here ☐			
7a	Capital gain or (loss). Attach Schedule D if required		7a	
b	Check if: ☐ Schedule D not required ☐ Includes child's capital gain or (loss)			
8	Additional income from Schedule 1, line 10		8	
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7a, and 8. This is your total income		9	
10	Adjustments to income from Schedule 1, line 26		10	
11a	Subtract line 10 from line 9. This is your adjusted gross income		11a	

Instructions. Cat. No. 11320B Form **1040** Created 9/5/25

Income - Report all income earned during the year (use W-2s, 1099s, etc.)

Form 1040 Page **2**

Tax and Credits

11b Amount from line 11a (adjusted gross income) **11b**

12a Someone can claim ☐ You as a dependent ☐ Your spouse as a dependent

b ☐ Spouse itemizes on a separate return **c** ☐ You were a dual-status alien

d You: ☐ Were born before January 2, 1961 ☐ Are blind

Spouse: ☐ Was born before January 2, 1961 ☐ Is blind

e Standard deduction or itemized deductions (from Schedule A) **12e**

13a Qualified business income deduction from Form 8995 or Form 8995-A **13a**

b Additional deductions from Schedule 1-A, line 38 **13b**

14 Add lines 12e, 13a, and 13b **14**

15 Subtract line 14 from line 11b. If zero or less, enter -0-. This is your **taxable income** **15**

16 Tax (see instructions). Check if any from Form(s): **1** ☐ 8814 **2** ☐ 4972 **3** ☐ **16**

17 Amount from Schedule 2, line 3 **17**

18 Add lines 16 and 17 **18**

19 Child tax credit or credit for other dependents from Schedule 8812 **19**

20

21

22

23

24 Add lines 22 and 23. This is your **total tax** **24**

25 Federal income tax withheld from:

a Form(s) W-2 **25a**

b Form(s) 1099 **25b**

c Other forms (see instructions) **25c**

d Add lines 25a through 25c **25d**

26

27a

28 Additional child tax credit (ACTC) from Schedule 8812. If you do not want **28**

29

30

31

32 Add lines 27a, 28, 29, 30, and 31. These are your **total other payments and refundable credits** **32**

33 Add lines 25d, 26, and 32. These are your **total payments** **33**

34 If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you **overpaid** **34**

35a Amount of line 34 you want **refunded to you**. If Form 8888 is attached, check here ☐ **35a**

b Routing number **c** Type: ☐ Checking ☐ Savings

d Account number

36 Amount of line 34 you want **applied to your 2026 estimated tax** **36**

37 Subtract line 33 from line 24. This is the **amount you owe**.
For details on how to pay, go to www.irs.gov/Payments or see instructions **37**

38 Estimated tax penalty (see instructions) **38**

Third Party Designee

Do you want to allow another person to discuss this return with the IRS? See instructions. ☐ **Yes**. Complete below. ☐ **No**

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

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Date Your occupation If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

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

Joint return? ☐ **Yes** ☐ **No**

Preparer Use Only

Firm's name Phone no.

Firm's address Firm's EIN

Go to www.irs.gov/Form1040 for instructions and the latest information. Form **1040**

Tax & Credits - Calculate total tax owed based on income, then subtract eligible tax credits

Payments & Refundable Credits - Report taxes already paid to determine final balance

Refund - Calculate the refund amount if total payments exceed total tax

Amount You Owe

Amount You Owe - Calculate the amount still owed if total payments are less than total tax

Business Information - Enter details of your business here

SCHEDULE C (Form 1040)		Profit or Loss From Business (Sole Proprietorship)		OMB No. 1545-0074 Attachment Sequence No. 09	
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041; partnerships must generally file Form 1065. Go to www.irs.gov/ScheduleC for instructions and the latest information.			
Name of proprietor		Social security number (SSN)			
A Principal business or profession, including product or service (see instructions)		B Enter code from instructions			
C Business name. If no separate business name, leave blank.		D Employer ID number (EIN) (see instr.)			
E Business address (including suite or room no.) City, town or post office, state, and ZIP code					
F Accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify)					
G Did you "materially participate" in the operation of this business during 2025? If "No," see instructions for limit on losses		☐ Yes ☐ No			
H If you started or acquired this business during 2025, check here		☐			
I Did you make any payments in 2025 that would require you to file Form(s) 1099? See instructions		☐ Yes ☐ No			
J If "Yes," did you or will you file required Form(s) 1099?		☐ Yes ☐ No			
Part I Income					
1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked		☐		1	
2 Returns and allowances				2	
				3	
				4	
				5	
				6	
7 Gross income. Add lines 5 and 6				7	
Part II Expenses. Enter expenses for business use of your home only on line 30.					
8 Advertising		8		18 Office expense (see instructions)	
9 Car and truck expenses (see instructions)		9		19 Pension and profit-sharing plans	
				20 Rent or lease (see instructions):	
				a Vehicles, machinery, and equipment	
				20a	
				b Other business property	
				20b	
				21 Repairs and maintenance	
				21	
				22 Supplies (not included in Part III)	
				22	
				23 Taxes and licenses	
				23	
				24 Travel and meals:	
				a Travel	
				24a	
				b Deductible meals (see instructions)	
				24b	
				25 Utilities	
				25	
				26 Wages (less employment credits)	
				26	
				27a Energy efficient commercial bldgs deduction (attach Form 7205)	
				27a	
				b Other expenses (from line 48)	
				27b	
13 Expense deduction (not included in Part III) (see instructions)		13		28 Total expenses before expenses for business use of home. Add lines 8 through 27b	
14 Employee benefit programs (other than on line 19)		14		28	
15 Insurance (other than health)		15		29	
16 Interest (see instructions):					
a Mortgage (paid to banks, etc.)		16a			
b Other		16b			
17 Legal and professional services		17			
28 Total expenses before expenses for business use of home. Add lines 8 through 27b				28	
29 Total expenses after expenses for business use of home. Subtract line 28 from line 7				29	
30 Net profit or (loss). Subtract line 29 from line 7				30	
31 Net profit or (loss). Subtract line 30 from line 29.				31	
32 If you have a loss, check the box that describes your investment in this activity. See instructions.				32a ☐ All investment is at risk.	
				32b ☐ Some investment is not at risk.	

Net Profit/Loss - Calculate the final profit or loss after expenses are subtracted from earnings