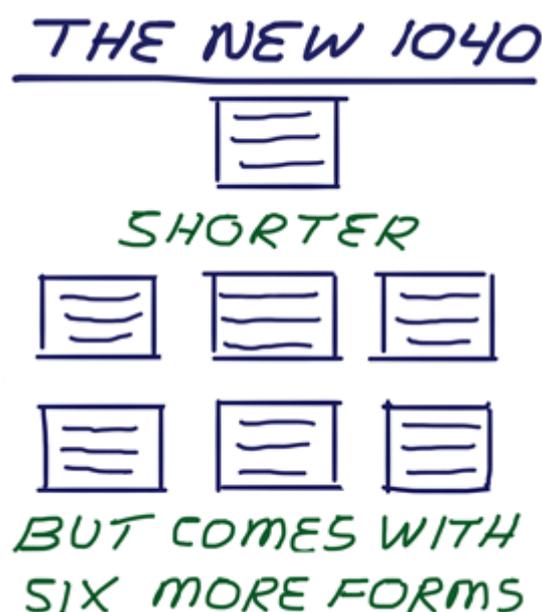


The New 1040 Is Shorter, But Not Simpler

✘ The familiar 1040 tax form is getting a big makeover. Treasury secretary Steven Mnuchin said that the Internal Revenue Service (IRS) will release a new Form 1040 this week: “It will be a postcard as we’ve promised.” As of early this afternoon, nothing about it had been posted yet on the IRS website, but The New York Times published images of the **draft versions** yesterday.

The new form is shortened considerably. The Wall Street Journal counts 56 lines as being removed. Form 1040 will now be one page instead of two pages. There is also a blank space in the middle, which I presume exists so that you could fold the form in half to mail it. Doing so would make Form 1040 close enough for Mnuchin to claim his postcard description is true, even though a folded 8” x 11” sheet of paper is still bigger than a postcard. As a reference point, the U.S. Postal Service says that in order to qualify for the postcard price, a mailpiece must be “no more than 4-1/4 inches high x 6 inches long x 0.016 inches thick.”



Describing the form as “postcard-sized” makes for good symbolism from a tax reform standpoint, but for most taxpayers the physical size doesn’t matter much. IRS statistics show that close to 90% of individual taxpayers filed electronically in 2016 and a similar percentage is projected to have done so in 2017.

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tax-free (with some restrictions), making them a great retirement savings vehicle.

Highlights from this month's *AAll Journal*

- **A Quantitative Method for Asset Allocation** - The prevailing valuation of stocks and the relative valuation of bonds can be used as a guide to adjust an allocation above or below its target.
 - **Robo-Advisory Platform Found to Have Some Benefits** - Shareholders of actively managed funds have trailed the returns of the very funds they own by a greater margin than shareholders of index funds.
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AAll Sentiment Survey

Pessimism surged, rising above 40% for just the second time this year. Plus, many members say trade issues are having a bigger impact on their outlook than oil prices in response to this week's special question. [More about this week's results.](#)

This week's results:

- Bullish: 28.4%, down 10.3 points
- Neutral: 30.7%, down 4.4 points
- Bearish: 40.8%, up 14.6 points

Historical averages:

- Bullish: 38.5%
- Neutral: 31.0%
- Bearish: 30.5%

Take the [Sentiment Survey](#).

What's Trending on AAI

1. [The Impact of Saving Versus Return on Wealth](#)
 2. [Guidance on How to Follow the Level3 Passive Portfolio](#)
 3. [A Quantitative Method for Asset Allocation](#)
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The Week Ahead

The U.S. equity markets will close early on Tuesday (2:00 p.m. Eastern Time). The U.S. financial markets will be closed on Wednesday in observance of Independence Day. On behalf of everyone at AAI, have a happy July 4th with, hopefully, good weather.

No S&P 500 index companies are scheduled to report.

On the economic front, Monday will feature the June Purchasing Managers' Manufacturing Index (PMI), the June Institute for Supply Management (ISM) manufacturing index and May construction spending. May factory orders and June vehicle sales will be released on Tuesday. Thursday will feature the June ADP employment report (a day later than usual), the June ISM non-manufacturing index and the minutes from the June Federal Open Market Committee meeting. June employment data—including the change in nonfarm payrolls and the unemployment rate—and May international trade data will be released on Friday.

Local Chapter Meetings

AAII Local Chapter Meetings offer you a variety of presentations from expert speakers who will give you their view on the world of investing. A bonus of attending a Chapter Meeting near you is the opportunity to meet other AAI members who share your interest and enthusiasm for investing. You can even share the Chapter experience with your family and friends by inviting them to attend Chapter Meetings with you!

[Upcoming Meetings »](#)