PRINT IN BLACK INK

FOR PRIVACY ACT NOTICE, SEE INSTRUCTIONS.

If **name/address has changed** since 2006, fill in oval: ◯ If **taxpayer(s) is deceased**, fill in appropriate oval(s) (see instr.): 1. ◯ 2. ◯

Form 1 Massachusetts Resident Income Tax Return 2007

FIRST NAME | M.I. | LAST NAME | 1. YOUR SOCIAL SECURITY NUMBER

SPOUSE'S FIRST NAME | M.I. | LAST NAME | 2. SPOUSE'S SOCIAL SECURITY NUMBER

ADDRESS | CITY/TOWN/POST OFFICE/FOREIGN COUNTRY | STATE | ZIP + 4

Fill in if veteran of U.S. armed forces who served in Operation Enduring Freedom, Iraqi Freedom or Noble Eagle (see instr.) ► ◯ You ► ◯ Spouse

State Election Campaign Fund (this contribution will not change your tax or reduce your refund) ◯ $1 You ◯ $1 Spouse, if filing jointly Total ► $

Attach, with a single staple, state copy of Forms W-2, W-2G and 1099 (showing Massachusetts withholding).

1 Filing status: **(select one only)** ◯ Single ◯ Married filing joint return (both must sign return) ◯ Married filing separate return. (Enter spouse's Soc. Sec. number in the appropriate space above.) ◯ Head of household (see instructions)

2 Exemptions: ◯ Fill in if noncustodial parent ◯ Fill in if filing Sched. TDS (see instructions) **Whole-dollar method only. Do not use cents.**

a. Personal exemptions.
Complete Schedule HC to calculate your personal exemption. ► ◯ Fill in if under age 18 (see instructions) . . . . ► a .00

b. Number of dependents. (**Do not** include yourself or your spouse.) Enter number ► × $1,000 . . . . . b .00
You must enclose Schedule DI.

c. Age 65 or over before 2008: ◯ You ◯ Spouse. Enter number ► × $700 . . . . . c .00

d. Blindness: ◯ You ◯ Spouse. Enter number ► × $2,200 . . . . . d .00

e. Other: 1. Medical/Dental ► .00 From U.S. Schedule A, line 4 2. Adoption ► .00 See instructions 1 + 2 = e .00

f. Total exemptions. Add items a, b, c, d and e. Enter here and on line 18 . . . . . ► 2f .00

3 Wages, salaries, tips and other employee compensation (from all Forms W-2) . . . . . ► 3 .00

4 Taxable pensions and annuities (see instructions) . . . . . ► 4 .00

5 Mass. bank interest: a. ► .00 – b. exemption .00 = 5 .00
Exemption: if married filing jointly, subtract $200 from Total; otherwise subtract $100 & enter result.
Not less than "0."

▼ If showing a loss, mark an X in box at left

6 Business/profession or farm income/loss (**enclose** Mass. or U.S. Sch. C or C-EZ or U.S. Sch. F) ► 6 X .00

7 Rental, royalty, REMIC, partnership, S corp., trust income/loss (**enclose** Massachusetts Sch. E) ► 7 X .00

8 a. ► .00 **Unemployment Compensation** + b. ► .00 **Massachusetts state lottery winnings** . . . . . a + b = 8 .00

9 Other income (alimony, taxable IRA/Keogh distr., winnings, fees) from Sch. X, line 5 (**enclose** Sch. X) ► 9 .00
Not less than "0."

10 **TOTAL 5.3% INCOME.** Add lines 3 through 9. (Be sure to subtract any loss(es) in lines 6 or 7) . . . . . 10 X .00

▲ If showing a loss, mark an X in box at left

11 Amount paid to Social Security, Medicare, R.R., U.S. or Massachusetts retirement.
Not more than $2,000 per person. a. You ► .00 + b. Spouse ► .00 a + b = 11 .00

12 Child under age 13, or disabled dependent/spouse care expenses (from worksheet in instructions) . . . . . ► 12 .00

13 Number of dependent member(s) of household under age 12, or dependents age 65 or over (not you or your spouse) as of 12/31/07, or disabled dependent(s) **(only if single, head of household or married filing joint return and not claiming line 12).**
Not more than two: a. ► × $3,600 = ... ► 13 .00

14 Rental deduction (rent paid in 2007): a. ► .00 ÷ 2 = ... **Not more than $3,000 ($1,500 if married filing separately)** ► 14 .00

15 Other deductions from Schedule Y, line 16 (**enclose** Schedule Y) . . . . . ► 15 .00

SIGN HERE. Under penalties of perjury, I declare that to the best of my knowledge and belief this return and enclosures are true, correct and complete.

Your signature | Date / / | Print paid preparer's name | Preparer's SSN or PTIN ►

Spouse's signature (if filing jointly) | Date / / | Paid preparer's phone ( ) | Paid preparer's EIN ►

May DOR discuss this return with the preparer? ► ◯ Yes ► Paid preparer's signature | Date / / | ◯ Fill in if self-employed

I do not want my preparer to file my return electronically ► ◯

SOCIAL SECURITY NUMBER

16 **TOTAL DEDUCTIONS.** Add lines 11 through 15 (from other side) ▶ 16

17 **5.3% INCOME AFTER DEDUCTIONS.** Subtract line 16 from line 10. **Not less than "0"** 17

18 Total exemption amount (from line 2, item f) 18

19 **5.3% INCOME AFTER EXEMPTIONS.** Subtract line 18 from line 17. **Not less than "0"** 19
If line 17 is less than line 18, see instructions.

20 **INTEREST AND DIVIDEND INCOME** from Schedule B, line 38. **Not less than "0"** (enclose Sched. B) ▶ 20

21 **TOTAL TAXABLE 5.3% INCOME.** Add line 19 and line 20 21

22 **TAX ON 5.3% INCOME** (from tax table). If line 21 is more than $24,000, multiply by .053. **Note:** If choosing the optional 5.85% tax rate, multiply line 21 and the amount in Sch. D, line 20 by .0585. See instr.; fill in oval ▶ 22

23 **12% INCOME** from Schedule B, line 39.
Not less than "0" (enclose Schedule B) a. ▶ × .12 = 23

24 **TAX ON LONG-TERM CAPITAL GAINS** (from Schedule D, line 21). **Not less than "0"** ▶ 24
Enclose Schedule D. If filing Schedule D-IS, Installment Sales, fill in oval and enclose Schedule D-IS ▶
If excess exemptions were used in calculating lines 20, 23 or 24, fill in oval (see instr.) ▶

25 Credit recapture amount (enclose Sch. H-2; see instr.) BC EOA LIH HR ▶ 25

26 If you qualify for No Tax Status, fill in oval and enter "0" on line 27 (see worksheet in instr.) ▶

27 **TOTAL INCOME TAX.** Add lines 22 through 25 27

28 Limited Income Credit (from wksht. in instr.) ▶

29 Other credits from Sch. Z, line 15 (**encl.** Sch. Z) ▶ 28 + 29 = 30

31 **INCOME TAX AFTER CREDITS.** Subtract line 30 from line 27. **Not less than "0"** 31

32 Voluntary contributions: ▶ a. Endangered Wildlife Conserv. ▶ b. Organ Transplant Fund ▶ c. Massachusetts AIDS Fund
▶ d. Mass. U.S. Olympic Fund ▶ e. Mass. Military Family Relief Fund a + b + c + d + e = 32

33 Use tax due on out-of-state purchases (see instr.). If no use tax due enter "0" ▶ 33

34 **INCOME TAX AFTER CREDITS PLUS CONTRIBUTIONS AND USE TAX.** Add lines 31 through 33 34

35 Mass. income tax withheld (**enclose** all Mass. Forms W-2, W-2G, 1099-G, 1099-R and PWH-WA) ▶ 35

36 2006 overpayment applied to your 2007 estimated tax (do not enter 2006 refund) ▶ 36

37 2007 Massachusetts estimated tax payments (do not include amount in line 36) ▶ 37

38 Payments made with extension ▶ 38

39 Earned Income Credit. Number of qualifying children. a. ▶ Amount from U.S. return ▶ × .15 = ▶ 39

40 Senior Circuit Breaker Credit (**encl.** Sched. CB) ▶ 40

41. Refundable film credit ▶ 41
See instructions.

42 **TOTAL.** Add lines 35 through 41 42

43 **OVERPAYMENT.** If line 34 is **smaller** than line 42, subtract line 34 from line 42. If line 34 is **larger** than line 42, go to line 46. If line 34 and line 42 are equal, enter "0" in line 45 ▶ 43

44 Amount of overpayment you want **APPLIED to your 2008 ESTIMATED TAX** ▶ 44

45 Subtract line 44 from line 43. **THIS IS YOUR REFUND.** **Mail to: Mass. DOR, PO Box 7000, Boston, MA 02204** ▶ 45 REFUND
Direct Deposit of Refund. See instructions. Type of account (you must select one): ▶ Checking Savings
▶ Routing number (first two digits must be 01–12 or 21–32) ▶ Account number

46 **Tax due.** Subtract line 42 from line 34. Pay online at www.mass.gov/dor, or use Form PV ▶ 46

Pay in full. Write Social Security number(s) on lower left corner of check and make payable to Commonwealth of Massachusetts. Mail to: **Mass. DOR, PO Box 7003, Boston, MA 02204.**
(Add to total in line 46, if applicable.) Interest ▶ Penalty ▶ M-2210 amt. ▶ EX enclose Form M-2210

BE SURE TO SIGN RETURN ON PAGE 1.

FIRST NAME | M.I. | LAST NAME | SOCIAL SECURITY NUMBER

Schedule HC Health Care Information. You must enclose this schedule with Form 1 or Form 1-NR/PY. 2007

As a result of the new health care reform law, most Massachusetts residents age 18 and over are required to have health insurance, if it is affordable for them. Those who did not have health insurance by December 31, 2007 may lose their personal exemption. This schedule **must** be completed by all full-year residents and certain part-year residents (see instructions) age 18 and over to determine the amount of their personal exemption.

Completing Schedule HC: If you were **enrolled** in a health insurance plan as of December 31, 2007, you **only** need to complete page 1 of Schedule HC, using the information from Form MA 1099-HC issued to you by your health insurance carrier (see instructions for line 2 if you were not issued a Form MA 1099-HC). After completing page 1 of this schedule and entering your personal exemption amount on Form 1 or Form 1-NR/PY, you should skip the remainder of Schedule HC and continue completing your tax return. **Note:** Failure to enclose Schedule HC will delay the processing of your return.

DATE OF BIRTH M M D D Y Y Y Y | SPOUSE'S DATE OF BIRTH M M D D Y Y Y Y

1 Were you (and/or your spouse if married filing jointly) enrolled in a health insurance plan as of December 31, 2007? For information regarding late 2007 applicants for Young Adult Plans, Commonwealth Care and MassHealth, see instructions. ▶ **1** You: ◯ Yes ◯ No Spouse: ◯ Yes ◯ No

If you (and your spouse if married filing jointly) answer Yes in line 1, **complete** lines 2 or 3 below, whichever is appropriate. Also, enter one of the following amounts on line 2a of Form 1 or line 4a of Form 1-NR/PY: $4,125 if single or married filing a separate return; $6,375 if head of household; or $8,250 if married filing jointly. Be sure to fill in the oval(s) in line 2 if you were not issued Form MA 1099-HC (see instructions).

If you are filing a joint return, and one spouse answers Yes in line 1 but the other answers No in line 1, the spouse who answers Yes must complete lines 2 or 3 below, whichever is appropriate, and the spouse who answers No must go to line 4a on page 2.

If you (and your spouse if married filing jointly) answer No to line 1, go to line 4a on page 2.

2 **PRIVATE HEALTH INSURANCE:** If you (and/or your spouse if married filing jointly) were enrolled in a private health insurance plan, such as coverage provided by an employer or purchased on your own, complete the information below. **Note:** If you are married filing jointly and you are both covered under the same insurance plan, you must complete **both** Parts 1 and 2 below.

Part 1. Your Health Insurance ▶ ◯ Fill in if you were not issued Form MA 1099-HC by your insurance carrier.

NAME OF INSURANCE COMPANY OR ADMINISTRATOR (from box 1 of Form MA 1099-HC)

FEDERAL IDENTIFICATION NUMBER OF INSURANCE CO. (from box 2 of Form MA 1099-HC) | SUBSCRIBER NUMBER (from box 6 of Form MA 1099-HC)

Part 2. Spouse's Health Insurance ▶ ◯ Fill in if your spouse was not issued Form MA 1099-HC by your insurance carrier.

NAME OF INSURANCE COMPANY OR ADMINISTRATOR FOR SPOUSE (from box 1 of Form MA 1099-HC)

FEDERAL IDENTIFICATION NUMBER OF INSURANCE CO. (from box 2 of Form MA 1099-HC) | SPOUSE'S SUBSCRIBER NUMBER (from Form MA 1099-HC)

3 **GOVERNMENT-SUBSIDIZED HEALTH INSURANCE:** If you (and/or your spouse if married filing jointly) were enrolled in a government-subsidized health insurance plan, fill in the appropriate oval below. Government-subsidized health insurance does not include services provided to individuals who have received access to care through the Health Safety Net Trust Fund (previously known as the "Uncompensated Care Pool" or "Free Care Pool").

a. Commonwealth Care . . . . . ▶ **3a** You: ◯ Spouse: ◯
b. MassHealth . . . . . ▶ **3b** You: ◯ Spouse: ◯
c. Medicare . . . . . ▶ **3c** You: ◯ Spouse: ◯
d. Veterans Administration Program Enrollment . . . . . ▶ **3d** You: ◯ Spouse: ◯
e. Other (see instructions). Enter name(s) of program(s) below . . . . . ▶ **3e** You: ◯ Spouse: ◯

NAME OF INSURANCE CARRIER OR PROGRAM

NAME OF INSURANCE CARRIER OR PROGRAM FOR SPOUSE

STOP! If you (and your spouse if married filing jointly) answered Yes in line 1 and completed line 2 and/or line 3, you meet the requirements of the health care reform law and are not subject to the loss of your personal exemption. Enter your personal exemption amount, shown in line 1 above, on your Form 1 or Form 1-NR/PY. Skip the remainder of this schedule and **continue completing your tax return**. If married filing jointly and one spouse answered Yes in line 1 and one spouse answered No in line 1, do not enter a personal exemption amount until page 2 of Schedule HC is completed.

RELIGIOUS EXEMPTION AND CERTIFICATE OF EXEMPTION

Complete this page **only** if you (and/or your spouse if married filing jointly) **do not** have health insurance. If married filing jointly and one spouse answered Yes in line 1 on page 1 but the other spouse answered No in line 1 on page 1, only the spouse who answered No must answer the following questions.

4a **RELIGIOUS EXEMPTION:** Are you (and/or your spouse if married filing jointly) claiming an exemption from the requirement to purchase health insurance based on your sincerely held religious beliefs? ► **4a** You: ◯ Yes ◯ No Spouse: ◯ Yes ◯ No

If you (and/or your spouse if married filing jointly) answer Yes, go to line 4b. If both answer No, go to line 5.

4b If you (and/or your spouse if married filing jointly) are claiming a religious exemption in line 4a, did you (and/or your spouse if married filing jointly) receive medical health care during tax year 2007? ► **4b** You: ◯ Yes ◯ No Spouse: ◯ Yes ◯ No

If you (and your spouse if married filing jointly) answer No to line 4b, go to line 7a.

If you are filing a joint return and one spouse either has health insurance or answers No to line 4b but the other spouse answers Yes, the spouse who answered Yes must go to line 5 to determine the amount of the personal exemption.

If you (and your spouse if married filing jointly) answer Yes to line 4b, go to line 5.

5 **CERTIFICATE OF EXEMPTION:** Have you (and/or your spouse if married filing jointly) obtained a Certificate of Exemption for the 2007 tax year issued by the Commonwealth Health Insurance Connector Authority? ► **5** You: ◯ Yes ◯ No Spouse: ◯ Yes ◯ No

If you (and your spouse if married filing jointly) answer Yes to line 5, **enter the certificate number(s) below**. Also, go to line 7a.

If you are filing a joint return and one spouse either has health insurance or answers Yes to line 5 but the other spouse answers No, the spouse who answered Yes must enter the certificate number below and the spouse who answered No must go to line 6a to determine the amount of the personal exemption.

If you (and your spouse if married filing jointly) answered No to line 5, go to line 6a.

CERTIFICATE NUMBER

SPOUSE'S CERTIFICATE NUMBER

AFFORDABILITY AS DETERMINED BY STATE GUIDELINES

NOTE: This section will require the use of worksheets and tables found in the instructions. You **must** complete the worksheet(s) to determine the amount of your personal exemption to enter on Form 1, line 2a or Form 1-NR/PY, line 4a.

6a Did your employer (or your spouse's employer if married filing jointly) offer affordable health insurance as determined by completing the Schedule HC Worksheet for Line 6a in the instructions? ► **6a** You: ◯ Yes ◯ No Spouse: ◯ Yes ◯ No

If your employer did not offer health insurance, you were not eligible for health insurance offered by your employer, you were self-employed or you were unemployed, go to line 6b.

If you answer No, fill in the **No** oval(s) for yourself (and your spouse if married filing jointly) and go to line 6b. If you answer **Yes**, fill in the Yes oval(s) for yourself (and your spouse if married filing jointly) and go to line 7b.

6b Are you (or your spouse if married filing jointly) eligible for government-subsidized health insurance as determined by completing the Schedule HC Worksheet for Line 6b in the instructions? ► **6b** You: ◯ Yes ◯ No Spouse: ◯ Yes ◯ No

If you answer **No**, fill in the No oval(s) for yourself (and your spouse if married filing jointly) and go to line 6c. If you answer **Yes**, fill in the Yes oval(s) for yourself (and your spouse if married filing jointly) and go to line 7b.

6c Are you (or your spouse if married filing jointly) able to afford private health insurance as determined by completing the Schedule HC Worksheet for Line 6c in the instructions? ► **6c** You: ◯ Yes ◯ No Spouse: ◯ Yes ◯ No

If you answer No, fill in the **No** oval(s) for yourself (and your spouse if married filing jointly) and go to line 7a. If you answer **Yes**, fill in the Yes oval(s) for yourself (and your spouse if married filing jointly) and go to line 7b.

PERSONAL EXEMPTION

7a You are entitled to your personal exemption. Enter one of the following amounts on line 2a of Form 1 or line 4a of Form 1-NR/PY: $4,125 if single or married filing a separate return; $ 6,375 if head of household; or $8,250 if married filing jointly.

7b You are not entitled to your personal exemption.* If you are not claiming an appeal on Schedule HC-A, enter "0" on line 2a of Form 1 or line 4a of Form 1-NR/PY. If you are claiming an appeal, see the Appeals section below.

*If you are filing a joint return and one spouse either has health insurance or is claiming an exemption and the other spouse answers Yes to line(s) 6a, 6b or 6c and is filing an appeal, go to the Appeals section below. If you are not filing an appeal, the joint filers are allowed to deduct half of the personal exemption. Enter $4,125 in line 2a of Form 1 or line 4a on Form 1-NR/PY. **Continue completing your tax return**.

APPEALS

Taxpayers who will lose their personal exemption may submit an appeal by filing Schedule HC-A, Health Care Appeals, claiming a hardship prevented the purchase of affordable health insurance coverage. ◯ **Fill in oval if filing Schedule HC-A (page 3 of Schedule HC).**

FIRST NAME | M.I. | LAST NAME | SOCIAL SECURITY NUMBER

Schedule HC-A Health Care Appeals. If filing an appeal, you must enclose with Form 1 or Form 1-NR/PY and Schedule HC. 2007

Taxpayers who did not have health insurance which was deemed affordable on Schedule HC may maintain their personal exemption only by submitting an appeal claiming a hardship prevented them from purchasing health insurance in tax year 2007.

There is a three step process to appeal. **First**, fill in the oval(s) below that reflects the hardship that you (and/or your spouse if married filing jointly) experienced in 2007. **Second**, you will receive a follow-up letter and form after you file your tax return. You must complete that form stating your grounds, and provide significant documentation to substantiate your claim for hardship, within 30 calendar days of receipt of the form. Failure to submit the form and provide documentation in the required time frame will result in a dismissal, and you will be issued a bill based on the loss of your personal exemption. **Third**, the Commonwealth Health Insurance Connector Authority will review your claim and documentation. You may be required to attend a hearing to review your case. All claims and documentation will be filed under the pains and penalties of perjury.

1 ◯ I authorize DOR to share this schedule and any other information on this return that may be relevant with the Commonwealth Health Insurance Connector Authority, which will be making the determination on my appeal.

Note: Failure to fill in this oval to share this return will result in your appeal being denied and the loss of your personal exemption. If you do not fill in this oval, enter "0" in line 2a of Form 1 or line 4a of Form 1-NR/PY and continue completing your tax return.

Grounds for Hardship Appeal During 2007:

2a ◯ You were homeless, more than 30 days in arrears in rent or mortgage payments, or received an eviction or foreclosure notice. You will be asked to provide proof, such as a copy of an eviction or foreclosure notice.

2b ◯ You received a shut-off notice, were shut off, or were refused the delivery of essential utilities (gas, electric, oil, water, or telephone). You will be asked to provide a copy of a shut off notice (not a late notice) or other similar correspondence from the utility company. Shut off or delivery refusal must be for essential services only.

2c ◯ You had non-cosmetic medical and/or dental out-of-pocket expenses (exclusive of premium payments), totaling more than 7.5% of your adjusted gross income that were not subject to payment by a third party. You will be asked to provide copies of medical bills for non-cosmetic, non-reimbursable medical services received in 2007, which the Commonwealth Health Care Connector Authority will compare to your declared income.

2d ◯ The expense of purchasing health insurance would have caused a serious deprivation of food, shelter, clothing or other necessities. You will be asked to provide proof to show additional expenses above and beyond that which your income would cover. Please note that your documentation and claim must show serious deprivation.

2e ◯ You incurred a fire, flood, natural disaster, or other unexpected natural or human-caused event causing substantial household or personal damage to/for you. You will be asked to provide copies of insurance claims correspondence, police reports or other proof.

2f ◯ You incurred a significant, unexpected increase in essential expenses resulting directly from the consequences of: domestic violence; the death of a spouse, family member, or partner with primary responsibility for child care; the sudden responsibility for providing full care for an aging parent or other family member, including a major, extended illness of a child that requires you to hire a full-time caretaker for the child. You will be asked to provide proof, such as death certificates, medical records or other documentation proving your claim.

2g ◯ **Other.** You may state other grounds, such as the application of the affordability tables in Schedule HC to you is inequitable (for example, because of family size), you were unable to obtain government-subsidized insurance despite your income, or there are circumstances that made you unable to purchase insurance despite your income. You will be asked to provide documentation for your claims.

3 If you are filing an appeal to maintain your personal tax exemption, enter one of the following amounts on line 2a of Form 1 or line 4a of Form 1-NR/PY: $4,125 if single or married filing a separate return; $6,375 if head of household; or $8,250 if married filing jointly.

If filing a joint return and one spouse has health insurance or answered No to line 6c and the other spouse is filing an appeal, the joint filers should enter their full personal exemption amount of $8,250.

By filling in an oval above, you will maintain your personal tax exemption pending the review of your appeal. **This does not mean the appeal has been allowed. Your appeal may be denied, and you will be billed accordingly.**

NOTE: Do **not** include any hardship documentation with your original return. You will be required to submit substantiating hardship documentation at a later date during the appeal process.

THIS PAGE
LEFT BLANK
INTENTIONALLY