

## **NEW Information for Filing your 2006 Taxes**

- **Telephone Excise Tax Credit**

- Individual, business and nonprofit taxpayers may be eligible for a tax credit on federal excise tax for long-distance service billed during the 41 months between February 28, 2003 and August 1, 2006. This credit will reduce your taxes. If you owe no taxes, it will be refunded to you.
- This credit is available for the 2006 Filing Season only.
- To be eligible for the credit, you must have paid either for either stand-alone or bundled long-distance telephone service that billed you for minutes used. The term ‘bundled’ refers to service that lumps together local and long-distance services and charges them together.
- You may choose one of two ways to figure your tax credit:
  1. Actual amount. Find all bills dated during the 41-month period, add up the amount of federal telephone tax you paid, and then fill out and submit Form 8913 with your return. If you choose this method, you must have copies of all your past telephone bills. (<http://www.irs.gov/pub/irs-pdf/f8913.pdf>)
  2. Standard amount. The IRS has created a table based on telephone usage data and the amount applicable to a similar individual or business in your filing status. You do not need a separate form to file for the standard amount; there is simply an additional line to fill in on your return, as follows:
    - a. Form 1040           Line 71
    - b. Form 1040A       Line 42
    - c. Form 1040EZ      Line 9
    - d. Form 1040 NR     Line 69
    - e. Form 1040NR-EZ   Line 21

The standard amount depends on how many exemptions you are entitled to claim, as follows:

- One exemption           \$30
- Two exemptions         \$40
- Three exemptions       \$50
- Four exemptions or more \$60

*More information about the Telephone Tax Refund is available on the IRS Website.*  
(<http://www.irs.gov/newsroom/article/0,,id=164032,00.html>)