



Department of the Treasury
Internal Revenue Service

Publication 929

Cat. No. 64349Y

Tax Rules for Children and Dependents

For use in preparing
2011 Returns



Get forms and other information faster and easier by:

Internet IRS.gov

Contents

Reminders	1
Introduction	2
Part 1. Rules for All Dependents	2
<u>Filing Requirements</u>	2
<u>Should a Return Be Filed Even If Not Required?</u>	6
<u>Responsibility for Child's Return</u>	6
<u>Standard Deduction</u>	7
<u>Dependent's Own Exemption</u>	8
<u>Withholding From Wages</u>	8
Part 2. Tax on Investment Income of Certain Children	9
<u>Parent's Election To Report Child's Interest and Dividends</u>	10
<u>Tax for Certain Children Who Have Investment Income of More Than \$1,900</u>	15
Glossary	32
How To Get Tax Help	33
Index	36

Reminders

Social security number (SSN). Dependents who are required to file a tax return must have an SSN. To apply for an SSN, file Form SS-5 with the Social Security Administration. You can go to the website www.socialsecurity.gov for more information.

Individual taxpayer identification number (ITIN). The IRS will issue an ITIN to a nonresident or resident alien who does not have and is not eligible to get an SSN. To apply for an ITIN, file Form W-7, Application for IRS Individual Taxpayer Identification Number, with the IRS. It takes 6-10 weeks to get an ITIN. The ITIN is entered wherever an SSN is requested on a tax return. If you are a nonresident alien applying for an ITIN to file a tax return, you generally must attach your original, completed return to Form W-7 to get an ITIN. If you are required to include another person's SSN on your return and that person does not have and cannot get an SSN, enter that person's ITIN.

An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.

Photographs of missing children. The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs

and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

Introduction

Part 1 of this publication explains the filing requirements and other tax information for individuals who can be claimed as a dependent on another person's tax return.

Part 2 explains how to report and figure the tax on investment income of certain children (whether or not they can be claimed as dependents).

Definitions. Many of the terms used in this publication, such as "dependent," "earned income," and "unearned income," are defined in the *Glossary* at the back of this publication.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions.

You can write to us at the following address:

Internal Revenue Service
Individual Forms and Publications Branch
SE:W:CAR:MP:T:I
1111 Constitution Ave. NW, IR-6526
Washington, DC 20224

We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

You can email us at taxforms@irs.gov. Please put "Publications Comment" on the subject line. You can also send us comments from www.irs.gov/formspubs/, select "Comment on Tax Forms and Publications" under "Information about."

Although we cannot respond individually to each comment received, we do appreciate your feedback and will consider your comments as we revise our tax products.

Ordering forms and publications. Visit www.irs.gov/formspubs/ to download forms and publications, call 1-800-829-3676, or write to the address below and receive a response within 10 days after your request is received.

Internal Revenue Service
1201 N. Mitsubishi Motorway
Bloomington, IL 61705-6613

Tax questions. If you have a tax question, check the information available on IRS.gov or call 1-800-829-1040. We cannot answer tax questions sent to either of the above addresses.

Useful Items

You may want to see:

Publication

- 501** Exemptions, Standard Deduction, and Filing Information
- 550** Investment Income and Expenses

Form (and Instructions)

- W-4** Employee's Withholding Allowance Certificate
- 8615** Tax for Certain Children Who Have Investment Income of More Than \$1,900
- 8814** Parents' Election To Report Child's Interest and Dividends

See [How To Get Tax Help](#) near the end of this publication for information about getting these publications and forms.

Part 1. Rules for All Dependents

Terms you may need to know (see Glossary):

Dependent
Earned income
Exemption
Gross income
Itemized deductions
Standard deduction
Unearned income

This part of the publication discusses the filing requirements for dependents, who is responsible for a child's return, how to figure a dependent's standard deduction and exemption (if any), and whether a dependent can claim exemption from federal income tax withholding.

Filing Requirements

Whether a dependent has to file a return generally depends on the amount of the dependent's earned and unearned income and whether the dependent is married, is age 65 or older, or is blind.



A dependent may have to file a return even if his or her income is less than the amount that would normally require a return. See [Other Filing Requirements](#), later.

The following sections apply to dependents with:

- Earned income only,
- Unearned income only, and
- Both earned and unearned income.

To find out whether a dependent must file, read the section that applies, or use Table 1.

Table 1. 2011 Filing Requirements for Dependents

If your parent (or someone else) can claim you as a dependent, use this table to see if you must file a return.
See the definitions of “dependent,” “earned income,” “unearned income,” and “gross income” in the *Glossary*.

Single dependents—Were you **either** age 65 or older **or** blind?

No. You must file a return if **any** of the following apply.

- Your unearned income was over \$950.
- Your earned income was over \$5,800.
- Your gross income was more than the **larger** of—
 - \$950, or
 - Your earned income (up to \$5,500) plus \$300.

Yes. You must file a return if any of the following apply.

- Your unearned income was over \$2,400 (\$3,850 if 65 or over **and** blind),
- Your earned income was over \$7,250 (\$8,700 if 65 or older **and** blind),
- Your gross income was more than the larger of—
 - \$2,400 (\$3,850 if 65 or older **and** blind), or
 - Your earned income (up to \$5,500) plus \$1,750 (\$3,200 if 65 or older **and** blind).

Married dependents—Were you **either** age 65 or older **or** blind?

No. You must file a return if **any** of the following apply.

- Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.
- Your unearned income was over \$950.
- Your earned income was over \$5,800.
- Your gross income was more than the **larger** of—
 - \$950, or
 - Your earned income (up to \$5,500) plus \$300.

Yes. You must file a return if any of the following apply.

- Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.
- Your unearned income was over \$2,100 (\$3,250 if 65 or over **and** blind),
- Your earned income was over \$6,950 (\$8,100 if 65 or older **and** blind),
- Your gross income was more than the larger of—
 - \$2,100 (\$3,250 if 65 or older **and** blind), or
 - Your earned income (up to \$5,500) plus \$1,450 (\$2,600 if 65 or older **and** blind).

Earned Income Only

A dependent who has only earned income must file a return if the total is more than the amount listed in the following table.

Marital Status	Amount
Single	
Under 65 and not blind	\$5,800
Either 65 or older or blind	\$7,250
65 or older and blind	\$8,700
Married*	
Under 65 and not blind	\$5,800
Either 65 or older or blind	\$6,950

65 or older and blind \$8,100

*If a dependent’s spouse itemizes deductions on a separate return, the dependent must file a return if the dependent has \$5 or more of gross income (earned and/or unearned).

Example. William is 16. His mother claims an exemption for him on her income tax return. He worked part time on weekends during the school year and full time during the summer. He earned \$5,900 in wages. He did not have any unearned income.

He must file a tax return because he has earned income only and his total income is more than \$5,800. If he were blind, he would not have to file a return because his total income is not more than \$7,250.

Unearned Income Only

A dependent who has only unearned income must file a return if the total is more than the amount listed in the following table.

Marital Status	Amount
Single	
Under 65 and not blind	\$ 950
Either 65 or older or blind	\$2,400
65 or older and blind	\$3,850
Married*	
Under 65 and not blind	\$ 950
Either 65 or older or blind	\$2,100
65 or older and blind	\$3,250

*If a dependent's spouse itemizes deductions on a separate return, the dependent must file a return if the dependent has \$5 or more of gross income (earned and/or unearned).

Example. Sarah is 18 and single. Her parents can claim an exemption for her on their income tax return. She received \$970 of taxable interest and dividend income. She did not work during the year.

She must file a tax return because she has unearned income only and her total income is more than \$950. If she were blind, she would not have to file a return because she has unearned income only and her total income is not more than \$2,400.

Election to report child's unearned income on parent's return. A parent of a child under age 19 (or under age 24 if a full-time student) may be able to elect to include the child's interest and dividend income on the parent's return. See [Parent's Election To Report Child's Interest and Dividends](#) in *Part 2*. If the parent makes this election, the child does not have to file a return.

Earned and Unearned Income



A dependent who has both earned and unearned income generally must file a return if the total income is more than line 5 of the following worksheet.

Filing Requirement Worksheet for Most Dependents

1. Enter dependent's earned income plus \$300	
2. Minimum amount	\$ 950

3. Compare lines 1 and 2. Enter the larger amount	
4. Maximum amount	5,800
5. Compare lines 3 and 4. Enter the smaller amount	
6. Enter the dependent's gross (total) income. If line 6 is more than line 5, the dependent must file an income tax return. If the dependent is married and his or her spouse itemizes deductions on a separate return, the dependent must file an income tax return if line 6 is \$5 or more.	

Example 1. Joe is 20, single, not blind, and a full-time college student. He does not provide more than half of his own support, and his parents claim an exemption for him on their income tax return. He received \$200 taxable interest income and earned \$2,750 from a part-time job.

He does not have to file a tax return because his total income of \$2,950 (\$200 interest plus \$2,750 in wages) is not more than \$3,050, the amount on line 5 of his filled-in Filing Requirement Worksheet for Most Dependents (shown next).

Filing Requirement Worksheet for Most Dependents

1. Enter dependent's earned income plus \$300	\$ 3,050
2. Minimum amount	950
3. Compare lines 1 and 2. Enter the larger amount	3,050
4. Maximum amount	5,800
5. Compare lines 3 and 4. Enter the smaller amount	3,050
6. Enter the dependent's gross (total) income. If line 6 is more than line 5, the dependent must file an income tax return. If the dependent is married and his or her spouse itemizes deductions on a separate return, the dependent must file an income tax return if line 6 is \$5 or more.	\$ 2,950

Example 2. The facts are the same as in *Example 1* except that Joe had \$600 taxable interest income.

He must file a tax return because his total income of \$3,350 (\$600 interest plus \$2,750 wages) is more than \$3,050, the amount on line 5 of his filled-in worksheet (shown next).

**Filing Requirement Worksheet
for Most Dependents**

1. Enter dependent's earned income plus \$300 \$ 3,050
2. Minimum amount 950
3. Compare lines 1 and 2. Enter the **larger** amount 3,050
4. Maximum amount 5,800
5. Compare lines 3 and 4. Enter the **smaller** amount 3,050
6. Enter the dependent's gross (total) income. If line 6 is more than line 5, the dependent **must file** an income tax return. If the dependent is married and his or her spouse itemizes deductions on a separate return, the dependent must file an income tax return if line 6 is \$5 or more. \$ 3,350



Age 65 or older or blind. A dependent who is age 65 or older or blind must file a return if his or her gross (total) income is more than line 7 of the following worksheet.

**Filing Requirement Worksheet
for Dependents
Who Are Age 65 or Older or Blind**

1. Enter dependent's earned income plus \$300 \$ 950
2. Minimum amount 950
3. Compare lines 1 and 2. Enter the **larger** amount 5,800
4. Maximum amount 5,800
5. Compare lines 3 and 4. Enter the **smaller** amount _____
6. Enter the amount from the following table that applies to the dependent _____

Marital Status	Amount
Single	
Either 65 or older or blind	\$1,450
65 or older and blind	\$2,900
Married	
Either 65 or older or blind	\$1,150
65 or older and blind	\$2,300

7. Add lines 5 and 6. Enter the total _____
8. Enter the dependent's gross (total) income. If line 8 is more than line 7, the dependent must file an income tax return. If the dependent is married and his or her spouse itemizes deductions on a separate return, the dependent **must file** an income tax return if line 8 is \$5 or more _____

Example 3. The facts are the same as in *Example 2* except that Joe is also blind. He does not have to file a return because his total income of \$3,350 is not more than \$4,500, the amount on line 7 of his filled-in Filing Requirement Worksheet for Dependents Who Are Age 65 or Older or Blind (shown next).

**Filing Requirement Worksheet for
Dependents Who Are Age 65 or Older
or Blind**



Keep for Your Records

1. Enter dependent's earned income plus \$300 \$3,050
2. Minimum amount 950
3. Compare lines 1 and 2. Enter the **larger** amount 3,050
4. Maximum amount 5,800
5. Compare lines 3 and 4. Enter the **smaller** amount 3,050
6. Enter the amount from the following table that applies to the dependent 1,450

Marital Status	Amount
Single	
Either 65 or older or blind	\$1,450
65 or older and blind	\$2,900
Married	
Either 65 or older or blind	\$1,150
65 or older and blind	\$2,300

7. Add lines 5 and 6. Enter the total 4,500
8. Enter the dependent's gross (total) income. If line 8 is more than line 7, the dependent **must file** an income tax return. If the dependent is married and his or her spouse itemizes deductions on a separate return, the dependent must file an income tax return if line 8 is \$5 or more \$3,350

Other Filing Requirements

Some dependents may have to file a tax return even if their income is less than the amount that would normally require them to file a return.

A dependent must file a tax return if he or she owes any other taxes, such as:

- Social security and Medicare taxes on tips not reported to his or her employer or on wages received from an employer who did not withhold these taxes,
- Uncollected social security and Medicare or railroad retirement taxes on tips reported to his or her employer or on group-term life insurance,
- Alternative minimum tax,
- Additional tax on a health savings account from Form 8889, Part III,
- Recapture taxes, such as the tax from recapture of an education credit, or

- Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if the dependent is filing a return only because of this tax, the dependent can file Form 5329 by itself.

A dependent must also file a tax return if he or she:

- Had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes, or
- Had net earnings from self-employment of at least \$400.

Spouse itemizes. A dependent must file a return if the dependent's spouse itemizes deductions on a separate return and the dependent has \$5 or more of gross income (earned and/or unearned).

Should a Return Be Filed Even If Not Required?

Even if a dependent does not meet any of the filing requirements discussed earlier, he or she should file a tax return if either of the following applies.

- Income tax was withheld from his or her income.
- He or she qualifies for the earned income credit, additional child tax credit, health coverage tax credit, refundable credit for prior year minimum tax, first-time homebuyer credit, adoption credit, or refundable American opportunity education credit. See the tax return instructions to find out who qualifies for these credits.

By filing a return, the dependent can get a refund.

Responsibility for Child's Return

Generally, the child is responsible for filing his or her own tax return and for paying any tax, penalties, or interest on that return. If a child cannot file his or her own return for any reason, such as age, the child's parent or guardian is responsible for filing a return on his or her behalf.

Signing the child's return. If the child cannot sign his or her return, a parent or guardian can sign the child's name in the space provided at the bottom of the tax return. Then, he or she should add: "By (signature), parent (or guardian) for minor child."

Authority of parent or guardian. A parent or guardian who signs a return on a child's behalf can deal with the IRS on all matters connected with the return.

In general, a parent or guardian who does not sign the child's return can only provide information concerning the child's return and pay the child's tax. That parent or guardian is not entitled to receive information from the IRS or legally bind the child to a tax liability arising from the return.

Third party designee. A child's parent or guardian who does not sign the child's return may be authorized, as a third party designee, to discuss the processing of the return with the IRS as well as provide information concerning the return. The child or the person signing the return on the child's behalf must check the "Yes" box in the "Third Party Designee" area of the return and name the parent or guardian as the designee.

If designated, a parent or guardian can respond to certain IRS notices and receive information about the processing of the return and the status of a refund or payment. This designation does not authorize the parent or guardian to receive any refund check, bind the child to any tax liability, or otherwise represent the child before the IRS. See the return instructions for more information.

Designated as representative. A parent or guardian who does not sign the child's return may be designated as the child's representative by the child or the person signing the return on the child's behalf. Form 2848, Power of Attorney and Declaration of Representative, is used to designate a child's representative. See Publication 947, Practice Before the IRS and Power of Attorney, for more information.

If designated, a parent or guardian can receive information about the child's return but cannot legally bind the child to a tax liability unless authorized to do so by the law of the state in which the child lives.

IRS notice. If you or the child receives a notice from the IRS concerning the child's return or tax liability, you should immediately inform the IRS that the notice concerns a child. The notice will show who to contact. The IRS will try to resolve the matter with the parent(s) or guardian(s) of the child consistent with their authority.

Child's earnings. For federal income tax purposes, the income a child receives for his or her personal services (labor) is the child's, even if, under state law, the parent is entitled to and receives that income.

If the child does not pay the tax due on this income, the parent may be liable for the tax.

Child's expenses. Deductions for payments that are made out of a child's earnings are the child's, even if the payments are made by the parent.

Example. You made payments on your child's behalf that are deductible as a business expense and a charitable contribution. You made the payments out of your child's earnings. These items can be deducted only on the child's return.



Use this worksheet only if someone can claim you (or your spouse, if filing jointly) as a dependent.	
If you were 65 or older and/or blind, check the correct number of boxes below. Put the total number of boxes checked in box c and go to line 1.	
a. You	65 or older <input type="checkbox"/> Blind <input type="checkbox"/>
b. Your spouse, if claiming spouse's exemption	65 or older <input type="checkbox"/> Blind <input type="checkbox"/>
c. Total boxes checked	<input type="checkbox"/>
1. Enter your earned income (defined below) plus \$300. If none, enter -0-.	1. _____
2. Minimum amount.	2. <u> \$950 </u>
3. Compare lines 1 and 2. Enter the larger of the two amounts here.	3. _____
4. Enter on line 4 the amount shown below for your filing status. <ul style="list-style-type: none"> • Single or Married filing separately—\$5,800 • Married filing jointly—\$11,600 • Head of household—\$8,500 	4. _____
5. Standard deduction.	
a. Compare lines 3 and 4. Enter the smaller amount here. If under 65 and not blind, stop here. This is your standard deduction. Otherwise, go on to line 5b.	5a. _____
b. If 65 or older or blind, multiply \$1,450 (\$1,150 if married) by the number in box c above. Enter the result here.	5b. _____
c. Add lines 5a and 5b. This is your standard deduction for 2011.	5c. _____
Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in income.	

Standard Deduction

The standard deduction for an individual who can be claimed as a dependent on another person's tax return is generally limited to the larger of:

1. \$950, or
2. The individual's earned income plus \$300, but not more than the regular standard deduction (generally \$5,800).

However, the standard deduction is higher for a dependent who:

- Is 65 or older, or
- Is blind.

Certain dependents cannot claim any standard deduction. See [Standard Deduction of Zero](#), later.

Worksheet 1. Use Worksheet 1 to figure the dependent's standard deduction.

Example 1. Michael is single, age 15, and not blind. His parents can claim him as a dependent on their tax return. He has taxable interest income of \$800 and wages of \$150. He enters \$450 (his earned income plus \$300) on line 1 of Worksheet 1. On line 3, he enters \$950, the larger of \$450 or \$950. Michael enters \$5,800 on line 4. On line 5a, he enters \$950, the smaller of \$950 or \$5,800. His standard deduction is \$950.

Example 2. Judy, a full-time student, is single, age 22, and not blind. Her parents can claim her as a dependent on their tax return. She has dividend income of \$275 and wages of \$2,500. She enters \$2,800 (her earned income plus \$300) on line 1 of Worksheet 1. On line 3, she enters \$2,800, the larger of \$2,800 or \$950. She enters \$5,800 on line 4. On line 5a, she enters \$2,800 (the smaller of \$2,800 or \$5,800) as her standard deduction.

Example 3. Amy, who is single, is claimed as a dependent on her parents' tax return. She is 18 and blind. She has taxable interest income of \$1,000 and wages of \$2,000. She enters \$2,300 (her earned income plus \$300) on line 1 of Worksheet 1. She enters \$2,300 (the larger of \$2,300 or \$950) on line 3, \$5,800 on line 4, and \$2,300 (the

smaller of \$2,300 or \$5,800) on line 5a. Because Amy is blind, she checks the box for blindness and enters "1" in box c at the top of Worksheet 1. She enters \$1,450 (the number in box c times \$1,450) on line 5b. Her standard deduction on line 5c is \$3,750 (\$2,300 + \$1,450).

Standard Deduction of Zero

The standard deduction for the following dependents is zero.

- A married dependent filing a separate return whose spouse itemizes deductions.
- A dependent who files a return for a period of less than 12 months due to a change in his or her annual accounting period.
- A nonresident or dual-status alien dependent, unless the dependent is married to a U.S. citizen or resident alien at the end of the year and chooses to be treated as a U.S. resident for the year. See Publication 519, U.S. Tax Guide for Aliens, for information on making this choice.

Example. Jennifer, who is a dependent of her parents, is entitled to file a joint return with her husband. However, her husband elects to file a separate return and itemize his deductions. Because he itemizes, Jennifer's standard deduction on her return is zero. She can, however, itemize any of her allowable deductions.

Dependent's Own Exemption

A person who can be claimed as a dependent on another taxpayer's return cannot claim his or her own exemption. This is true even if the other taxpayer does not actually claim the exemption.

Example. James and Barbara can claim their child, Ben, as a dependent on their return. Ben is a college student who works during the summer and must file a tax return. Ben cannot claim his own exemption on his return. This is true even if James and Barbara do not claim him as a dependent on their return.

Withholding From Wages

Employers generally withhold federal income tax, social security tax, and Medicare tax from an employee's wages. If the employee claims exemption from withholding on Form W-4, the employer will not withhold federal income tax. The exemption from withholding does not apply to social security and Medicare taxes.

Conditions for exemption from withholding. An employee can claim exemption from withholding for 2012 only if he or she meets both of the following conditions.

1. For 2011, the employee had a right to a refund of all federal income tax withheld because he or she had no tax liability.
2. For 2012, the employee expects a refund of all federal income tax withheld because he or she expects to have no tax liability.

Dependents. An employee who is a dependent ordinarily cannot claim exemption from withholding if both of the following are true.

- The employee's total income will be more than \$950, the minimum standard deduction for 2012.
- The employee's unearned income will be more than \$300.

Exceptions. An employee may be able to claim exemption from withholding even if the employee is a dependent if the employee:

1. Is age 65 or older,
2. Is blind, or
3. Will claim on his or her 2012 tax return:
 - a. Adjustments to income,
 - b. Tax credits, or
 - c. Itemized deductions.

For more information, see *Exemption From Withholding* in chapter 1 of Publication 505, Tax Withholding and Estimated Tax.

Example. Guy is 17 and a student. During the summer he works part time at a grocery store. He expects to earn about \$1,000 this year. He also worked at the store last summer and received a refund of all his withheld income tax because he did not have a tax liability. The only other income he expects during the year is \$375 interest on a savings account. He expects that his parents will be able to claim him as a dependent on their tax return. He is not blind and will not claim adjustments to income, itemized deductions, a higher standard deduction, or tax credits on his return.

Guy cannot claim exemption from withholding when he fills out Form W-4 because his parents will be able to claim him as a dependent, his total income will be more than \$950, the minimum standard deduction amount, and his unearned income will be more than \$300.

Claiming exemption from withholding. To claim exemption from withholding, an employee must enter "Exempt" in the space provided on Form W-4, line 7. The employee must complete the rest of the form, as explained in the form instructions, and give it to his or her employer.

Renewing an exemption from withholding. An exemption from withholding is good for only one year. An employee must file a new Form W-4 by February 15 each year to continue the exemption.

Part 2. Tax on Investment Income of Certain Children

Terms you may need to know (see Glossary):

Adjusted gross income
Adjustments to income
Alternative minimum tax
Capital gain distribution
Dependent
Earned income
Full-time student
Gross income
Investment income
Itemized deductions
Net capital gain
Net investment income
Qualified dividends
Standard deduction
Support
Tax year
Taxable income
Unearned income
Unrecaptured section 1250 gain
28% rate gain

The two rules that follow may affect the tax on the investment income of certain children.

1. If the child's interest and dividend income (including capital gain distributions) total less than \$9,500, the child's parent may be able to choose to include that income on the parent's return rather than file a return for the child. (See [Parent's Election To Report Child's Interest and Dividends](#), later.)
2. If the child's interest, dividends, and other investment income total more than \$1,900, part of that income may be taxed at the parent's tax rate instead of the child's tax rate. (See [Tax for Certain Children Who Have Investment Income of More Than \\$1,900](#), later.)

For these rules, the term "child" includes a legally adopted child and a stepchild. These rules apply whether or not the child is a dependent.

These rules do not apply if neither of the child's parents were living at the end of the year.

Which Parent's Return To Use

If a child's parents are married to each other and file a joint return, use the joint return to figure the tax on the child's investment income. The tax rate and other return information from that return are used to figure the child's tax as explained later under [Tax for Certain Children Who Have Investment Income of More Than \\$1,900](#).

Parents Who Do Not File a Joint Return

For parents who do not file a joint return, the following discussions explain which parent's tax return must be used to figure the tax.

Only the parent whose tax return is used can make the election described under [Parent's Election To Report Child's Interest and Dividends](#).

Parents are married. If the child's parents file separate returns, use the return of the parent with the greater taxable income.

Parents not living together. If the child's parents are married to each other but not living together, and the parent with whom the child lives (the custodial parent) is considered unmarried, use the return of the custodial parent. If the custodial parent is not considered unmarried, use the return of the parent with the greater taxable income.

For an explanation of when a married person living apart from his or her spouse is considered unmarried, see *Head of Household* in Publication 501.

Parents are divorced. If the child's parents are divorced or legally separated, and the parent who had custody of the child for the greater part of the year (the custodial parent) has not remarried, use the return of the custodial parent.

Custodial parent remarried. If the custodial parent has remarried, the stepparent (rather than the noncustodial parent) is treated as the child's other parent. Therefore, if the custodial parent and the stepparent file a joint return, use that joint return. Do not use the return of the noncustodial parent.

If the custodial parent and the stepparent are married, but file separate returns, use the return of the one with the greater taxable income. If the custodial parent and the stepparent are married but not living together, the earlier discussion under [Parents not living together](#) applies.

Parents never married. If a child's parents have never been married to each other, but lived together all year, use the return of the parent with the greater taxable income. If the parents did not live together all year, the rules explained earlier under [Parents are divorced](#) apply.

Widowed parent remarried. If a widow or widower remarries, the new spouse is treated as the child's other

parent. The rules explained earlier under [Custodial parent remarried](#) apply.

Parent's Election To Report Child's Interest and Dividends

You may be able to elect to include your child's interest and dividend income (including capital gain distributions) on your tax return. If you do, your child will not have to file a return.

You can make this election only if all the following conditions are met.

- Your child was under age 19 (or under age 24 if a full-time student) at the end of the year.
- Your child had income only from interest and dividends (including capital gain distributions and Alaska Permanent Fund dividends).
- The child's gross income was less than \$9,500.
- The child is required to file a return unless you make this election.
- The child does not file a joint return for the year.
- No estimated tax payment was made for the year, and no overpayment from the previous year (or from any amended return) was applied to this year under your child's name and social security number.
- No federal income tax was taken out of your child's income under the backup withholding rules.
- You are the parent whose return must be used when applying the special tax rules for children. (See [Which Parent's Return To Use](#), earlier.)

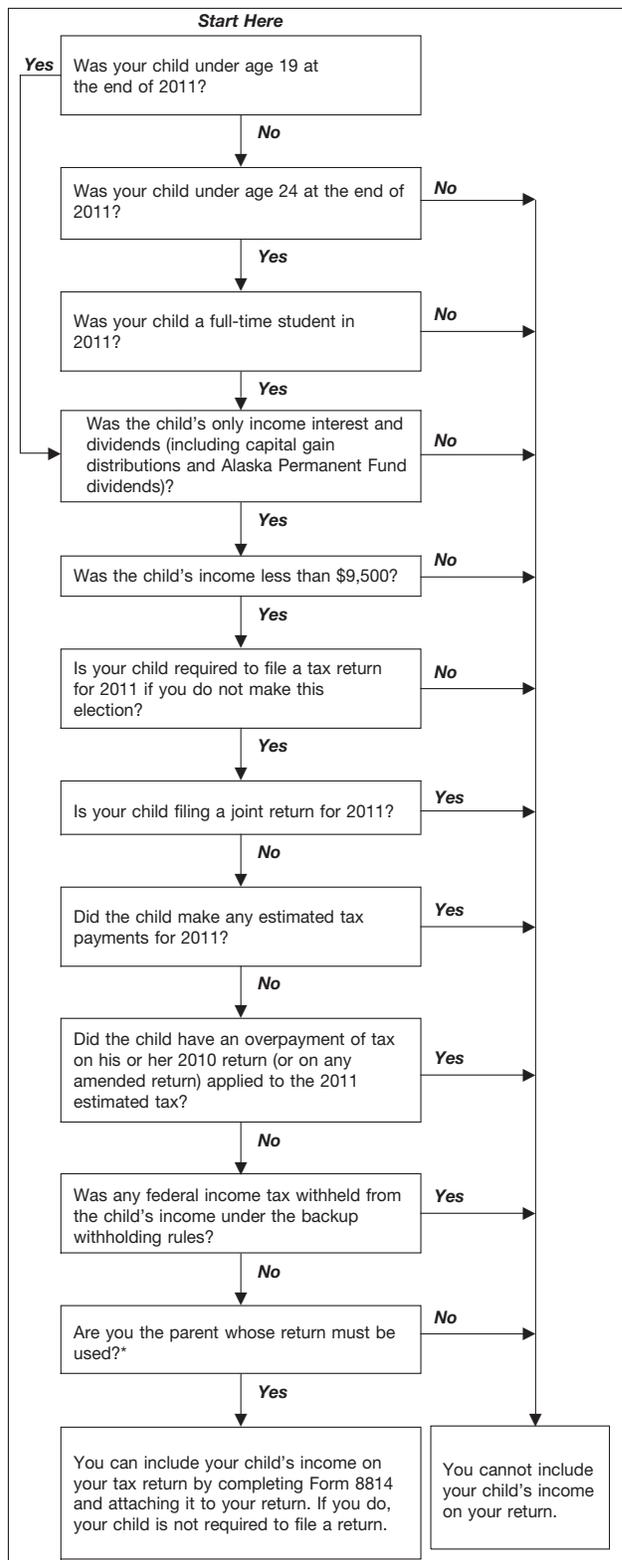
These conditions are also shown in Figure 1.

Certain January 1 birthdays. A child born on January 1, 1993, is considered to be age 19 at the end of 2011. You cannot make this election for such a child unless the child was a full-time student.

A child born on January 1, 1988, is considered to be age 24 at the end of 2011. You cannot make this election for such a child.

How to make the election. Make the election by attaching Form 8814 to your Form 1040 or Form 1040NR. (If you make this election, you cannot file Form 1040A or Form 1040EZ.) Attach a separate Form 8814 for each child for whom you make the election. You can make the election for one or more children and not for others.

Figure 1. Can You Include Your Child's Income On Your Tax Return?



*See [Which Parent's Return To Use](#)

Effect of Making the Election

The federal income tax on your child's income may be more if you make the Form 8814 election.

Rate may be higher. If your child received qualified dividends or capital gain distributions, you may pay up to \$95 more tax if you make this election instead of filing a separate tax return for the child. This is because the tax rate on the child's income between \$950 and \$1,900 is 10% if you make this election. However, if you file a separate return for the child, the tax rate may be as low as 0% (zero percent) because of the preferential tax rates for qualified dividends and capital gain distributions.

Deductions you cannot take. By making the Form 8814 election, you cannot take any of the following deductions that the child would be entitled to on his or her return.

- The additional standard deduction for a blind child.
- The deduction for a penalty on an early withdrawal of your child's savings.
- Itemized deductions (such as your child's investment expenses or charitable contributions).

Deductible investment interest. If you use Form 8814, your child's investment income is considered your investment income. To figure the limit on your deductible investment interest, add the child's investment income to yours. However, if your child received qualified dividends, capital gain distributions, or Alaska Permanent Fund dividends, see chapter 3 of Publication 550 for information about how to figure the limit.

Alternative minimum tax. If your child received tax-exempt interest (or exempt-interest dividends paid by a regulated investment company) from certain private activity bonds, you must determine if that interest is a tax preference item for alternative minimum tax (AMT) purposes. If it is, you must include it with your own tax preference items when figuring your AMT. For more information, get the instructions for Form 6251, Alternative Minimum Tax—Individuals.

Reduced deductions or credits. If you use Form 8814, your increased adjusted gross income may reduce certain deductions or credits on your return, including the following.

- Deduction for contributions to a traditional individual retirement arrangement (IRA).
- Deduction for student loan interest.
- Itemized deductions for medical expenses, casualty and theft losses, and certain miscellaneous expenses.
- Credit for child and dependent care expenses.
- Child tax credit.
- Education tax credits.
- Earned income credit.

- First-time homebuyer credit. For homes that were purchased or were under a binding written contract before May 1, 2011, and closed before July 1, 2011, by any individual (and spouse, if married) serving on qualified extended official duty service outside of the United States for at least 90 days during the period beginning after December 31, 2008, and ending before May 1, 2011.

Penalty for underpayment of estimated tax. If you make this election for 2011 and did not have enough tax withheld or pay enough estimated tax to cover the tax you owe, you may be subject to a penalty. If you plan to make this election for 2012, you may need to increase your federal income tax withholding or your estimated tax payments to avoid the penalty. Get Publication 505 for more information.

Figuring Child's Income

Use Form 8814, Part I, to figure your child's interest and dividend income to report on your return. Only the amount over \$1,900 is added to your income. The amount over \$1,900 is shown on Form 8814, line 6. Unless the child's income includes qualified dividends or capital gain distributions (discussed next), the same amount is shown on Form 8814, line 12. Include the amount from Form 8814, line 12, on Form 1040 or Form 1040NR, line 21. If you file more than one Form 8814, include the total amounts from line 12 of all your Forms 8814 on Form 1040 or Form 1040NR, line 21. On the dotted line next to line 21, enter "Form 8814" and the total of the Form 8814, line 12 amounts.

Note. The tax on the first \$1,900 is figured on Form 8814, Part II. See [Figuring Additional Tax](#), later.

Qualified dividends. Enter on Form 8814, line 2a, any ordinary dividends your child received. This amount may include qualified dividends. Qualified dividends are those dividends reported on Form 1040, line 9b, or Form 1040NR, line 10b, and are eligible for the lower tax rates that apply to a net capital gain. For detailed information about qualified dividends, see Publication 550.

If your child received qualified dividends, the amount of these dividends that is added to your income must be reported on Form 1040, lines 9a and 9b, or Form 1040NR, lines 10a and 10b. You do not include these dividends on Form 8814, line 12, or on line 21 of Form 1040 or Form 1040NR.

Enter the child's qualified dividends on Form 8814, line 2b. But do not include this amount on Form 1040, lines 9a and 9b, or Form 1040NR, lines 10a and 10b. Instead, include the amount from Form 8814, line 9, on Form 1040, lines 9a and 9b, or Form 1040NR, lines 10a and 10b. (The amount on Form 8814, line 9, may be less than the amount on Form 8814, line 2b, because lines 7 through 12 of the form divide the \$1,900 base amount on Form 8814, line 5, between the child's qualified dividends, capital gain distributions, and other interest and dividend income, reducing each of those amounts.)

Capital gain distributions. Enter on Form 8814, line 3, any capital gain distributions your child received. The amount of these distributions that is added to your income must be reported on Schedule D (Form 1040), line 13, or, if you are not required to file Schedule D, on Form 1040, line 13, or Form 1040NR, line 14. You do not include it on Form 8814, line 12, or on line 21 of Form 1040 or Form 1040NR.

Include the amount from Form 8814, line 10, on Schedule D, line 13; Form 1040, line 13; or Form 1040NR, line 14, whichever applies. (The amount on Form 8814, line 10, may be less than the amount on Form 8814, line 3, because lines 7 through 12 of the form divide the \$1,900 base amount on Form 8814, line 5, between the child's qualified dividends, capital gain distributions, and other interest and dividend income, reducing each of those amounts.)

Collectibles (28% rate) gain. If any of the child's capital gain distributions are reported on Form 1099-DIV as collectibles (28% rate) gain, you must determine how much to also include on line 4 of the 28% Rate Gain Worksheet, in the instructions for Schedule D, line 18. Multiply the child's capital gain distribution included on Schedule D, line 13, by a fraction. The numerator is the part of the child's total capital gain distribution that is collectibles (28% rate) gain. The denominator is the child's total capital gain distribution. Enter the result on line 4 of the 28% Rate Gain Worksheet.

Unrecaptured section 1250 gain. If any of the child's capital gain distributions are reported on Form 1099-DIV as unrecaptured section 1250 gain, you must determine how much to include on line 11 of the Unrecaptured Section 1250 Gain Worksheet in the instructions for Schedule D, line 19. Multiply the child's capital gain distribution included on Schedule D, line 13, by a fraction. The numerator is the part of the child's total capital gain distribution that is unrecaptured section 1250 gain. The denominator is the child's total capital gain distribution. Enter the result on the Unrecaptured Section 1250 Gain Worksheet, line 11.

Section 1202 gain. If any of the child's capital gain distributions are reported as section 1202 gain (gain on qualified small business stock) on Form 1099-DIV, part or all of that gain may be eligible for the section 1202 exclusion. (For information about the exclusion, see chapter 4 of Publication 550.) To figure that part, multiply the child's capital gain distribution included on Schedule D, line 13, by a fraction. The numerator is the part of the child's total capital gain distribution that is section 1202 gain. The denominator is the child's total capital gain distribution. Your section 1202 exclusion is generally 50% of the result, but may be subject to a limit. See the instructions for Schedule D for details and information on how to report the exclusion amount.

Example. Fred is 6 years old. In 2011, he received dividend income of \$2,000, which included \$1,500 of ordinary dividends and a \$500 capital gain distribution from a

mutual fund. (None of the distributions were reported on Form 1099-DIV as unrecaptured section 1250 gain, section 1202 gain, or collectibles (28% rate) gain.) All of the ordinary dividends are qualified dividends. He has no other income and is not subject to backup withholding. No estimated tax payments were made under his name and social security number.

Fred's parents elect to include Fred's income on their tax return instead of filing a return for him.

They figure the amount to report on Form 1040, lines 9a and 9b, the amount to report on their Schedule D, line 13, and the amount to report on Form 1040, line 21, as follows.

They leave lines 1a and 1b of Form 8814 blank because Fred does not have any interest income. They enter his ordinary dividends of \$1,500 on lines 2a and 2b because all of Fred's ordinary dividends are qualified dividends. They enter the amount of Fred's capital gain distributions, \$500, on line 3. Next, they add the amounts on lines 1a, 2a, and 3 and enter the result, \$2,000, on line 4.

They subtract the base amount on line 5, \$1,900, from the amount on line 4, \$2,000, and enter the result, \$100, on line 6. This is the total amount from Form 8814 to be reported on their return. Next, they figure how much of this amount is qualified dividends and how much is capital gain distributions.

- They divide the amount on line 2b, \$1,500, by the amount on line 4, \$2,000. They enter the result, .75, on line 7.
- They divide the amount on line 3, \$500, by the amount on line 4, \$2,000. They enter the result, .25, on line 8.
- They multiply the amount on line 6, \$100, by the decimal on line 7, .75, and enter the result, \$75, on line 9.
- They multiply the amount on line 6, \$100, by the decimal on line 8, .25, and enter the result, \$25, on line 10.
- They include the amount from line 9, \$75, on lines 9a and 9b of their Form 1040 and enter "Form 8814 – \$75" on the dotted lines next to lines 9a and 9b. They include the amount from line 10, \$25, on line 13 of their Schedule D (Form 1040) and enter "Form 8814 – \$25" on the dotted line next to Schedule D, line 13.

They enter \$100 (\$75 + \$25) on line 11 and -0- (\$100 – \$100) on line 12. Because the amount on line 12 is -0-, they do not include any amount from Form 8814 on line 21 of their Form 1040.

Figuring Additional Tax

Use Form 8814, Part II, to figure the tax on the \$1,900 of your child's interest and dividends that you do not include in your income. This tax is added to the tax figured on your income.

This additional tax is the smaller of:

1. $10\% \times (\text{your child's gross income} - \$950)$, or
2. \$95.



Include the amount from line 15 of all your Forms 8814 in the total on Form 1040, line 44, or Form 1040NR, line 42. Check box a on Form 1040, line 44, or Form 1040NR, line 42.

Illustrated Example

David and Linda Parks are married and will file separate tax returns for 2011. Their only child, Philip, is 8. Philip received a Form 1099-INT showing \$1,650 taxable interest income and a Form 1099-DIV showing \$1,150 ordinary dividends. All the dividends were qualified dividends. His parents decide to include that income on one of their returns so they will not have to file a return for Philip.

First, David and Linda each figure their taxable income (Form 1040, line 43) without regard to Philip's income. David's taxable income is \$56,700 and Linda's is \$74,300. Because her taxable income is greater, Linda can elect to include Philip's income on her return. (See [Which Parent's Return To Use](#), earlier.)

On Form 8814 (shown later), Linda enters her name and social security number, then Philip's name and social security number. She enters Philip's taxable interest income, \$1,650, on line 1a. Philip had no tax-exempt interest

income, so she leaves line 1b blank. Linda enters Philip's ordinary dividends, \$1,150, on line 2a. All of Philip's ordinary dividends were qualified dividends, so Linda also enters \$1,150 on line 2b. Philip did not have any capital gain distributions, so she leaves line 3 blank.

Linda adds lines 1a and 2a and enters the result, \$2,800, on line 4. Because Philip had qualified dividends, Linda must complete lines 7 through 11 of Form 8814. She includes the amount from line 9 of Form 8814 (\$370) on lines 9a and 9b of her Form 1040. On the dotted lines next to lines 9a and 9b, she enters "Form 8814-\$370."

Linda includes \$530 in the total on line 21 of her Form 1040 (not illustrated) and in the space next to that line writes "Form 8814-\$530." Adding that amount, plus the \$370 of qualified dividends, to her income increases each of the amounts on lines 22, 37, 38, 41, and 43 of her Form 1040 by \$900. Linda is not claiming any deductions that are affected by the increase to her income due to her election to use Form 8814. Therefore, her revised taxable income on line 43 is \$75,200 (\$74,300 + \$370 + \$530).

On Form 8814, Linda subtracts the \$950 shown on line 13 from the \$2,800 on line 4 and enters the result, \$1,850, on line 14. Because that amount is not less than \$950, she enters \$95 on line 15. This is the tax on the first \$1,900 of Philip's income, which Linda did not have to add to her income. She must add this additional tax to the tax figured on her revised taxable income.

The tax on her \$75,200 revised taxable income, figured using the Qualified Dividends and Capital Gain Tax Worksheet in the Form 1040 instructions, is \$15,098. She adds \$95, and enters \$15,193 on Form 1040, line 44, and checks box a.

Linda attaches Form 8814 to her Form 1040.

**Parents' Election To Report
 Child's Interest and Dividends**
 ▶ See instructions.
 ▶ Attach to parents' Form 1040 or Form 1040NR.

Name(s) shown on your return <i>Linda Parks</i>	Your social security number <i>111-00-1111</i>
--	---

Caution. The federal income tax on your child's income, including qualified dividends and capital gain distributions, may be less if you file a separate tax return for the child instead of making this election. This is because you cannot take certain tax benefits that your child could take on his or her own return. For details, see **Tax benefits you cannot take** in the instructions.

A Child's name (first, initial, and last) <i>Philip Parks</i>	B Child's social security number <i>000-00-0000</i>
--	--

C If more than one Form 8814 is attached, check here

Part I Child's Interest and Dividends To Report on Your Return

1a Enter your child's taxable interest. If this amount is different from the amounts shown on the child's Forms 1099-INT and 1099-OID, see the instructions	1a	1,650	
b Enter your child's tax-exempt interest. Do not include this amount on line 1a	1b		
2a Enter your child's ordinary dividends, including any Alaska Permanent Fund dividends. If your child received any ordinary dividends as a nominee, see the instructions	2a	1,150	
b Enter your child's qualified dividends included on line 2a. See the instructions	2b	1,150	
3 Enter your child's capital gain distributions. If your child received any capital gain distributions as a nominee, see the instructions	3		
4 Add lines 1a, 2a, and 3. If the total is \$1,900 or less, skip lines 5 through 12 and go to line 13. If the total is \$9,500 or more, do not file this form. Your child must file his or her own return to report the income	4	2,800	
5 Base amount	5	1,900	00
6 Subtract line 5 from line 4	6	900	
If both lines 2b and 3 are zero or blank, skip lines 7 through 10, enter -0- on line 11, and go to line 12. Otherwise, go to line 7.			
7 Divide line 2b by line 4. Enter the result as a decimal (rounded to at least three places)	7	. 411	
8 Divide line 3 by line 4. Enter the result as a decimal (rounded to at least three places)	8	.	
9 Multiply line 6 by line 7. Enter the result here. See the instructions for where to report this amount on your return	9	370	
10 Multiply line 6 by line 8. Enter the result here. See the instructions for where to report this amount on your return	10		
11 Add lines 9 and 10	11	370	
12 Subtract line 11 from line 6. Include this amount in the total on Form 1040, line 21, or Form 1040NR, line 21. In the space next to line 21, enter "Form 8814" and show the amount. If you checked the box on line C above, see the instructions. Go to line 13 below	12	530	

Part II Tax on the First \$1,900 of Child's Interest and Dividends

13 Amount not taxed	13	950	00
14 Subtract line 13 from line 4. If the result is zero or less, enter -0-	14	1,850	
15 Tax. Is the amount on line 14 less than \$950? <input checked="" type="checkbox"/> No. Enter \$95 here and see the Note below. <input type="checkbox"/> Yes. Multiply line 14 by 10% (.10). Enter the result here and see the Note below.	15	95	

Note. If you checked the box on line C above, see the instructions. Otherwise, include the amount from line 15 in the tax you enter on Form 1040, line 44, or Form 1040NR, line 42. Be sure to check box **a** on Form 1040, line 44, or Form 1040NR, line 42.

Tax for Certain Children Who Have Investment Income of More Than \$1,900

If a child's interest, dividends, and other investment income total more than \$1,900, part of that income may be taxed at the parent's tax rate instead of the child's tax rate. If the parent does not or cannot choose to include the child's income on the parent's return, use Form 8615 to figure the child's tax. Attach the completed form to the child's Form 1040, Form 1040A, or Form 1040NR.

When Form 8615 must be filed. Form 8615 must be filed for a child if all of the following statements are true.

1. The child's investment income was more than \$1,900.
2. The child is required to file a return for 2011.
3. The child either:
 - a. Was under age 18 at the end of the year,
 - b. Was age 18 at the end of the year and did not have earned income that was more than half of his or her support, or
 - c. Was a full-time student over age 18 and under age 24 at the end of the year and did not have earned income that was more than half of his or her support.
4. At least one of the child's parents was alive at the end of 2011.
5. The child does not file a joint return for 2011.

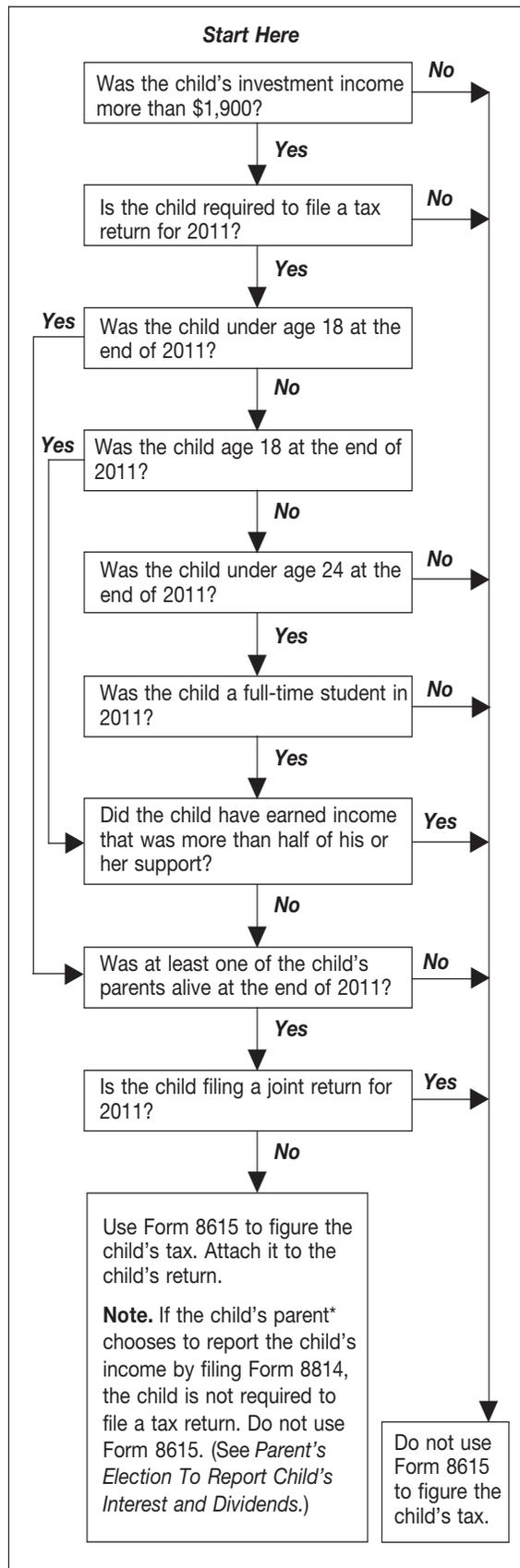
These conditions are also shown in Figure 2.

Certain January 1 birthdays. Use the following chart to determine whether certain children with January 1 birthdays meet condition 3 under *When Form 8615 must be filed*.

IF a child was born on...	THEN, at the end of 2011, the child is considered to be...
January 1, 1994	18*
January 1, 1993	19**
January 1, 1988	24***

*This child is not **under** age 18. The child meets condition 3 only if the child did not have earned income that was more than half of the child's support.
 **This child meets condition 3 only if the child was a full-time student who did not have earned income that was more than half of the child's support.
 ***Do not use Form 8615 for this child.

Figure 2. Do You Have To Use Form 8615 To Figure Your Child's Tax?



*See Which Parent's Return To Use

Providing Parental Information (Form 8615, Lines A–C)

On Form 8615, lines A and B, enter the parent's name and social security number. (If the parents filed a joint return, enter the name and social security number listed first on the joint return.) On line C, check the box for the parent's filing status.

See [Which Parent's Return To Use](#), earlier, for information on which parent's return information must be used on Form 8615.

Parent with different tax year. If the parent and the child do not have the same tax year, complete Form 8615 using the information on the parent's return for the tax year that ends in the child's tax year.

Example. Kimberly must use her mother's tax and taxable income to complete her Form 8615 for calendar year 2011 (January 1 – December 31). Kimberly's mother files her tax return on a fiscal year basis (July 1 – June 30). Kimberly must use the information on her mother's return for the tax year ending June 30, 2011, to complete her 2011 Form 8615.

Parent's return information not known timely. If the information needed from the parent's return is not known by the time the child's return is due (usually April 15), you can file the return using estimates.

You can use any reasonable estimate. This includes using information from last year's return. If you use an estimated amount on Form 8615, enter "Estimated" on the line next to the amount.

When you get the correct information, file an amended return on Form 1040X, Amended U.S. Individual Income Tax Return.

Extension of time to file. Instead of using estimates, you can get an automatic 6-month extension of time to file if, by the date your return is due, you file Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return. You can file a paper Form 4868 or you can file it electronically. See the instructions for Form 4868 for details.



An extension of time to file is not an extension of time to pay. You must make an accurate estimate of the tax for 2011. If you do not pay the full amount due by the regular due date, the child will owe interest and may also be charged penalties. See Form 4868 and its instructions.

Parent's return information not available. If a child cannot get the required information about his or her parent's tax return, the child (or the child's legal representative) can request the necessary information from the Internal Revenue Service (IRS).

How to request. After the end of the tax year, send a signed, written request for the information to the Internal Revenue Service Center where the parent's return will be filed. (The IRS cannot process a request received before the end of the tax year.)



You should also consider getting an extension of time to file the child's return, because there may be a delay in getting the requested information.

The request must contain all of the following.

- A statement that you are making the request to comply with section 1(g) of the Internal Revenue Code and that you have tried to get the information from the parent.
- Proof of the child's age (for example, a copy of the child's birth certificate).
- Evidence the child has more than \$1,900 of unearned income (for example, a copy of the child's prior year tax return or copies of Forms 1099 for the current year).
- The name, address, social security number (if known), and filing status (if known) of the parent whose information is to be shown on Form 8615.

A child's legal representative making the request should include a copy of his or her Power of Attorney, such as Form 2848, or proof of legal guardianship.

Step 1. Figuring the Child's Net Investment Income (Form 8615, Part I)

The first step in figuring a child's tax using Form 8615 is to figure the child's net investment income. To do that, use Form 8615, Part I. For an example, see the [Illustrated Part I of Form 8615](#), shown later.

Line 1 (Investment Income)

If the child had no earned income, enter on this line the adjusted gross income shown on the child's return. Adjusted gross income is shown on Form 1040, line 38; Form 1040A, line 22; or Form 1040NR, line 37. Form 1040EZ and Form 1040NR-EZ cannot be used if Form 8615 must be filed.

If the child had earned income, figure the amount to enter on Form 8615, line 1, by using the worksheet in the instructions for the form.



However, use the following worksheet if:

- the child has excluded any foreign earned income,
- deducted a loss from self-employment, or
- has a net operating loss from another year.

Alternate Worksheet for Form 8615, Line 1

- A. Enter the amount from the child's Form 1040, line 22, or Form 1040NR, line 23 _____

Illustrated Part I of Form 8615

Carla's total income on Form 1040A, line 15, is \$5,000. This total includes wages (earned income) of \$600 reported on line 7. She has no itemized deductions and is claimed as a dependent on her parent's tax return. Carla's taxable income on Form 1040A, line 27, is \$4,050. Because Carla has earned income, the worksheet in the Form 8615 instructions is used to figure the amount on line 1 of Form 8615.

Carla's filled-in worksheet and Part I of her Form 8615, with lines 1 through 5 filled in, are shown here.

Carla's total income of \$5,000 (on line 15 of her Form 1040A) is entered on line 1 of the

worksheet. Her earned income of \$600 (her wages on line 7 of her Form 1040A) is entered on line 2 of the worksheet. Line 3 is the result of subtracting \$600 from \$5,000.

The amount from line 3 of the worksheet is entered on line 1 of Form 8615. Carla did not itemize deductions, so \$1,900 is entered on line 2. Line 3 of Form 8615 is the result of subtracting \$1,900 from \$4,400. Carla's taxable income of \$4,050 (on line 27 of her Form 1040A) is entered on line 4 of Form 8615. The smaller of \$2,500 or \$4,050 is entered on line 5. This is her net investment income.

Worksheet — Line 1

1. Enter the amount from the child's Form 1040, line 22; Form 1040A, line 15; or Form 1040NR, line 23, whichever applies	5,000
2. Enter the child's earned income plus the amount of any penalty on early withdrawal of savings from the child's Form 1040, line 30, or Form 1040NR, line 30, whichever applies	600
3. Subtract line 2 from line 1. Enter the result here and on Form 8615 line 1	4,400

<p>Form 8615 Department of the Treasury Internal Revenue Service (99)</p>	<p>Tax for Certain Children Who Have Investment Income of More Than \$1,900 ▶ Attach only to the child's Form 1040, Form 1040A, or Form 1040NR. ▶ See separate instructions.</p>	<p>OMB No. 1545-0074 2011 Attachment Sequence No. 33</p>
<p>Child's name shown on return <i>Carla C. Rose</i></p>		<p>Child's social security number 111-00-1111</p>
<p>Before you begin: If the child, the parent, or any of the parent's other children for whom Form 8615 must be filed must use the Schedule D Tax Worksheet or has income from farming or fishing, see Pub. 929, Tax Rules for Children and Dependents. It explains how to figure the child's tax using the Schedule D Tax Worksheet or Schedule J (Form 1040).</p>		
<p>A Parent's name (first, initial, and last). Caution: See instructions before completing. <i>George B. Rose</i></p>		<p>B Parent's social security number 123-00-4567</p>
<p>C Parent's filing status (check one): <input type="checkbox"/> Single <input checked="" type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately <input type="checkbox"/> Head of household <input type="checkbox"/> Qualifying widow(er)</p>		

Part I Child's Net Investment Income

1 Enter the child's investment income (see instructions)	1	4,400	
2 If the child did not itemize deductions on Schedule A (Form 1040 or Form 1040NR), enter \$1,900. Otherwise, see instructions	2	1,900	
3 Subtract line 2 from line 1. If zero or less, stop ; do not complete the rest of this form but do attach it to the child's return	3	2,500	
4 Enter the child's taxable income from Form 1040, line 43; Form 1040A, line 27; or Form 1040NR, line 41. If the child files Form 2555 or 2555-EZ, see the instructions	4	4,050	
5 Enter the smaller of line 3 or line 4. If zero, stop ; do not complete the rest of this form but do attach it to the child's return	5	2,500	

- B.** Enter the total of any net loss from self-employment, any net operating loss deduction, any foreign earned income exclusion, and any foreign housing exclusion from the child's Form 1040 or Form 1040NR. Enter this total as a positive number (greater than zero) _____
- C.** Add line A and line B and enter the total. _____
- D.** Enter the child's earned income plus any amount from the child's Form 1040, line 30, or the child's Form 1040NR, line 30. _____
Generally, the child's earned income is the total of the amounts reported on Form 1040, lines 7, 12, and 18 (if line 12 or 18 is a loss, use zero) or Form 1040NR, lines 8, 13, and 19 (if line 13 or 19 is a loss, use zero)
- E.** Subtract line D from line C. Enter the result here and on Form 8615, line 1 _____

Investment income defined. Investment income is generally all income other than salaries, wages, and other amounts received as pay for work actually done. It includes taxable interest, dividends, capital gains (including capital gain distributions), the taxable part of social security and pension payments, certain distributions from trusts, and unemployment compensation. Investment income includes amounts produced by assets the child obtained with earned income (such as interest on a savings account into which the child deposited wages).

Nontaxable income. For this purpose, investment income includes only amounts the child must include in total income. Nontaxable investment income, such as tax-exempt interest and the nontaxable part of social security and pension payments, is not included.

Capital loss. A child's capital losses are taken into account in figuring the child's investment income. Capital losses are first applied against capital gains. If the capital losses are more than the capital gains, the difference (up to \$3,000) is subtracted from the child's interest, dividends,

and other investment income. Any difference over \$3,000 is carried to the next year.

Income from property received as a gift. A child's investment income includes all income produced by property belonging to the child. This is true even if the property was transferred to the child, regardless of when the property was transferred or purchased or who transferred it.

A child's investment income includes income produced by property given as a gift to the child. This includes gifts to the child from grandparents or any other person and gifts made under the Uniform Gift to Minors Act.

Example. Amanda Black, age 13, received the following income.

- Dividends—\$600
- Wages—\$2,100
- Taxable interest—\$1,200
- Tax-exempt interest—\$100
- Capital gains—\$300
- Capital losses—(\$200)

The dividends were qualified dividends on stock given to her by her grandparents.

Amanda's investment income is \$1,900. This is the total of the dividends (\$600), taxable interest (\$1,200), and capital gains reduced by capital losses (\$300 – \$200 = \$100). Her wages are earned (not investment) income because they are received for work actually done. Her tax-exempt interest is not included because it is nontaxable.

Trust income. If a child is the beneficiary of a trust, distributions of taxable interest, dividends, capital gains, and other investment income from the trust are investment income to the child.

However, taxable distributions from a qualified disability trust are considered earned income for the purposes of completing Form 8615. See the Form 8615 instructions for details.

Adjustment to income. In figuring the amount to enter on line 1, the child's investment income is reduced by any penalty on the early withdrawal of savings.

Line 2 (Deductions)

If the child does not itemize deductions on Schedule A (Form 1040 or Form 1040NR), enter \$1,900 on line 2.

If the child does itemize deductions, enter on line 2 the larger of:

1. \$950 plus the portion of the child's itemized deductions on Schedule A (Form 1040), line 29 (or Schedule A (Form 1040NR), line 15), that are directly connected with the production of the investment income entered on line 1, or
2. \$1,900.

Directly connected. Itemized deductions are directly connected with the production of investment income if they are for expenses paid to produce or collect taxable income or to manage, conserve, or maintain property held for producing income. These expenses include custodian fees and service charges, service fees to collect taxable interest and dividends, and certain investment counsel fees.

These expenses are added to certain other miscellaneous itemized deductions on Schedule A (Form 1040). Only the amount greater than 2% of the child's adjusted gross income can be deducted. See Publication 529, Miscellaneous Deductions, for more information.

Example 1. Roger, age 12, has investment income of \$8,000, no other income, no adjustments to income, and itemized deductions of \$300 (net of the 2%-of-adjusted-gross-income limit) that are directly connected with his investment income. His adjusted gross income is \$8,000, which is entered on Form 1040, line 38, and on Form 8615, line 1. Roger enters \$1,900 on line 2 because that is more than the total of \$950 plus his directly-connected itemized deductions of \$300.

Example 2. Eleanor, age 8, has investment income of \$16,000 and an early withdrawal penalty of \$100. She has no other income. She has itemized deductions of \$1,050 (net of the 2%-of-adjusted-gross-income limit) that are directly connected with the production of her investment income. Her adjusted gross income, entered on line 1, is \$15,900 (\$16,000 – \$100). The amount on line 2 is \$2,000. This is the larger of:

1. \$950 plus the \$1,050 of directly connected itemized deductions, or
2. \$1,900.

Line 3

Subtract line 2 from line 1 and enter the result on this line. If zero or less, do not complete the rest of the form. However, you must still attach Form 8615 to the child's tax return. Figure the tax on the child's taxable income in the normal manner.

Line 4 (Child's Taxable Income)

Enter on line 4 the child's taxable income from Form 1040, line 43; Form 1040A, line 27; or Form 1040NR, line 41.

Child files Form 2555 or 2555-EZ. If the child files Form 2555 or 2555-EZ to claim the foreign earned income exclusion, housing exclusion, or housing deduction, the Foreign Earned Income Tax Worksheet is used to figure the child's tax. Enter the amount from line 3 of the Foreign Earned Income Tax Worksheet as the child's taxable income on Form 8615, line 4.

Line 5 (Net Investment Income)

A child's net investment income cannot be more than his or her taxable income. Enter on Form 8615, line 5, the

Illustrated Part II of Form 8615

Randy and his sister must each file Form 8615. Their parents' joint return information is used on the Forms 8615 of both children. The net investment income on line 5 of Randy's Form 8615 is \$2,280. His sister's net investment income is \$1,520. Randy's parents' taxable income is \$50,570. Their tax, from the Tax Table, is \$6,736.

Part II of Randy's Form 8615, with lines 6 through 13 filled in, is shown here.

Randy's parents' taxable income of \$50,570 (from line 43 of Form 1040) is entered on Form 8615, line 6.

Randy's sister's net investment income of \$1,520 (from line 5 of her Form 8615) is entered on line 7 of Randy's Form 8615. The amounts on line 5 (\$2,280), line 6 (\$50,570), and line 7 (\$1,520) are added and the total of \$54,370 is entered on line 8.

The tax on \$54,370 is found in the Tax Table using the parents' joint filing status. The tax, \$7,306, is entered on line 9. Randy's parents' tax of \$6,736 (from line 44 of Form 1040) is entered on line 10 and is subtracted from the amount on line 9. The difference, \$570, is entered on line 11.

Randy's net investment income on line 5 (\$2,280) is added to his sister's net investment income on line 7 (\$1,520) and the total, \$3,800, is entered on line 12a.

The amount on line 5 (\$2,280) is divided by the amount on line 12a (\$3,800) and the result, .600, is entered on line 12b.

The amount on line 11 (\$570) is multiplied by the amount on line 12b (.600) and the result, \$342, is entered on line 13. This is Randy's tentative tax based on his parents' tax rate.

Part II Tentative Tax Based on the Tax Rate of the Parent

6	Enter the parent's taxable income from Form 1040, line 43; Form 1040A, line 27; Form 1040EZ, line 6; Form 1040NR, line 41; or Form 1040NR-EZ, line 14. If zero or less, enter -0-. If the parent files Form 2555 or 2555-EZ, see the instructions	6	50,570	
7	Enter the total, if any, from Forms 8615, line 5, of all other children of the parent named above. Do not include the amount from line 5 above	7	1,520	
8	Add lines 5, 6, and 7 (see instructions)	8	54,370	
9	Enter the tax on the amount on line 8 based on the parent's filing status above (see instructions). If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) is used to figure the tax, check here <input type="checkbox"/>	9	7,306	
10	Enter the parent's tax from Form 1040, line 44; Form 1040A, line 28, minus any alternative minimum tax; Form 1040EZ, line 10; Form 1040NR, line 42; or Form 1040NR-EZ, line 15. Do not include any tax from Form 4972 or 8814 or any tax from recapture of an education credit. If the parent files Form 2555 or 2555-EZ, see the instructions. If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) was used to figure the tax, check here <input type="checkbox"/>	10	6,736	
11	Subtract line 10 from line 9 and enter the result. If line 7 is blank, also enter this amount on line 13 and go to Part III	11	570	
12a	Add lines 5 and 7	12a	3,800	
b	Divide line 5 by line 12a. Enter the result as a decimal (rounded to at least three places)	12b	x .600	
13	Multiply line 11 by line 12b	13	342	

smaller of line 3 or line 4. This is the child's net investment income.

If zero or less, do not complete the rest of the form. However, you must still attach Form 8615 to the child's tax return. Figure the tax on the child's taxable income in the normal manner.

Step 2. Figuring a Tentative Tax at the Parent's Tax Rate (Form 8615, Part II)

The next step in completing Form 8615 is to figure a tentative tax on the child's net investment income at the parent's tax rate. The tentative tax at the parent's tax rate is the difference between the tax on the parent's taxable income figured with the child's net investment income (plus the net investment income of any other child whose Form 8615 includes the tax return information of that parent) and the tax figured without it.

When figuring the tentative tax at the parent's tax rate on Form 8615, do not refigure any of the exclusions, deductions, or credits on the parent's return because of the child's net investment income. For example, do not refigure the medical expense deduction.

Figure the tentative tax on Form 8615, lines 6 through 13. For an example, see the Illustrated Part II of Form 8615 above.

Line 6 (Parent's Taxable Income)

Enter on line 6 the amount from the parent's Form 1040, line 43; Form 1040A, line 27; Form 1040EZ, line 6; Form 1040NR, line 41; or Form 1040NR-EZ, line 14. If the parent's taxable income is zero or less, enter zero on line 6.

Parent files Form 2555 or 2555-EZ. If the parent files Form 2555 or 2555-EZ to claim the foreign earned income exclusion, housing exclusion, or housing deduction, the Foreign Earned Income Tax Worksheet in the Form 1040 instructions is used to figure the parent's tax. Enter the amount from line 3 of the Foreign Earned Income Tax Worksheet as the parent's taxable income, on line 6 of Form 8615.

Line 7 (Net Investment Income of Other Children)

If the tax return information of the parent is also used on any other child's Form 8615, enter on line 7 the total of the

amounts from line 5 of all the other children's Forms 8615. Do not include the amount from line 5 of the Form 8615 being completed.

Example. Paul and Jane Persimmon have three children, Sharon, Jerry, and Mike, who must attach Form 8615 to their tax returns. The children's net investment income amounts on line 5 of their Forms 8615 are:

- Sharon—\$800
- Jerry—\$600
- Mike—\$1,000

Line 7 of Sharon's Form 8615 will show \$1,600, the total of the amounts on line 5 of Jerry's and Mike's Forms 8615.

Line 7 of Jerry's Form 8615 will show \$1,800 (\$800 + \$1,000).

Line 7 of Mike's Form 8615 will show \$1,400 (\$800 + \$600).

Other children's information not available. If the net investment income of the other children is not available when the return is due, either file the return using estimates or get an extension of time to file. Estimates and extensions are discussed earlier under [Providing Parental Information \(Form 8615, Lines A–C\)](#).

Line 8 (Parent's Taxable Income Plus Children's Net Investment Income)

Enter on this line the total of lines 5, 6, and 7. You must determine the amount of net capital gain and qualified dividends included on this line before completing line 9 of Form 8615.

Net capital gain. Net capital gain is the smaller of the gain, if any, on Schedule D, line 15, or the gain, if any, on Schedule D, line 16. If Schedule D is not required, it is the amount on Form 1040, line 13; Form 1040A, line 10; or Form 1040NR, line 14.

Qualified dividends. Qualified dividends are those dividends reported on line 9b of Form 1040 or Form 1040A, or line 10b of Form 1040NR.

Net capital gain and qualified dividends on line 8. If neither the child, parent, nor any other child has net capital gain, the net capital gain on line 8 is zero.

If neither the child, parent, nor any other child has qualified dividends, the amount of qualified dividends on line 8 is zero.

If the child, parent, or any other child has net capital gain, figure the amount of net capital gain included on line 8 by adding together the net capital gain amounts included on lines 5, 6, and 7 of Form 8615. If the child, parent, or any other child has qualified dividends, figure the amount of qualified dividends included on line 8 by adding together the qualified dividend amounts included on lines 5, 6, and 7. Use the instructions for Form 8615, line 8, including the appropriate Line 5 Worksheet, to find these amounts.

Note. The amount of any net capital gain or qualified dividends is not separately reported on line 8. It is needed, however, when figuring the tax on line 9.

Line 9 (Tax on Parent's Taxable Income Plus Children's Net Investment Income)

Figure the tax on the amount on line 8 using the Tax Table, the Tax Computation Worksheet, the Qualified Dividends and Capital Gain Tax Worksheet (in the Form 1040, 1040A, or 1040NR instructions), the Schedule D Tax Worksheet (in the Schedule D instructions), or Schedule J (Form 1040), as follows.

- If line 8 does not include any net capital gain or qualified dividends, use the Tax Table or Tax Computation Worksheet to figure this tax. But if Schedule J, Income Averaging for Farmers and Fishermen, is used to figure the tax on the parent's return, use it to figure this tax.
- If line 8 includes any net capital gain or qualified dividends, use the Qualified Dividends and Capital Gain Tax Worksheet to figure this tax. For details, see the instructions for Form 8615, line 9. However, if the child, parent, or any other child has 28% rate gain or unrecaptured section 1250 gain, use the Schedule D Tax Worksheet. But if Schedule J is used to figure the tax on the parent's return, use it to figure this tax.

Child files Form 2555 or 2555-EZ. If line 8 includes any net capital gain or qualified dividends and the child, or any other child filing Form 8615, also files Form 2555 or 2555-EZ, use *Using the Schedule D Tax Worksheet for line 9 tax*, next, to figure the line 9 tax.

Using the Schedule D Tax Worksheet for line 9 tax. Use the Schedule D Tax Worksheet (in the Schedule D instructions) to figure the line 9 tax on Form 8615 if the child, parent, or any other child has unrecaptured section 1250 gain or 28% rate gain. If you must use the Schedule D Tax Worksheet, first complete any Schedule D and any actual Schedule D Tax Worksheet required for the child, parent, or any other child. Then figure the line 9 tax using another Schedule D Tax Worksheet. (Do not attach this Schedule D Tax Worksheet to the child's return.)

Complete this Schedule D Tax Worksheet as follows.

1. On line 1, enter the amount from Form 8615, line 8.
2. On line 2, enter the qualified dividends included on Form 8615, line 8. (See the earlier discussion for line 8.)
3. On line 3, enter the total of the amounts, if any, on line 4g of all Forms 4952 filed by the child, parent, or any other child.
4. On line 4, enter the total of the amounts, if any, on line 4e of all Forms 4952 filed by the child, parent, or any other child. If applicable, include instead the smaller amount entered on the dotted line next to line 4e.

5. On lines 5 and 6, follow the worksheet instructions.
6. On line 7, enter the net capital gain included on Form 8615, line 8. (See the earlier discussion for line 8.)
7. On lines 8 through 10, follow the worksheet instructions.
8. On line 11, enter zero if neither the child, parent, nor any other child has unrecaptured section 1250 gain (Schedule D, line 19) or 28% rate gain (Schedule D, line 18). Otherwise, enter the amount of unrecaptured section 1250 gain and 28% rate gain included in the net capital gain on line 8 of Form 8615. Figure these amounts as explained later under *Figuring unrecaptured section 1250 gain (line 11)* and *Figuring 28% rate gain (line 11)*.
9. If the Foreign Earned Income Tax Worksheet was used to figure the parent's tax or the tax of any child, go to step 10 below. Otherwise, skip steps 10, 11, and 12 below, and go to step 13.
10. Determine whether there is a line 8 capital gain excess as follows.
 - a. Add the amounts on line 2 of all Foreign Earned Income Tax Worksheets completed by the parent or any child for whom Form 8615 is filed. (But for each child do not add more than the excess, if any, of the amount on line 5 of the child's Form 8615 over the child's taxable income on Form 1040, line 43; Form 1040A, line 27; or Form 1040NR, line 41.)
 - b. Subtract (a) from the amount on line 1 of this Schedule D Tax Worksheet.
 - c. Subtract (b) from the amount on line 10 of this Schedule D Tax Worksheet. If the result is more than zero, that amount is the line 8 capital gain excess. If the result is zero or less, there is no line 8 capital gain excess.
11. If there is no line 8 capital gain excess, skip step 12 below and go to step 13.
12. If there is a line 8 capital gain excess, complete a second Schedule D Tax Worksheet as instructed above and in step 13, but in its entirety and with the following additional modifications. (These modifications are to be made only for purposes of filling out this additional Schedule D Tax Worksheet.)
 - a. Reduce the amount you would otherwise enter on line 9 (but not below zero) by the line 8 capital gain excess.
 - b. Reduce the amount you would otherwise enter on line 6 (but not below zero) by any of the line 8 capital gain excess not used in (a) above.
 - c. If the child, parent, or any other child has 28% rate gain, reduce the amount you would otherwise enter on line 8 of Worksheet 1 for Line 11 of the Schedule D Tax Worksheet – 28% Rate Gain (Line 9 Tax), shown later, (but not below zero) by the line 8 capital gain excess, and refigure the

amount on line 11 of this Schedule D Tax Worksheet.

- d. If the child, parent, or any other child has unrecaptured section 1250 gain, reduce the amount you would otherwise enter on line 8 of Worksheet 2 for Line 11 of the Schedule D Tax Worksheet – Unrecaptured Section 1250 Gain (Line 9 Tax) (but not below zero) by the line 8 capital gain excess not used in 12(c), and refigure the amount on line 11 of this Schedule D Tax Worksheet.

13. Complete lines 12 through 37 following the worksheet instructions. Use the parent's filing status to complete lines 15, 34, and 36.

Enter the amount from line 37 of this Schedule D Tax Worksheet on Form 8615, line 9, and check the box on that line. Do not attach this worksheet to the child's return.

Figuring 28% rate gain (line 11). If the child, parent, or any other child has 28% rate gain, figure the amount of 28% rate gain included in the net capital gain on line 8 of Form 8615 using the following worksheet.

**Worksheet 1 for Line 11 of the Schedule D
Tax Worksheet – 28% Rate Gain
(Line 9 Tax)**

1. Enter the amount, if any, from the child's Schedule D, line 18. _____
- If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.**
2. Enter the amount from the last line of the child's completed Line 5 Worksheet in the instructions for Form 8615, line 8 _____
3. Enter the amount from line 2 of the child's completed Line 5 Worksheet _____
4. Divide line 2 by line 3. Enter the result as a decimal _____
5. Multiply line 1 by line 4 _____
6. If no other child has 28% rate gain, enter -0-. Otherwise, repeat lines 1 through 5 above for each other child who has 28% rate gain and enter the total of the line 5 amounts for those other children _____
7. Enter the amount, if any, from line 18 of the parent's Schedule D _____
8. Add lines 5, 6, and 7. Also include this amount on the Schedule D Tax Worksheet, line 11. _____

Figuring unrecaptured section 1250 gain (line 11). If the child, parent, or any other child has unrecaptured section 1250 gain, figure the amount of unrecaptured section 1250 gain included in the net capital gain on line 8 of Form 8615 using the following worksheet.

**Worksheet 2 for Line 11 of the Schedule D
Tax Worksheet – Unrecaptured
Section 1250 Gain
(Line 9 Tax)**

1. Enter the amount, if any, from the child's Schedule D, line 19. _____

If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.

2. Enter the amount, if any, from the last line of the child's completed Line 5 Worksheet in the instructions for Form 8615, line 8 _____
3. Enter the amount from line 2 of the child's completed Line 5 Worksheet _____
4. Divide line 2 by line 3. Enter the result as a decimal _____
5. Multiply line 1 by line 4. _____
6. If no other child has unrecaptured section 1250 gain, enter -0-. Otherwise, repeat lines 1 through 5 for each other child who has unrecaptured section 1250 gain and enter the total of the line 5 amounts for those children _____
7. Enter the amount, if any, from line 19 of the parent's Schedule D _____
8. Add lines 5, 6, and 7. Also include this amount on the Schedule D Tax Worksheet, line 11. _____

Using Schedule J for line 9 tax. Use Schedule J, Income Averaging for Farmers and Fishermen, to figure the line 9 tax on Form 8615 if Schedule J is used to figure the tax on the parent's return. First complete the actual Schedule J for the parent, then use another Schedule J as a worksheet to figure the tax to enter on line 9 of Form 8615. (Do not attach this worksheet to the child's return.)

Complete this worksheet Schedule J as follows.

1. On line 1, enter the amount from Form 8615, line 8.
2. On lines 2a, 2b, and 2c, enter the amounts from the parent's Schedule J, lines 2a, 2b, and 2c.
3. Complete line 3 following the Schedule J instructions.
4. Complete line 4. If Form 8615, line 8, includes any net capital gain, use the Qualified Dividends and Capital Gain Tax Worksheet to figure the tax amount on this line. For details on how to use the worksheet, see the instructions for Form 8615, line 9, but use the amount on line 3 of this worksheet Schedule J, (instead of the amount on Form 8615, line 8) in step (1) of *Using the Qualified Dividends and Capital Gain Tax Worksheet for line 9 tax*. However, if the child, parent, or any other child has 28% rate gain, or unrecaptured section 1250 gain, use the Schedule D Tax Worksheet. Follow the earlier instructions under

Using the Schedule D Tax Worksheet for line 9 tax, except use the amount on line 3 of this worksheet Schedule J, (instead of the amount on Form 8615, line 8) in step (1).

5. On lines 5 through 16, enter the amounts from the parent's Schedule J, lines 5 through 16.
6. Complete lines 17 and 18 following the Schedule J instructions.
7. On lines 19 through 22, enter the amounts from the parent's Schedule J, lines 19 through 22.
8. Complete line 23 following the Schedule J instructions.

Enter the amount from line 23 of this worksheet Schedule J on Form 8615, line 9, and check the box on that line.

Line 10 (Parent's Tax)

Enter on line 10 the amount from the parent's Form 1040, line 44; Form 1040A, line 28 (minus any alternative minimum tax); Form 1040EZ, line 10; Form 1040NR, line 42; or Form 1040NR-EZ, line 15. Do not include the tax, if any, from Form 4972 or Form 8814 or any tax from recapture of an education credit.

If the parent files Form 2555 or 2555-EZ, enter the amount from line 4 of the parent's Foreign Earned Income Tax Worksheet, instead of the parent's tax from Form 1040, line 44.

Line 11 (Tentative Tax)

Subtract line 10 from line 9 and enter the result on this line. This is the tentative tax.

If line 7 is blank, skip lines 12a and 12b and enter the amount from line 11 on line 13. Also skip the discussion for lines 12a and 12b that follows.

Lines 12a and 12b (Dividing the Tentative Tax)

If an amount is entered on line 7, divide the tentative tax shown on line 11 among the children according to each child's share of the total net investment income. This is done on lines 12a, 12b, and 13. Add the amount on line 7 to the amount on line 5 and enter the total on line 12a. Divide the amount on line 5 by the amount on line 12a and enter the result, as a decimal, on line 12b.

Example. In the earlier example under [Line 7 \(Net Investment Income of Other Children\)](#), Sharon's Form 8615 shows \$1,600 on line 7. The amount entered on line 12a is \$2,400, the total of the amounts on lines 5 and 7 (\$800 + \$1,600). The decimal on line 12b is .333, figured as follows and rounded to three places.

$$\frac{\$800}{\$2,400} = .333$$

Line 13 (Child's Share of Tentative Tax)

If an amount is entered on line 7, multiply line 11 by the decimal on line 12b and enter the result on line 13. This is the child's share of the tentative tax.

Step 3. Figuring the Child's Tax (Form 8615, Part III)

The final step in figuring a child's tax using Form 8615 is to determine the larger of:

1. The total of:
 - a. The child's share of the tentative tax based on the parent's tax rate, plus
 - b. The tax on the child's taxable income in excess of net investment income, figured at the child's tax rate, or
2. The tax on the child's taxable income, figured at the child's tax rate.

This is the child's tax. It is figured on Form 8615, lines 14 through 18.

Line 14 (Child's Taxable Income in Excess of Net Investment Income)

If lines 4 and 5 of Form 8615 are the same, the child's taxable income is not more than the child's net investment income. Enter zero on lines 14 and 15, and go to line 16. Also skip the rest of this discussion and the discussion for line 15 that follows.

If lines 4 and 5 are not the same, subtract line 5 from line 4 and enter the result on line 14. Then, before completing line 15, you must determine the amount of net capital gain and qualified dividends, if any, included on line 14.

Net capital gain and qualified dividends on line 14. If the child does not have any net capital gain or qualified dividends, the amount of the net capital gain and qualified dividends included on line 14 is zero.

If the child has net capital gain, the amount of net capital gain included on line 14 is the amount from line 2 of the child's completed Line 5 Worksheet minus the amount from the last line of that worksheet. (See the earlier discussion for line 8 of Form 8615.)

If the child has qualified dividends, the amount of qualified dividends included on line 14 is the amount from line 1 of the child's completed Line 5 Worksheet minus the amount from the next to the last line of that worksheet. (See the earlier discussion of line 8 of Form 8615.)

Line 15 (Tax on Child's Taxable Income in Excess of Net Investment Income)

Figure the tax on the amount on line 14 using the Tax Table, the Tax Computation Worksheet, the Qualified Dividends and Capital Gain Tax Worksheet, the Schedule D Tax Worksheet, or Schedule J (Form 1040), as follows.

- If line 14 does not include any net capital gain or qualified dividends, use the Tax Table or Tax Computation Worksheet (or Schedule J, if applicable) to figure this tax.
- If line 14 does include any net capital gain or qualified dividends, use the Qualified Dividends and Capital Gain Tax Worksheet to figure this tax. For details, see the instructions for Form 8615, line 15. However, if the child has 28% rate gain or unrecaptured section 1250 gain, use the Schedule D Tax Worksheet. (But use Schedule J instead, if it applies.)

Child files Form 2555 or 2555-EZ. If line 14 includes any net capital gain or qualified dividends and the child files Form 2555 or 2555-EZ, use *Using the Schedule D Tax Worksheet for line 15 tax*, next, to figure the line 15 tax.

Using the Schedule D Tax Worksheet for line 15 tax. Use the Schedule D Tax Worksheet (in the Schedule D instructions) to figure the line 15 tax on Form 8615 if the child has unrecaptured section 1250 gain or 28% rate gain. Do not attach this Schedule D Tax Worksheet to the child's return.

Complete this Schedule D Tax Worksheet as follows.

1. On line 1, enter the amount from Form 8615, line 14.
2. On line 2, enter the qualified dividends included on Form 8615, line 14. (See the earlier discussion for line 14.)
3. Leave lines 3 through 5 blank.
4. Enter the amount from line 2 on line 6.
5. On line 7, enter the net capital gain included on Form 8615, line 14. (See the earlier discussion for line 14.)
6. Skip line 8.
7. Enter the amount from line 7 on line 9.
8. Complete line 10, following the worksheet instructions.
9. On line 11, enter zero if the child has no 28% rate gain (Schedule D, line 18) or unrecaptured section 1250 gain (Schedule D, line 19). Otherwise, see Worksheet 1 for Line 11 of the Schedule D Tax Worksheet – 28% Rate Gain (Line 9 Tax) and Worksheet 2 for Line 11 of the Schedule D Tax Worksheet – Unrecaptured Section 1250 Gain (Line 9 Tax) under [Using the Schedule D Tax Worksheet for line 9 tax](#), earlier. For each worksheet you complete, subtract line 5 of that worksheet from line 1 of that worksheet, and include the result on line 11 of this worksheet.
10. If the child is not filing Form 2555 or 2555-EZ, skip steps 11, 12, and 13 below, and go to step 14. If the child is filing Form 2555 or 2555-EZ, go to step 11.
11. Determine whether there is a line 14 capital gain excess as follows.
 - a. Subtract from line 2 of the child's Foreign Earned Income Tax Worksheet the excess, if any, of the amount on line 5 of the child's Form 8615 over the

child's taxable income on Form 1040, line 43; Form 1040A, line 27; or Form 1040NR, line 41.

- b. Subtract (a) from the amount on line 14 of Form 8615.
 - c. Subtract (b) from the amount on line 10 of this Schedule D Tax Worksheet. If the result is more than zero, that amount is the line 14 capital gain excess. If the result is zero or less, there is no line 14 capital gain excess.
12. If there is no line 14 capital gain excess, skip step 13 below and go to step 14.
13. If there is a line 14 capital gain excess, complete a second Schedule D Tax Worksheet as instructed above and in step 14 below but in its entirety and with the following additional modifications. (These modifications are to be made only for purposes of filling out this Schedule D Tax Worksheet.)
- a. Reduce the amount you would otherwise enter on line 9 (but not below zero) by the line 14 capital gain excess.
 - b. Reduce the amount you would otherwise enter on line 6 (but not below zero) by any of the line 14 capital gain excess not used in (a) above.
 - c. If the child has 28% rate gain, reduce the amount you would otherwise enter on line 11, as figured in step 9, (but not below zero) by the line 14 capital gain excess.
 - d. If the child has unrecaptured section 1250 gain, reduce the amount you would otherwise enter on line 11, as figured in step 9, (but not below zero) by the line 14 capital gain excess not used in (c) above.
14. Complete lines 12 through 37 following the worksheet instructions. Use the child's filing status to complete lines 15, 34, and 36.

Enter the amount from line 37 of this Schedule D Tax Worksheet on Form 8615, line 15, and check the box on that line. Do not attach this worksheet to the child's return.

Using Schedule J for line 15 tax. If Schedule J applies, use it as a worksheet to figure the tax to enter on Form 8615, line 15. On line 1 of this worksheet, enter the amount from Form 8615, line 14. Complete lines 2a through 23 following the Schedule J instructions. Use the child's filing status to complete lines 4, 8, 12, and 16.

Enter the amount from line 23 of this worksheet Schedule J, on Form 8615, line 15, and check the box on that line. Do not attach this worksheet to the child's return.

Line 16 (Combined Tax)

Add lines 13 and 15 and enter the total on line 16. This is the child's tax figured at the parent's rate on net investment income and the child's rate on other income.

Line 17 (Tax at Child's Rate)

Figure the tax on the amount on line 4. Use the Tax Table, the Tax Computation Worksheet, the Qualified Dividends and Capital Gain Tax Worksheet, the Schedule D Tax Worksheet, or the child's actual Schedule J (Form 1040), whichever applies. Enter the tax amount on line 17. If it is from the Qualified Dividends and Capital Gain Tax Worksheet, the Schedule D Tax Worksheet, or Schedule J, check the box on that line.

Child files Form 2555 or 2555-EZ. If the child files Form 2555 or 2555-EZ and has a net capital gain or qualified dividends, figure the tax using the Qualified Dividends and Capital Gain Tax Worksheet or the Schedule D Tax Worksheet, whichever applies. To fill out that worksheet, follow the instructions in the footnote to the Foreign Earned Income Tax Worksheet.

Line 18 (Tax)

Enter on line 18 the larger of line 16 or line 17. Also enter this amount on the child's Form 1040, line 44; Form 1040A, line 28; or Form 1040NR, line 42. This is the child's tax.

Child files Form 2555 or 2555-EZ. If the child files Form 2555 or 2555-EZ, do **not** enter the amount from Form 8615, line 18, on the child's Form 1040, line 44. Instead, enter the amount from Form 8615, line 18, on line 4 of the child's Foreign Earned Income Tax Worksheet. Then complete the rest of the Foreign Earned Income Tax Worksheet to figure the child's tax.

Alternative Minimum Tax

A child may be subject to alternative minimum tax (AMT) if he or she has certain items given preferential treatment under the tax law. These items include accelerated depreciation and certain tax-exempt interest income. The AMT may also apply if the child has passive activity losses or certain distributions from estates or trusts.

For more information on who is liable for AMT and how to figure it, see Form 6251.

Limit on exemption amount (AMT). Ordinarily, single individuals can subtract a \$48,450 exemption amount from their AMT taxable income. However, a child who files Form 8615 has a limited exemption amount. The child's exemption amount for 2011 is limited to the child's earned income plus \$6,800. Figure the child's allowable exemption amount on the worksheet in the instructions for Form 6251, line 29.

Illustrated Example

This example shows how to fill out Forms 8615 and 1040A for Joshua Blake. It also shows how to use the Qualified Dividends and Capital Gain Tax Worksheet in the Form 1040A instructions to figure Joshua's tax.

Bob and Laura Blake have one child, Joshua. He is 13 and has \$1,050 taxable interest, \$1,050 qualified dividend income, \$700 capital gain distributions, and \$1,550 earned income. He does not itemize deductions. Bob and Laura file a joint return with Bob's name and social security number listed first. They claim three exemptions, including an exemption for Joshua, on their return.

Because he is under age 18 and has more than \$1,900 investment income, part of his income may be subject to tax at his parents' rate. A completed Form 8615 must be attached to his return.

Joshua's father, Bob, fills out Joshua's return. He completes Joshua's Form 1040A through line 27, then begins completing Joshua's Form 8615.

Bob enters his name and social security number on Joshua's Form 8615 because his name and number are listed first on the joint return he and Laura are filing. He checks the box for married filing jointly.

He enters Joshua's investment income, \$2,800, on line 1. Joshua does not itemize deductions, so Bob enters \$1,900 on line 2. He enters \$900 (\$2,800 – \$1,900) on line 3.

Joshua's taxable income, as shown on his Form 1040A, line 27, is \$2,500. This is his total income (\$4,350) minus his standard deduction (\$1,850). His standard deduction is limited to the amount of his earned income plus \$300. Bob enters \$2,500 on line 4.

Bob compares lines 3 and 4 and enters the smaller amount, \$900, on line 5.

Bob enters \$48,000 on line 6. This is the taxable income from line 43 of Bob and Laura's joint Form 1040 return. Joshua is an only child, so line 7 is blank. He adds line 5 (\$900), line 6 (\$48,000), and line 7 (blank) and enters \$48,900 on line 8.

Because Joshua's capital gain distributions and qualified dividends are included on line 5, Bob uses Line 5 Worksheet #1 (in the instructions for Form 8615) to figure out that \$225 net capital gain and \$337 qualified dividends are included on line 5. He completes that worksheet as follows.

Line 5 Worksheet #1

1. Enter the child's qualified dividends	\$1,050
2. Enter the child's net capital gain	700
3. Enter the amount from the child's Form 8615, line 1	2,800
4. Divide line 1 by line 3. Enter the result as a decimal (rounded to at least 3 places). Do not enter more than 1.000375
5. Divide line 2 by line 3. Enter the result as a decimal (rounded to at least 3 places). Do not enter more than 1.000250

6. Multiply \$1,900 by line 4	713
7. Multiply \$1,900 by line 5	475
8. Qualified dividends on Form 8615, line 5. Subtract line 6 from line 1 (but do not enter less than zero or more than the amount on Form 8615, line 5)	337
9. Net capital gain on Form 8615, line 5. Subtract line 7 from line 2 (but do not enter less than zero or more than the excess of Form 8615, line 5, over line 8 of this worksheet)	225

Joshua's parents do not have a net capital gain or any qualified dividends, so no net capital gain or qualified dividends are on line 6 of Joshua's Form 8615. Therefore, the amount of net capital gain on line 8 of Joshua's Form 8615 is \$225, and the amount of qualified dividends on that line is \$337. Bob uses the Qualified Dividends and Capital Gain Tax Worksheet (in the Form 1040A instructions) and follows the instructions under *Using the Qualified Dividends and Capital Gain Tax Worksheet for line 9 tax* in the Form 8615 instructions to figure the tax to enter on Joshua's Form 8615, line 9.

Bob enters \$337 on line 2 of the Qualified Dividends and Capital Gain Tax Worksheet, and \$225 on line 3 of that worksheet. That completed worksheet is shown later as Filled-in Qualified Dividends and Capital Gain Tax Worksheet #1. Bob enters the tax of \$6,399 on Joshua's Form 8615, line 9.

He enters the tax from his and Laura's Form 1040 (\$6,354) on Joshua's Form 8615, line 10, then subtracts that amount from the \$6,399 on line 9, and enters the \$45 remainder on line 11. Because line 7 is blank, Bob skips lines 12a and 12b and enters \$45 on line 13.

Bob subtracts line 5 (\$900) from line 4 (\$2,500) and enters the result, \$1,600, on line 14. Using the instructions for line 14 earlier, Bob subtracts the net capital gain included on line 5 (\$225) from Joshua's net capital gain (\$700) to figure the \$475 net capital gain included on line 14. He also subtracts the qualified dividends included on line 5 (\$337) from Joshua's qualified dividends (\$1,050) to figure the \$713 qualified dividends included on line 14. He uses a second Qualified Dividends and Capital Gain Tax Worksheet and follows the instructions under *Using the Qualified Dividends and Capital Gain Tax Worksheet for line 15 tax*, in the Form 8615 instructions, to figure the \$41 tax to enter on Form 8615, line 15. That completed worksheet is shown later as Filled-in Qualified Dividends and Capital Gain Tax Worksheet #2.

Bob adds lines 13 and 15 of Form 8615, and enters the sum, \$86, on line 16. Then he uses a third Qualified Dividends and Capital Gain Tax Worksheet to figure the \$76 tax on Joshua's \$2,500 taxable income to enter on Form 8615, line 17. That completed worksheet is shown later as Filled-in Qualified Dividends and Capital Gain Tax Worksheet #3.

Finally, Bob compares lines 16 and 17 and enters the larger amount, \$86, on line 18 of Joshua's Form 8615. He also enters that amount on Joshua's Form 1040A, line 28.

Your first name and initial <p style="text-align: center;">Joshua A.</p>		Last name <p style="text-align: center;">Blake</p>		OMB No. 1545-0074	
If a joint return, spouse's first name and initial		Last name		Your social security number 111 00 1111	
Home address (number and street). If you have a P.O. box, see instructions. <p style="text-align: center;">1040A MAIN STREET</p>		Apt. no.		▲ Make sure the SSN(s) above and on line 6c are correct.	
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). <p style="text-align: center;">HOMETOWN AZ 85240</p>		Foreign country name		Foreign province/county	
Foreign postal code				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. <input checked="" type="checkbox"/> You <input type="checkbox"/> Spouse	

Filing status Check only one box.

1 <input checked="" type="checkbox"/> Single 2 <input type="checkbox"/> Married filing jointly (even if only one had income) 3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶	4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ 5 <input type="checkbox"/> Qualifying widow(er) with dependent child (see instructions)
---	---

Exemptions

6a **Yourself.** If someone can claim you as a dependent, **do not check** box 6a.

b **Spouse**

(1) Dependents:		(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)
(1) First name	Last name			
				<input type="checkbox"/>

d Total number of exemptions claimed. Boxes checked on 6a and 6b: No. of children on 6c who: • lived with you • did not live with you due to divorce or separation (see instructions) Dependents on 6c not entered above Add numbers on lines above ▶

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2.	7	1,550	
8a Taxable interest. Attach Schedule B if required.	8a	1,050	
b Tax-exempt interest. Do not include on line 8a.	8b		
9a Ordinary dividends. Attach Schedule B if required.	9a	1,050	
b Qualified dividends (see instructions).	9b	1,050	
10 Capital gain distributions (see instructions).	10	700	
11a IRA distributions.	11a		
11b Taxable amount (see instructions).	11b		
12a Pensions and annuities.	12a		
12b Taxable amount (see instructions).	12b		
13 Unemployment compensation and Alaska Permanent Fund dividends.	13		
14a Social security benefits.	14a		
14b Taxable amount (see instructions).	14b		
15 Add lines 7 through 14b (far right column). This is your total income. ▶	15	4,350	
Adjusted gross income			
16 Educator expenses (see instructions).	16		
17 IRA deduction (see instructions).	17		
18 Student loan interest deduction (see instructions).	18		
19 Tuition and fees. Attach Form 8917.	19		
20 Add lines 16 through 19. These are your total adjustments.	20		
21 Subtract line 20 from line 15. This is your adjusted gross income. ▶	21	4,350	

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11327A Form 1040A (2011)

Tax, credits, and payments	22	Enter the amount from line 21 (adjusted gross income).	22	4,350
	23a	Check <input type="checkbox"/> You were born before January 2, 1947, <input type="checkbox"/> Blind if: <input type="checkbox"/> Spouse was born before January 2, 1947, <input type="checkbox"/> Blind } Total boxes checked ▶ 23a <input type="checkbox"/>		
	b	If you are married filing separately and your spouse itemizes deductions, check here ▶ 23b <input type="checkbox"/>		
Standard Deduction for— • People who check any box on line 23a or 23b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$5,800 Married filing jointly or Qualifying widow(er), \$11,600 Head of household, \$8,500	24	Enter your standard deduction .	24	1,850
	25	Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-.	25	2,500
	26	Exemptions. Multiply \$3,700 by the number on line 6d.	26	
	27	Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-.	27	2,500
	28	Tax , including any alternative minimum tax (see instructions).	28	86
	29	Credit for child and dependent care expenses. Attach Form 2441.	29	
	30	Credit for the elderly or the disabled. Attach Schedule R.	30	
	31	Education credits from Form 8863, line 23.	31	
	32	Retirement savings contributions credit. Attach Form 8880.	32	
	33	Child tax credit (see instructions).	33	
	34	Add lines 29 through 33. These are your total credits .	34	
	35	Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-. This is your total tax .	35	86
	36	Federal income tax withheld from Forms W-2 and 1099.	36	155
	37	2011 estimated tax payments and amount applied from 2010 return.	37	100
	If you have a qualifying child, attach Schedule EIC.	38a	Earned income credit (EIC).	38a
b		Nontaxable combat pay election.	38b	
39		Additional child tax credit. Attach Form 8812.	39	
40		American opportunity credit from Form 8863, line 14.	40	
	41	Add lines 36, 37, 38a, 39, and 40. These are your total payments .	41	255
Refund	42	If line 41 is more than line 35, subtract line 35 from line 41. This is the amount you overpaid .	42	169
	43a	Amount of line 42 you want refunded to you . If Form 8888 is attached, check here ▶ <input type="checkbox"/> 43a	43a	169
	b	Routing number <input type="text" value="0900000000"/> ▶ c Type: <input type="checkbox"/> Checking <input checked="" type="checkbox"/> Savings		
	d	Account number <input type="text" value="12345678900000000000"/>		
	44	Amount of line 42 you want applied to your 2012 estimated tax .	44	
Amount you owe	45	Amount you owe. Subtract line 41 from line 35. For details on how to pay, see instructions.	45	
	46	Estimated tax penalty (see instructions).	46	
Third party designee	Do you want to allow another person to discuss this return with the IRS (see instructions)? <input checked="" type="checkbox"/> Yes . Complete the following. <input type="checkbox"/> No			
	Designee's name ▶	Bob Blake	Phone no. ▶	(800) 829-1040
		Personal identification number (PIN) ▶	<input type="text" value="56789"/>	
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 accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.			
	Your signature	Date	Your occupation	Daytime phone number
Joint return? See page 13. Keep a copy for your records.	<i>Joshua A. Blake</i>	2-15-12	Student	(800) 829-1040
	Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.) <input type="text"/>
Paid preparer use only	Print/type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶			Firm's EIN ▶
	Firm's address ▶			Phone no.

Tax for Certain Children Who Have Investment Income of More Than \$1,900

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach only to the child's Form 1040, Form 1040A, or Form 1040NR.**
▶ **See separate instructions.**

2011
Attachment
Sequence No. **33**

Child's name shown on return

Joshua A. Blake

Child's social security number

111-00-1111

Before you begin: If the child, the parent, or any of the parent's other children for whom Form 8615 must be filed must use the Schedule D Tax Worksheet or has income from farming or fishing, see **Pub. 929**, Tax Rules for Children and Dependents. It explains how to figure the child's tax using the **Schedule D Tax Worksheet** or **Schedule J** (Form 1040).

A Parent's name (first, initial, and last). **Caution:** See instructions before completing.

Bob Blake

B Parent's social security number

000-00-0001

C Parent's filing status (check one):

- Single Married filing jointly Married filing separately Head of household Qualifying widow(er)

Part I Child's Net Investment Income

1	Enter the child's investment income (see instructions)	1	2,800
2	If the child did not itemize deductions on Schedule A (Form 1040 or Form 1040NR), enter \$1,900. Otherwise, see instructions	2	1,900
3	Subtract line 2 from line 1. If zero or less, stop ; do not complete the rest of this form but do attach it to the child's return	3	900
4	Enter the child's taxable income from Form 1040, line 43; Form 1040A, line 27; or Form 1040NR, line 41. If the child files Form 2555 or 2555-EZ, see the instructions	4	2,500
5	Enter the smaller of line 3 or line 4. If zero, stop ; do not complete the rest of this form but do attach it to the child's return	5	900

Part II Tentative Tax Based on the Tax Rate of the Parent

6	Enter the parent's taxable income from Form 1040, line 43; Form 1040A, line 27; Form 1040EZ, line 6; Form 1040NR, line 41; or Form 1040NR-EZ, line 14. If zero or less, enter -0-. If the parent files Form 2555 or 2555-EZ, see the instructions	6	48,000
7	Enter the total, if any, from Forms 8615, line 5, of all other children of the parent named above. Do not include the amount from line 5 above	7	
8	Add lines 5, 6, and 7 (see instructions)	8	48,900
9	Enter the tax on the amount on line 8 based on the parent's filing status above (see instructions). If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) is used to figure the tax, check here <input checked="" type="checkbox"/>	9	6,399
10	Enter the parent's tax from Form 1040, line 44; Form 1040A, line 28, minus any alternative minimum tax; Form 1040EZ, line 10; Form 1040NR, line 42; or Form 1040NR-EZ, line 15. Do not include any tax from Form 4972 or 8814 or any tax from recapture of an education credit. If the parent files Form 2555 or 2555-EZ, see the instructions. If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) was used to figure the tax, check here <input type="checkbox"/>	10	6,354
11	Subtract line 10 from line 9 and enter the result. If line 7 is blank, also enter this amount on line 13 and go to Part III	11	45
12a	Add lines 5 and 7	12a	
b	Divide line 5 by line 12a. Enter the result as a decimal (rounded to at least three places)	12b	x .
13	Multiply line 11 by line 12b	13	45

Part III Child's Tax—If lines 4 and 5 above are the same, enter -0- on line 15 and go to line 16.

14	Subtract line 5 from line 4	14	1,600
15	Enter the tax on the amount on line 14 based on the child's filing status (see instructions). If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) is used to figure the tax, check here <input checked="" type="checkbox"/>	15	41
16	Add lines 13 and 15	16	86
17	Enter the tax on the amount on line 4 based on the child's filing status (see instructions). If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) is used to figure the tax, check here <input checked="" type="checkbox"/>	17	76
18	Enter the larger of line 16 or line 17 here and on the child's Form 1040, line 44; Form 1040A, line 28; or Form 1040NR, line 42. If the child files Form 2555 or 2555-EZ, see the instructions	18	86

For Paperwork Reduction Act Notice, see your tax return instructions.

Filled-in Qualified Dividends and Capital Gain Tax Worksheet #1

Before you begin: ✓ Be sure you do not have to file Form 1040 (see the instructions for Form 1040A, line 10)	
1. Enter the amount from Form 1040A, line 27	1. <u>48,900*</u>
2. Enter the amount from Form 1040A, line 9b	2. <u>337*</u>
3. Enter the amount from Form 1040A, line 10	3. <u>225*</u>
4. Add lines 2 and 3	4. <u>562</u>
5. Subtract line 4 from line 1. If zero or less, enter -0-	5. <u>48,338</u>
6. Enter the smaller of:	
• The amount on line 1, or	
• \$34,500 if single or married filing separately,	} 6. <u>48,900*</u>
\$69,000 if married filing jointly or qualifying widow(er),	
or	
\$46,250 if head of household.	
7. Enter the smaller of line 5 or line 6.	7. <u>48,338</u>
8. Subtract line 7 from line 6. This amount is taxed at 0%	8. <u>562</u>
9. Enter the smaller of line 1 or line 4	9. <u>562</u>
10. Enter the amount from line 8	10. <u>562</u>
11. Subtract line 10 from line 9	11. <u>-0-</u>
12. Multiply line 11 by 15% (.15)	12. <u>-0-</u>
13. Figure the tax on the amount on line 5. Use the Tax Table on pages 65-76. Enter the tax here	13. <u>6,399</u>
14. Add lines 12 and 13	14. <u>6,399</u>
15. Figure the tax on the amount on line 1. Use the Tax Table on pages 65-76. Enter the tax here	15. <u>6,489</u>
16. Tax on all taxable income. Enter the smaller of line 14 or line 15 here and on Form 1040A, line 28	16. <u>6,399</u>

*See the instructions under *Using the Qualified Dividends and Capital Gain Tax Worksheet for line 9 tax* in the Form 8615 instructions.

Filled-in Qualified Dividends and Capital Gain Tax Worksheet #2

Before you begin: ✓ Be sure you do not have to file Form 1040 (see the instructions for Form 1040A, line 10)	
1. Enter the amount from Form 1040A, line 27	1. <u>1,600*</u>
2. Enter the amount from Form 1040A, line 9b	2. <u>713*</u>
3. Enter the amount from Form 1040A, line 10	3. <u>475*</u>
4. Add lines 2 and 3	4. <u>1,188</u>
5. Subtract line 4 from line 1. If zero or less, enter -0-	5. <u>412</u>
6. Enter the smaller of:	
• The amount on line 1, or	
• \$34,500 if single or married filing separately,	} 6. <u>1,600*</u>
\$69,000 if married filing jointly or qualifying	
widow(er), or	
\$46,250 if head of household.	
7. Enter the smaller of line 5 or line 6.	7. <u>412</u>
8. Subtract line 7 from line 6. This amount is taxed at 0%	8. <u>1,188</u>
9. Enter the smaller of line 1 or line 4	9. <u>1,188</u>
10. Enter the amount from line 8	10. <u>1,188</u>
11. Subtract line 10 from line 9	11. <u>-0-</u>
12. Multiply line 11 by 15% (.15)	12. <u>-0-</u>
13. Figure the tax on the amount on line 5. Use the Tax Table on pages 65-76. Enter the tax here	13. <u>41*</u>
14. Add lines 12 and 13	14. <u>41</u>
15. Figure the tax on the amount on line 1. Use the Tax Table on pages 65-76. Enter the tax here	15. <u>161*</u>
16. Tax on all taxable income. Enter the smaller of line 14 or line 15 here and on Form 1040A, line 28	16. <u>41</u>

*See the instructions under *Using the Qualified Dividends and Capital Gain Tax Worksheet for line 15 tax* in the Form 8615 instructions.

Filled-in Qualified Dividends and Capital Gain Tax Worksheet #3

Before you begin: ✓ Be sure you do not have to file Form 1040 (see the instructions for Form 1040A, line 10)

1. Enter the amount from Form 1040A, line 27	1.	<u>2,500</u>	
2. Enter the amount from Form 1040A, line 9b	2.	<u>1,050</u>	
3. Enter the amount from Form 1040A, line 10	3.	<u>700</u>	
4. Add lines 2 and 3	4.	<u>1,750</u>	
5. Subtract line 4 from line 1. If zero or less, enter -0-	5.	<u>750</u>	
6. Enter the smaller of:			
• The amount on line 1, or			
• \$34,500 if single or married filing separately,	}		
\$69,000 if married filing jointly or qualifying			
widow(er), or			
\$46,250 if head of household.			
7. Enter the smaller of line 5 or line 6.	7.	<u>750</u>	
8. Subtract line 7 from line 6. This amount is taxed at 0%	8.	<u>1,750</u>	
9. Enter the smaller of line 1 or line 4	9.	<u>1,750</u>	
10. Enter the amount from line 8	10.	<u>1,750</u>	
11. Subtract line 10 from line 9	11.	<u>-0-</u>	
12. Multiply line 11 by 15% (.15)	12.	<u>-0-</u>	
13. Figure the tax on the amount on line 5. Use the Tax Table on pages 65-76. Enter the tax here	13.	<u>76</u>	
14. Add lines 12 and 13	14.	<u>76</u>	
15. Figure the tax on the amount on line 1. Use the Tax Table on pages 65-76. Enter the tax here	15.	<u>251</u>	
16. Tax on all taxable income. Enter the smaller of line 14 or line 15 here and on Form 1040A, line 28	16.	<u>76</u>	

Glossary

The definitions in this glossary are the meanings of the terms as used in this publication. The same term used in another publication may have a slightly different meaning.

Adjusted gross income. Gross income (defined later) minus adjustments to income (defined next).

Adjustments to income. Deductions that are subtracted from gross income in figuring adjusted gross income. They include deductions for moving expenses, alimony paid, a penalty on early withdrawal of savings, and contributions to an individual retirement arrangement (IRA). Adjustments to income can be taken even if itemized deductions (defined later) are not claimed.

Alternative minimum tax. A tax designed to collect at least a minimum amount of tax from taxpayers who benefit from the tax laws that give special treatment to certain kinds of income and allow deductions and credits for certain kinds of expenses.

Capital gain distribution. An allocated amount paid to, or treated as paid to, a shareholder by a mutual fund, regulated investment company, or real estate investment trust from its net realized long-term capital gains. This amount is in addition to any ordinary dividend paid to the shareholder. You will receive a statement from the payer if this applies to you.

Dependent. A person, other than the taxpayer or the taxpayer's spouse, for whom an exemption (defined later) can be claimed. To be your dependent, a person must be your qualifying child or qualifying relative (both defined later). For more information, see *Exemptions for Dependents* in Publication 501.

Earned income. Salaries, wages, tips, professional fees, and other amounts received as pay for work actually done.

For purposes of determining a dependent's standard deduction, earned income also includes any part of a scholarship or fellowship grant that the

dependent must include in his or her gross income.

For purposes of completing Form 8615, earned income also includes a taxable distribution from a qualified disability trust. It does not include investment income as defined under *Line 1 (Investment Income)*.

Exemption. An amount (\$3,700 for 2011) that can be subtracted from income in figuring how much income will be taxed. Exemptions generally are allowed for the taxpayer, the taxpayer's spouse, and dependents.

Full-time student. A full-time student is a child who during some part of each of any 5 calendar months of the year was enrolled as a full-time student at a school, or took a full-time on-farm training course given by a school or a state, county, or local government agency. A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

Gross income. All income from all sources (other than tax-exempt income) that must be included on your tax return. Gross income is the total of your earned and unearned income.

For purposes of determining whether you must file a return, gross income includes gain from the sale of your main home (even if you can exclude part or all of it) and includes income earned outside the United States (even if you can exclude part or all of it).

Investment income. See [Unearned income](#), later, and [Investment income defined](#), earlier, under *Line 1 (Investment Income)*.

Itemized deductions. Deductions allowed on Schedule A (Form 1040) for medical and dental expenses, taxes, home mortgage interest and investment interest, charitable contributions, casualty and theft losses, and miscellaneous deductions. They are subtracted from adjusted gross income in

figuring taxable income. Itemized deductions cannot be claimed if the standard deduction is chosen.

Net capital gain. The excess of net long-term capital gain over any net short-term capital loss. For 2011, this is the smaller of the gain on line 15 or the gain on line 16 of Schedule D (Form 1040). If Schedule D (Form 1040) is not required, net capital gain is the amount of capital gain distributions on Form 1040, line 13; Form 1040A, line 10; or Form 1040NR, line 14.

Net investment income. The total of all investment income (other than tax-exempt income) reduced by the sum of:

1. Any adjustments to income related to the investment income, plus
2. The larger of:
 - a. \$950 plus the portion of the child's itemized deductions on Schedule A (Form 1040), line 29 (or Schedule A (Form 1040NR), line 17), that are directly connected with producing the investment income, or
 - b. \$1,900.

Qualified dividends. Dividends eligible for the lower tax rates that apply to a net capital gain. They are reported to you in box 1b of Form 1099-DIV. You report them on Form 1040 or Form 1040A, line 9b, or Form 1040NR, line 10b. For more information, see Publication 550.

Qualifying child. To be your dependent (defined earlier), a person must be either your qualifying child or your qualifying relative (defined next). Generally, a person is your qualifying child if that person:

- Is your child, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them,
- Lived with you for more than half of the year,

- Did not provide more than half of his or her own support for the year,
- Was under age 19 at the end of the year and younger than you (or your spouse if filing jointly) (or was under age 24 at the end of the year, a student, and younger than you (or your spouse if filing jointly), or was any age and permanently and totally disabled), and
- Did not file a joint return with his or her spouse.

For details, see *Exemptions for Dependents* in Publication 501.

Qualifying relative. To be your dependent (defined earlier), a person must be either your qualifying child (defined earlier) or your qualifying relative. Generally, a person is your qualifying relative if that person:

- Lives with or is related to you,
- Does not have \$3,700 or more of gross (total) income,
- Is supported (generally more than 50%) by you, and

- Is neither your qualifying child nor the qualifying child of anyone else.

For details, see *Exemptions for Dependents* in Publication 501.

Standard deduction. An amount that can be subtracted from adjusted gross income in figuring taxable income. The standard deduction is not used if itemized deductions are claimed.

Support. All amounts spent to provide the child with food, lodging, clothing, education, medical and dental care, recreation, transportation, and similar necessities. To figure your child's support, count support provided by you, your child, and others. However, a scholarship received by your child is not considered support if your child is a full-time student. See Publication 501 for details.

Tax year. The time period covered by a tax return. Usually this is January 1 to December 31, a calendar year, but taxpayers can elect a fiscal tax year with different beginning and ending dates.

Taxable income. Gross income minus any adjustments to income, any

allowable exemptions, and either itemized deductions or the standard deduction.

Unearned income. Income other than earned income. This is investment-type income and includes interest, dividends, and capital gains. Distributions of interest, dividends, capital gains, and other unearned income from a trust are also unearned income to a beneficiary of the trust. However, for purposes of completing Form 8615, a taxable distribution from a qualified disability trust is considered earned income.

Unrecaptured section 1250 gain. Generally, any part of your net capital gain from selling section 1250 property (real property) that is due to depreciation. For details, see Publication 550.

28% rate gain. Gain from the sale of collectibles and, generally, the taxable part of your gain from the sale of qualified small business stock held more than 5 years. For details, see the instructions for Schedule D (Form 1040).

How To Get Tax Help

You can get help with unresolved tax issues, order free publications and forms, ask tax questions, and get information from the IRS in several ways. By selecting the method that is best for you, you will have quick and easy access to tax help.

Free help with your return. Free help in preparing your return is available nationwide from IRS-certified volunteers. The Volunteer Income Tax Assistance (VITA) program is designed to help low-moderate income taxpayers and the Tax Counseling for the Elderly (TCE) program is designed to assist taxpayers age 60 and older with their tax returns. Most VITA and TCE sites offer free electronic filing and all volunteers will let you know

about credits and deductions you may be entitled to claim. To find the nearest VITA or TCE site, visit IRS.gov or call 1-800-906-9887 or 1-800-829-1040.

As part of the TCE program, AARP offers the Tax-Aide counseling program. To find the nearest AARP Tax-Aide site, call 1-888-227-7669 or visit AARP's website at www.aarp.org/money/taxaide.

For more information on these programs, go to IRS.gov and enter keyword "VITA" in the upper right-hand corner.



Internet. You can access the IRS website at IRS.gov 24 hours a day, 7 days a week to:

- Check the status of your 2011 refund. Go to IRS.gov and click on *Where's My Refund*. Wait at least 72 hours after the IRS acknowledges receipt of your e-filed return, or 3 to 4 weeks after mailing a paper return. If you filed Form 8379 with your return, wait 14 weeks (11 weeks if you filed electronically). Have your 2011 tax return available so you can provide your social security number, your filing status, and the exact whole dollar amount of your refund.
- *E-file* your return. Find out about commercial tax preparation and *e-file* services available free to eligible taxpayers.

- Download forms, including talking tax forms, instructions, and publications.
- Order IRS products online.
- Research your tax questions online.
- Search publications online by topic or keyword.
- Use the online Internal Revenue Code, regulations, or other official guidance.
- View Internal Revenue Bulletins (IRBs) published in the last few years.
- Figure your withholding allowances using the withholding calculator online at www.irs.gov/individuals.
- Determine if Form 6251 must be filed by using our Alternative Minimum Tax (AMT) Assistant available online at www.irs.gov/individuals
- Sign up to receive local and national tax news by email.
- Get information on starting and operating a small business.



Phone. Many services are available by phone.

- *Ordering forms, instructions, and publications.* Call 1-800-TAX-FORM (1-800-829-3676) to order current-year forms, instructions, and publications, and prior-year forms and instructions. You should receive your order within 10 days.
- *Asking tax questions.* Call the IRS with your tax questions at 1-800-829-1040.
- *Solving problems.* You can get face-to-face help solving tax problems every business day in IRS Taxpayer Assistance Centers. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. Call your local Taxpayer Assistance Center for an appointment. To find the

number, go to www.irs.gov/localcontacts or look in the phone book under *United States Government, Internal Revenue Service*.

- *TTY/TDD equipment.* If you have access to TTY/TDD equipment, call 1-800-829-4059 to ask tax questions or to order forms and publications.
- *TeleTax topics.* Call 1-800-829-4477 to listen to pre-recorded messages covering various tax topics.
- *Refund information.* You can check the status of your refund on the new IRS phone app. Download the free IRS2Go app by visiting the iTunes app store or the Android Marketplace. IRS2Go is a new way to provide you with information and tools. To check the status of your refund by phone, call 1-800-829-4477 (automated refund information 24 hours a day, 7 days a week). Wait at least 72 hours after the IRS acknowledges receipt of your e-filed return, or 3 to 4 weeks after mailing a paper return. If you filed Form 8379 with your return, wait 14 weeks (11 weeks if you filed electronically). Have your 2011 tax return available so you can provide your social security number, your filing status, and the exact whole dollar amount of your refund. If you check the status of your refund and are not given the date it will be issued, please wait until the next week before checking back.
- *Other refund information.* To check the status of a prior-year refund or amended return refund, call 1-800-829-1040.

Evaluating the quality of our telephone services. To ensure IRS representatives give accurate, courteous, and professional answers, we use several methods to evaluate the quality of our telephone services. One method is for a second IRS representative to listen in on or record random telephone calls. Another is to ask some callers to complete a short survey at the end of the call.



Walk-in. Many products and services are available on a walk-in basis.

- *Products.* You can walk in to many post offices, libraries, and IRS offices to pick up certain forms, instructions, and publications. Some IRS offices, libraries, grocery stores, copy centers, city and county government offices, credit unions, and office supply stores have a collection of products available to print from a CD or photocopy from reproducible proofs. Also, some IRS offices and libraries have the Internal Revenue Code, regulations, Internal Revenue Bulletins, and Cumulative Bulletins available for research purposes.
- *Services.* You can walk in to your local Taxpayer Assistance Center every business day for personal, face-to-face tax help. An employee can explain IRS letters, request adjustments to your tax account, or help you set up a payment plan. If you need to resolve a tax problem, have questions about how the tax law applies to your individual tax return, or you are more comfortable talking with someone in person, visit your local Taxpayer Assistance Center where you can spread out your records and talk with an IRS representative face-to-face. No appointment is necessary—just walk in. If you prefer, you can call your local Center and leave a message requesting an appointment to resolve a tax account issue. A representative will call you back within 2 business days to schedule an in-person appointment at your convenience. If you have an ongoing, complex tax account problem or a special need, such as a disability, an appointment can be requested. All other issues will be handled without an appointment. To find the number of your local office, go to www.irs.gov/localcontacts or look in the phone book under *United States Government, Internal Revenue Service*.



Mail. You can send your order for forms, instructions, and publications to the address below. You should receive a response within 10 days after your request is received.

Internal Revenue Service
1201 N. Mitsubishi Motorway
Bloomington, IL 61705-6613

Taxpayer Advocate Service. The Taxpayer Advocate Service (TAS) is your voice at the IRS. Our job is to ensure that every taxpayer is treated fairly, and that you know and understand your rights. We offer free help to guide you through the often-confusing process of resolving tax problems that you haven't been able to solve on your own. Remember, the worst thing you can do is nothing at all.

TAS can help if you can't resolve your problem with the IRS and:

- Your problem is causing financial difficulties for you, your family, or your business.
- You face (or your business is facing) an immediate threat of adverse action.
- You have tried repeatedly to contact the IRS but no one has responded, or the IRS has not responded to you by the date promised.

If you qualify for our help, we'll do everything we can to get your problem resolved. You will be assigned to one advocate who will be with you at every turn. We have offices in every state, the District of Columbia, and Puerto Rico. Although TAS is independent within the IRS, our advocates know how to work with the IRS to get your problems resolved. And our services are always free.

As a taxpayer, you have rights that the IRS must abide by in its dealings with you. Our tax toolkit at www.irs.gov/advocate

can help you understand these rights.

If you think TAS might be able to help you, call your local advocate, whose number is in your phone book and on our website at www.irs.gov/advocate. You can also call our toll-free number at 1-877-777-4778.

TAS also handles large-scale or systemic problems that affect many taxpayers. If you know of one of these broad issues, please report it to us through our Systemic Advocacy Management System at www.irs.gov/advocate.

Low Income Taxpayer Clinics (LITCs). Low Income Taxpayer Clinics (LITCs) are independent from the IRS. Some clinics serve individuals whose income is below a certain level and who need to resolve a tax problem. These clinics provide professional representation before the IRS or in court on audits, appeals, tax collection disputes, and other issues for free or for a small fee. Some clinics can provide information about taxpayer rights and responsibilities in many different languages for individuals who speak English as a second language. For more information and to find a clinic near you, see the LITC page on www.irs.gov/advocate or IRS Publication 4134, *Low Income Taxpayer Clinic List*. This publication is also available by calling 1-800-829-3676 or at your local IRS office.

Free tax services. Publication 910, *IRS Guide to Free Tax Services*, is your guide to IRS services and resources. Learn about free tax information from the IRS, including publications, services, and education and assistance programs. The publication also has an index of over 100 TeleTax topics (recorded tax information) you can listen to on the telephone. The majority of the information and services listed in this publication are available to you free of charge. If

there is a fee associated with a resource or service, it is listed in the publication.

Accessible versions of IRS published products are available on request in a variety of alternative formats for people with disabilities.



DVD for tax products. You can order Publication 1796, *IRS Tax Products DVD*, and obtain:

- Current-year forms, instructions, and publications.
- Prior-year forms, instructions, and publications.
- Tax Map: an electronic research tool and finding aid.
- Tax law frequently asked questions.
- Tax Topics from the IRS telephone response system.
- Internal Revenue Code—Title 26 of the U.S. Code.
- Links to other Internet based Tax Research materials.
- Fill-in, print, and save features for most tax forms.
- Internal Revenue Bulletins.
- Toll-free and email technical support.
- Two releases during the year.
 - The first release will ship the beginning of January 2012.
 - The final release will ship the beginning of March 2012.

Purchase the DVD from National Technical Information Service (NTIS) at www.irs.gov/cdorders for \$30 (no handling fee) or call 1-877-233-6767 toll free to buy the DVD for \$30 (plus a \$6 handling fee).



28% rate gain [12](#), [21](#)
 Defined [33](#)

A

Adjusted gross income (AGI), defined [32](#)

Adjustments to income, defined [18](#), [32](#)

Age 65 or older dependents [5](#)

Aliens:

Individual taxpayer identification number (ITIN) [1](#)

Standard deduction [8](#)

Alternative minimum tax (AMT) [5](#), [11](#), [24](#)
 Defined [32](#)

Assistance (See Tax help)

B

Blind dependents, filing requirements [5](#)

C

Capital gain distributions [12](#)
 Defined [32](#)

Capital losses [17](#)

Child, qualifying [32](#)

Child’s earnings [6](#)

Child’s expenses [6](#)

Child’s investment income:
 Tax on [8-31](#)

Child’s return:
 Responsibility for [6](#)

Church, wages from [6](#)

Credits, reduced [11](#)

D

Deductible investment interest [11](#)

Deductions [11](#)

Deductions, reduced [11](#)

Dependents:

Defined [32](#)

Exemption for [8](#)

Own exemption [8](#)

Social security numbers (SSNs) of [1](#)

Divorced parents, reporting child’s investment income [9](#)

E

Earned income [3](#), [4](#)
 Defined [32](#)

Education credit, recaptured [5](#)

Election to include child’s income on parent’s return [10-13](#)

Estimated tax, penalty [11](#)

Exemption:

Defined [32](#)

Own exemption — dependent [8](#)

Exemption from withholding [8](#)

Extension of time to file [16](#)

F

Figures (See Tables and figures)

Figuring child’s income [11](#)

Filing requirements [2-6](#)

Form 1040:

Schedule A [18](#)

Schedule J [22](#), [24](#)

Form 1040A:

Filled in example [26](#)

Form 1099-DIV [12](#)

Form 2555 [18](#), [19](#), [20](#), [23](#), [24](#)

Form 2555-EZ [18](#), [19](#), [20](#), [23](#), [24](#)

Form 2848 [6](#), [16](#)

Form 6251 [11](#), [24](#)

Form 8615 [16-24](#)

Filled in example [28](#)

Illustrated Part I of [17](#)

Illustrated Part II of [19](#)

Form 8814 [10](#), [11](#), [13](#)

Form W-4 [8](#)

Free tax services [33](#)

Full-time student, defined [32](#)

G

Gift, income from property received as [18](#)

Gross income, defined [32](#)

H

Help (See Tax help)

I

Individual taxpayer identification numbers (ITINs) [1](#)

Investment income:

Defined [17](#), [32](#)

Election to include child’s income on parent’s return (See Election to include child’s income on parent’s return)

Tax on [9-31](#)

Investment interest [11](#)

IRS notice sent to child [6](#)

Itemized deductions:

Defined [32](#)

Directly connected [18](#)

J

Joint return of parents [9](#)

L

Life insurance [5](#)

Limit on exemption amount (AMT):
 Alternative Minimum Tax — Limit on exemption amount [24](#)

M

Married parents filing separately [9](#)

Medicare tax [5](#)

Missing children, photographs of [1](#)

More information (See Tax help)

N

Net capital gain [20](#)
 Defined [32](#)

Net investment income [18](#)
 Defined [32](#)

P

Parents:

Election (See Election to include child’s income on parent’s return)

Which parent’s return to use [9](#)

Penalty, estimated tax [11](#)

Publications (See Tax help)

Q

Qualified dividends [11](#), [20](#)
 Defined [32](#)

Qualifying child [32](#)

Qualifying relative [33](#)

R

Recapture taxes [6](#)

Relative, qualifying [33](#)

Tax Publications for Individual Taxpayers

See *How To Get Tax Help* for a variety of ways to get publications, including by computer, phone, and mail.

General Guides		Specialized Publications	
1	Your Rights as a Taxpayer	531	Reporting Tip Income
17	Your Federal Income Tax For Individuals	535	Business Expenses
334	Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)	536	Net Operating Losses (NOLs) for Individuals, Estates, and Trusts
509	Tax Calendars for 2012	537	Installment Sales
910	IRS Guide to Free Tax Services	541	Partnerships
3	Armed Forces' Tax Guide	544	Sales and Other Dispositions of Assets
54	Tax Guide for U.S. Citizens and Resident Aliens Abroad	547	Casualties, Disasters, and Thefts
225	Farmer's Tax Guide	550	Investment Income and Expenses (Including Capital Gains and Losses)
463	Travel, Entertainment, Gift, and Car Expenses	551	Basis of Assets
501	Exemptions, Standard Deduction, and Filing Information	554	Tax Guide for Seniors
502	Medical and Dental Expenses (Including the Health Coverage Tax Credit)	555	Community Property
503	Child and Dependent Care Expenses	556	Examination of Returns, Appeal Rights, and Claims for Refund
504	Divorced or Separated Individuals	559	Survivors, Executors, and Administrators
505	Tax Withholding and Estimated Tax	561	Determining the Value of Donated Property
514	Foreign Tax Credit for Individuals	570	Tax Guide for Individuals With Income From U.S. Possessions
516	U.S. Government Civilian Employees Stationed Abroad	571	Tax-Sheltered Annuity Plans (403(b) Plans) For Employees of Public Schools and Certain Tax-Exempt Organizations
517	Social Security and Other Information for Members of the Clergy and Religious Workers	575	Pension and Annuity Income
519	U.S. Tax Guide for Aliens	584	Casualty, Disaster, and Theft Loss Workbook (Personal-Use Property)
521	Moving Expenses	587	Business Use of Your Home (Including Use by Daycare Providers)
523	Selling Your Home	590	Individual Retirement Arrangements (IRAs)
524	Credit for the Elderly or the Disabled	594	The IRS Collection Process
525	Taxable and Nontaxable Income	596	Earned Income Credit (EIC)
526	Charitable Contributions	721	Tax Guide to U.S. Civil Service Retirement Benefits
527	Residential Rental Property (Including Rental of Vacation Homes)	901	U.S. Tax Treaties
529	Miscellaneous Deductions	907	Tax Highlights for Persons with Disabilities
530	Tax Information for Homeowners	908	Bankruptcy Tax Guide
		915	Social Security and Equivalent Railroad Retirement Benefits
		925	Passive Activity and At-Risk Rules
		926	Household Employer's Tax Guide For Wages Paid in 2012
		929	Tax Rules for Children and Dependents
		936	Home Mortgage Interest Deduction
		946	How To Depreciate Property
		947	Practice Before the IRS and Power of Attorney
		950	Introduction to Estate and Gift Taxes
		969	Health Savings Accounts and Other Tax-Favored Health Plans
		970	Tax Benefits for Education
		971	Innocent Spouse Relief
		972	Child Tax Credit
		1542	Per Diem Rates (For Travel Within the Continental United States)
		1544	Reporting Cash Payments of Over \$10,000 (Received in a Trade or Business)
		1546	Taxpayer Advocate Service – Your Voice at the IRS
		Spanish Language Publications	
		1SP	Derechos del Contribuyente
		17(SP)	El Impuesto Federal sobre los Ingresos Para Personas Físicas
		547(SP)	Hechos Fortuitos Desastres y Robos
		584(SP)	Registro de Pérdidas por Hechos Fortuitos (Imprevistos), Desastres y Robos (Propiedad de Uso Personal)
		594SP	El Proceso de Cobro del IRS
		596SP	Crédito por Ingreso del Trabajo
		850(EN/SP)	English-Spanish Glossary of Words and Phrases Used in Publications Issued by the Internal Revenue Service
		1544 (SP)	Informe de Pagos en Efectivo en Exceso de \$10,000 (Recibidos en una Ocupación o Negocio)

Commonly Used Tax Forms

See *How To Get Tax Help* for a variety of ways to get forms, including by computer, phone, and mail.

Form Number and Title		Form Number and Title	
1040	U.S. Individual Income Tax Return	2441	Child and Dependent Care Expenses
Sch A	Itemized Deductions	2848	Power of Attorney and Declaration of Representative
Sch B	Interest and Ordinary Dividends	2848(SP)	Poder Legal y Declaración del Representante
Sch C	Profit or Loss From Business	3903	Moving Expenses
Sch C-EZ	Net Profit From Business	4562	Depreciation and Amortization
Sch D	Capital Gains and Losses	4868	Application for Automatic Extension of Time To File U.S. Individual Income Tax Return
Sch E	Supplemental Income and Loss	4868(SP)	Solicitud de Prórroga Automática para Presentar la Declaración del Impuesto sobre el Ingreso Personal de los Estados Unidos
Sch EIC	Earned Income Credit	4952	Investment Interest Expense Deduction
Sch F	Profit or Loss From Farming	5329	Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts
Sch H	Household Employment Taxes	6251	Alternative Minimum Tax—Individuals
Sch J	Income Averaging for Farmers and Fishermen	8283	Noncash Charitable Contributions
Sch R	Credit for the Elderly or the Disabled	8582	Passive Activity Loss Limitations
Sch SE	Self-Employment Tax	8606	Nondeductible IRAs
1040A	U.S. Individual Income Tax Return	8812	Additional Child Tax Credit
Sch B	Interest and Ordinary Dividends	8822	Change of Address
1040EZ	Income Tax Return for Single and Joint Filers With No Dependents	8829	Expenses for Business Use of Your Home
1040-ES	Estimated Tax for Individuals	8863	Education Credits (American Opportunity, and Lifetime Learning Credits)
1040X	Amended U.S. Individual Income Tax Return	8949	Sales and Other Dispositions of Capital Assets
2106	Employee Business Expenses	9465	Installment Agreement Request
2106-EZ	Unreimbursed Employee Business Expenses	9465(SP)	Solicitud para un Plan de Pagos a Plazos
2210	Underpayment of Estimated Tax by Individuals, Estates, and Trusts		