

Line 44

Tax

Include in the total on line 44 all of the following taxes that apply.

- Tax on your taxable income. Figure the tax using one of the methods described on this page.
- Tax from Form 8814 (relating to the election to report child's interest or dividends). Check the appropriate box.
- Tax from Form 4972 (relating to lump-sum distributions). Check the appropriate box.
- Recapture of an education credit. You may owe this tax if you claimed an education credit in an earlier year, and either tax-free educational assistance or a refund of qualified expenses was received in 2010 for the student. See Form 8863 for more details. Enter the amount and "ECR" in the space next to line 44.

Do you want the IRS to figure the tax on your taxable income for you?

- Yes.** See Pub. 967 for details, including who is eligible and what to do. If you have paid too much, we will send you a refund. If you did not pay enough, we will send you a bill.
- No.** Use one of the following methods to figure your tax.

Tax Table or Tax Computation Worksheet. If your taxable income is less than \$100,000, you must use the Tax Table that begins on page 74 to figure your tax. Be

sure you use the correct column. If your taxable income is \$100,000 or more, use the Tax Computation Worksheet on page 86.

However, do not use the Tax Table or Tax Computation Worksheet to figure your tax if any of the following applies.

Form 8615. Form 8615 generally must be used to figure the tax for any child who had more than \$1,900 of investment income, such as taxable interest, ordinary dividends, or capital gains (including capital gain distributions), and who either:

1. Was under age 18 at the end of 2010,
2. Was age 18 at the end of 2010 and did not have earned income that was more than half of the child's support, or
3. Was a full-time student over age 18 and under age 24 at the end of 2010 and did not have earned income that was more than half of the child's support.

But if the child files a joint return for 2010 or if neither of the child's parents was alive at the end of 2010, do not use Form 8615 to figure the child's tax.

A child born on January 1, 1993, is considered to be age 18 at the end of 2010; a child born on January 1, 1992, is considered to be age 19 at the end of 2010; a child born on January 1, 1987, is considered to be age 24 at the end of 2010.

Schedule D Tax Worksheet. If you have to file Schedule D and Schedule D, line 18 or 19, is more than zero, use the Schedule D Tax Worksheet on page D-10 of the In-

structions for Schedule D to figure the amount to enter on Form 1040, line 44. But if you are filing Form 2555 or 2555-EZ, you must use the Foreign Earned Income Tax Worksheet on page 36 instead.

Qualified Dividends and Capital Gain Tax Worksheet. If you do not have to use the Schedule D Tax Worksheet (see above), use the worksheet on page 37 to figure the amount to enter on Form 1040, line 44, if any of the following applies.

- You reported qualified dividends on Form 1040, line 9b.
- You do not have to file Schedule D and you reported capital gain distributions on Form 1040, line 13.
- You are filing Schedule D and Schedule D, lines 15 and 16, are both more than zero.

But if you are filing Form 2555 or 2555-EZ, you must use the Foreign Earned Income Tax Worksheet on page 36 instead.

Schedule J. If you had income from farming or fishing (including certain amounts received in connection with the Exxon Valdez litigation), your tax may be less if you choose to figure it using income averaging on Schedule J.

Foreign Earned Income Tax Worksheet. If you claimed the foreign earned income exclusion, housing exclusion, or housing deduction on Form 2555 or 2555-EZ, you must figure your tax using the worksheet on page 36.

Foreign Earned Income Tax Worksheet—Line 44

Keep for Your Records



If Form 1040, line 43, is zero, do not complete this worksheet.

1. Enter the amount from Form 1040, line 43	1.	
2. Enter the amount from your (and your spouse's, if filing jointly) Form 2555, lines 45 and 50, or Form 2555-EZ, line 18	2.	
3. Add lines 1 and 2	3.	
4. Tax on the amount on line 3. Use the Tax Table, Tax Computation Worksheet, Qualified Dividends and Capital Gain Tax Worksheet*, Schedule D Tax Worksheet*, or Form 8615, whichever applies. See the instructions for line 44 on page 35 to see which tax computation method applies. (Do not use a second Foreign Earned Income Tax Worksheet to figure the tax on this line)	4.	
5. Tax on the amount on line 2. If the amount on line 2 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 2 is \$100,000 or more, use the Tax Computation Worksheet	5.	
6. Subtract line 5 from line 4. Enter the result. If zero or less, enter -0-. Also include this amount on Form 1040, line 44	6.	

**Enter the amount from line 3 above on line 1 of the Qualified Dividends and Capital Gain Tax Worksheet or Schedule D Tax Worksheet if you use either of those worksheets to figure the tax on line 4 above. Complete the rest of that worksheet through line 6 (line 10 if you use the Schedule D Tax Worksheet). Next, you must determine if you have a capital gain excess. To find out if you have a capital gain excess, subtract Form 1040, line 43, from line 6 of your Qualified Dividends and Capital Gain Tax Worksheet (line 10 of your Schedule D Tax Worksheet). If the result is more than zero, that amount is your capital gain excess.*

If you do not have a capital gain excess, complete the rest of either of those worksheets according to the worksheet's instructions. Then complete lines 5 and 6 above.

If you have a capital gain excess, complete a second Qualified Dividends and Capital Gain Tax Worksheet or Schedule D Tax Worksheet (whichever applies) as instructed above but in its entirety and with the following additional modifications. Then complete lines 5 and 6 above. These modifications are to be made only for purposes of filling out the Foreign Earned Income Tax Worksheet above.

1. Reduce (but not below zero) the amount you would otherwise enter on line 3 of your Qualified Dividends and Capital Gain Tax Worksheet or line 9 of your Schedule D Tax Worksheet by your capital gain excess.
2. Reduce (but not below zero) the amount you would otherwise enter on line 2 of your Qualified Dividends and Capital Gain Tax Worksheet or line 6 of your Schedule D Tax Worksheet by any of your capital gain excess not used in (1) above.
3. Reduce (but not below zero) the amount on your Schedule D (Form 1040), line 18, by your capital gain excess.
4. Include your capital gain excess as a loss on line 16 of your Unrecaptured Section 1250 Gain Worksheet on page D-9 of the Instructions for Schedule D (Form 1040).



Qualified Dividends and Capital Gain Tax Worksheet—Line 44

Keep for Your Records

Before you begin: ✓ See the instructions for line 44 on page 35 to see if you can use this worksheet to figure your tax.
 ✓ If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

1. Enter the amount from Form 1040, line 43. However, if you are filing Form 2555 or 2555-EZ (relating to foreign earned income), enter the amount from line 3 of the worksheet on page 36	1.	<input type="text"/>
2. Enter the amount from Form 1040, line 9b*	2.	<input type="text"/>
3. Are you filing Schedule D?*		
<input type="checkbox"/> Yes. Enter the smaller of line 15 or 16 of Schedule D. If either line 15 or line 16 is blank or a loss, enter -0-	3.	<input type="text"/>
<input type="checkbox"/> No. Enter the amount from Form 1040, line 13		
4. Add lines 2 and 3	4.	<input type="text"/>
5. If filing Form 4952 (used to figure investment interest expense deduction), enter any amount from line 4g of that form. Otherwise, enter -0-	5.	<input type="text"/>
6. Subtract line 5 from line 4. If zero or less, enter -0-	6.	<input type="text"/>
7. Subtract line 6 from line 1. If zero or less, enter -0-	7.	<input type="text"/>
8. Enter: \$34,000 if single or married filing separately, \$68,000 if married filing jointly or qualifying widow(er), \$45,550 if head of household.	8.	<input type="text"/>
9. Enter the smaller of line 1 or line 8		
10. Enter the smaller of line 7 or line 9	10.	<input type="text"/>
11. Subtract line 10 from line 9. This amount is taxed at 0%	11.	<input type="text"/>
12. Enter the smaller of line 1 or line 6	12.	<input type="text"/>
13. Enter the amount from line 11	13.	<input type="text"/>
14. Subtract line 13 from line 12	14.	<input type="text"/>
15. Multiply line 14 by 15% (.15)	15.	<input type="text"/>
16. Figure the tax on the amount on line 7. If the amount on line 7 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 7 is \$100,000 or more, use the Tax Computation Worksheet	16.	<input type="text"/>
17. Add lines 15 and 16	17.	<input type="text"/>
18. Figure the tax on the amount on line 1. If the amount on line 1 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 1 is \$100,000 or more, use the Tax Computation Worksheet	18.	<input type="text"/>
19. Tax on all taxable income. Enter the smaller of line 17 or line 18. Also include this amount on Form 1040, line 44. If you are filing Form 2555 or 2555-EZ, do not enter this amount on Form 1040, line 44. Instead, enter it on line 4 of the worksheet on page 36	19.	<input type="text"/>

*If you are filing Form 2555 or 2555-EZ, see the footnote in the worksheet on page 36 before completing this line.