



TAX YEAR

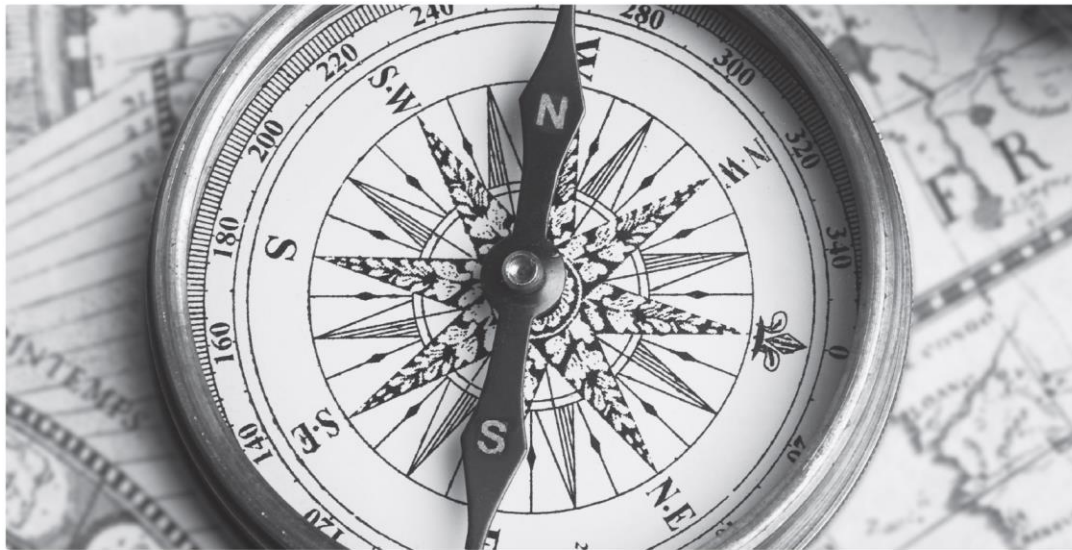
2025

1040 (and 1040-SR)

Instructions

Including the instructions for Schedules 1
through 3

Volume 6 of 7



2025 Changes

See *What's New* in these instructions.

Future Developments

See [IRS.gov](https://www.irs.gov) and [IRS.gov/Forms](https://www.irs.gov/forms), and for the latest information about developments related to Forms 1040 and 1040-SR and their instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1040](https://www.irs.gov/Form1040).



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Department of the Treasury
Internal Revenue Service

Instructions for Form 1040 (Rev. 2025) Catalog Number 47684U
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In order to determine the qualified tips you received as an employee for 2025, you can figure your qualified tips using one of the methods described in paragraphs 1 through 4.

1. You can use the amount reported to you on your Form W-2 in box 7. Enter this amount on line 4a. If you had more than one employer, see the instructions for line 4c and enter this amount in column 1(b) of the Qualified Tips From More Than One Employer Worksheet.
2. You can use the total amount of tips reported to your employer on all your Forms 4070 or any similar form used to report your tips monthly to your employer. This amount may be more accurate if the amount in box 1 or box 5 is more than \$176,100. Enter this amount on line 4a.

If you received tips as an employee from more than one employer, see the instructions for line 4c and enter this amount in column 1(b) of the Qualified Tips From More Than One Employer Worksheet.



If you are a railroad employee who received tips in your RRTA compensation, the tips you report to your employer should be reported to you on your Form W-2, box 14.

3. If your employer voluntarily chooses to report the amount of your tips in box 14 of your Form W-2 (or on a separate statement), you can use the amount reported to you.
4. If you are submitting Form 4137, you can use the amount of qualified tips included for the employer in column 1(c) of Form 4137 to enter on line 4b.

If you received tips as an employee from more than one employer, see the instructions for line 4c and use this amount to enter in column 1(c) of the Qualified Tips From More Than One Employer Worksheet.

Example 1. You are a restaurant server and have only one employer. Your Form W-2, box 7, is \$18,000. You have no unreported tips. You can use the \$18,000 in box 7 to figure the deduction for qualified tips. You enter \$18,000 on Schedule 1-A, lines 4a and 4c.

Example 2. You are a bartender and have only one employer. Your 2025 Form W-2 shows \$200,000 in box 1 and \$15,000 in box 7. You report \$20,000 of tips on Form 4070 and report \$4,000 of unreported tips on Form 4137, line 4. You can use the \$4,000 reported on Form 4137 plus either the \$15,000 from box 7 of your Form W-2 or the \$20,000 of tips reported on Form 4070 to figure the deduction for qualified tips.

Determining the amount of qualified tips received by a non-employee for 2025. Because no changes have been made to Form 1099-NEC, Form 1099-MISC, or Form 1099-K for 2025, a separate accounting for cash tips received by you as a non-employee won't appear on these Forms. For 2025, the separate accounting requirement is treated as satisfied if your qualified tips are included in the total amount of compensation, income, or payments reported to you on one or more of these Forms. For 2026, these Forms will be updated to provide for a separate accounting for cash tips received by you as a non-employee.

Base your determination of the amount of your qualified tips on documentation such as receipts, point-of-sale system reports, daily tip logs, third party settlement organization records, or other documents that show that the amount you reported as qualified tips is the correct amount.

Qualified Tips From More Than One Employer Worksheet — *Keep for Your Records*

1	(a) Name of employer	(b) Amount of qualified tips reported by this employer on Form W-2, or reported by you to this employer on Form(s) 4070	(c) Qualified tips reported on Form 4137, column 1(c), for this employer	(d) Enter the greater of column (b) or column (c)
A				
B				
C				
D				
E				
2	Add lines 1A through 1E, column (d), and enter this amount on Schedule 1-A, line 4c			

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Make sure to keep a record of the documents you use when determining the amount of your qualified tips.

Example 1. You are a rideshare driver and receive a Form 1099-K from the rideshare company that includes tips in the total amount of compensation, income, or payments. The rideshare company reports separately in your earnings statement on its rideshare app or website the fares you earned and tips you received during the year. In order to figure the amount of your qualified tips for 2025, you can use the amount designated as tips by the rideshare company in your earnings statement on the rideshare app or website.

Example 2. You are a self-employed travel guide who operates as a sole proprietor. In 2025, you received cash tips from customers in connection with guided tours. These tips are voluntarily paid by customers in addition to the stated price of the tour.

During 2025, you receive a Form 1099-K from the online booking platform customers use to book the guided tours. The Form 1099-K shows \$55,000 of total payments, of which \$7,000 is customer tips. The Form 1099-K doesn't separately identify the tips, but you keep a log of each tour that shows the date, customer, and tip amount. Because you have daily tip logs substantiating the \$7,000 tip amount, you can use the \$7,000 tip amount to figure your deduction for qualified tips. You enter \$7,000 on Schedule 1-A, line 5.



Only amounts that appear in the aggregate on Forms 1099 can be considered qualified tips. Any "cash tips" received by the tour guide in actual cash that don't appear on Form 1099-K cannot be included in the deduction.

If you received qualified tips in the course of more than one trade or business, see the instructions for line 5 and the Multiple Trades or Businesses Worksheet.

Valid SSN for No Tax on Tips. You and/or your spouse who received qualified tips must have a valid social security number to claim the deduction for qualified tips. A valid SSN for purposes of the deduction for qualified tips is one that is valid for employment and that is issued by the Social Security Administration (SSA) before the due date of your 2025 return (including extensions). If you were a U.S. citizen when you received your SSN, the SSN is valid for employment. If “Not Valid for Employment” is printed on your social security card and your immigration status has changed so that you are now a U.S. citizen or permanent resident, ask the SSA for a new social security card without the legend. However, if “Valid for Work Only with DHS Authorization” is printed on your social security card, your SSN is valid only as long as the DHS authorization is valid.

Line 4a. See *Determining the amount of qualified tips received by an employee for 2025*, earlier, for the amount to enter on this line. If you received qualified tips as an employee with respect to employment with more than one employer, enter -0- on line 4a and see the instructions for line 4c.

Line 4b. Enter the qualified tips included on Form 4137, line 1, row A, column (c). If you have multiple jobs for which you filed a Form 4137, see the instructions for line 4c and the Qualified Tips From More Than One Employer Worksheet.

Line 4c. If you and/or your spouse received qualified tips as employees with respect to employment with more than one employer, complete the Qualified Tips From More Than One Employer Worksheet.

Line 5. Include the qualified tips you and/or your spouse received in the course of a trade or business, but only to the extent the trade or business in which you received the

qualified tips has net income. See *Net income limitation*, later. If you and/or your spouse received qualified tips in the course of more than one trade or business, complete the Multiple Trades or Businesses Worksheet. If you and/or your spouse received more than three Forms 1099-NEC, 1099-MISC, or 1099-K, then complete as many copies of the worksheet as needed and include the total for all worksheets in column (i) on the row for the business in which you received the Forms 1099.

Net income limitation. Qualified tips from a trade or business can't be more than the gross income from the trade or business in which the qualified tips were received minus the total of all deductions (other than the deduction for qualified tips) allocable to that trade or business. This limitation applies to each trade or business separately.

For example, in the case of a sole proprietor who reports all deductions allocable to the trade or business in which qualified tips were received on a Schedule C, the net income limitation will be the net profit shown on the Schedule C for that trade or business; the sole proprietor would include on line 5 the lesser of (i) the qualified tips received in the trade or business, or (ii) the net profit for the trade or business. If the trade or business shows a net loss on the Schedule C, then the net profit is -0- for this purpose and the sole proprietor would not include any qualified tips received in that trade or business on line 5.

Example 1. You have a business tutoring for local schools as an independent contractor. You operate your business as a sole proprietorship. During 2025, you received \$500 in qualified tips from students that were reported to you by the schools on Forms 1099-NEC and reported separately in earnings statements provided by the schools.

Multiple Trades or Businesses Worksheet — *Keep for Your Records*

1	(a) Name of your business	(b) Net profit of business from Schedule C, line 31; the total of Schedule E, line 28(g) through 28(k); or Schedule F, line 34	(c) Other deductions allocable to the trade or business and not reported on Schedule C, Schedule E, or Schedule F (as applicable)	(d) Subtract column (c) from column (b)	(e) Qualified tip amount from <i>first</i> Form 1099-NEC, box 1; Form 1099-MISC, box 3; or Form 1099-K, box 1a	(f) Qualified tip amount from <i>second</i> Form 1099-NEC, box 1; Form 1099-MISC, box 3; or Form 1099-K, box 1a	(g) Qualified tip amount from <i>third</i> Form 1099-NEC, box 1; Form 1099-MISC, box 3; or Form 1099-K, box 1a	(h) Qualified tip amount from <i>fourth</i> Form 1099-NEC, box 1; Form 1099-MISC, box 3; or Form 1099-K, box 1a	(i) Total qualified tip amount. Add columns (e), (f), (g), and (h)	(j) Enter the lesser of column (d) and column (i)
A										
B										
C										
D										
E										
2	Add lines 1A through 1E, column (j), and enter the total on Schedule 1-A, line 5									

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Your gross income from the business for 2025 was \$5,000 and your deductible expenses from the business are \$500. Your net income limitation from your tutoring business is \$4,500. On Schedule 1-A, line 5, you enter \$500. You can take the full amount of qualified tips from the business into account when figuring your deduction because the net income from that business was more than the amount of qualified tips from the business.

Example 2. You are a rideshare driver who operates as a sole proprietor. During 2025, you received \$1,800 in qualified tips from customers that were reported to you on Form 1099-NEC and reported separately in your earnings statement provided on the rideshare company's app. Your gross income from the business for 2025 was \$15,000 and your deductible expenses from the business were \$14,000. Your net income limitation for this business is \$1,000. You enter \$1,000 of qualified tips on Schedule 1-A, line 5.

Do not enter the remaining \$800 of qualified tips. This portion of your qualified tips from the business can't be taken into account in figuring your deduction because it is more than your net income limitation from the business.

Example 3. The facts are the same as in *Example 1* and *Example 2*, except that you own and operate both businesses. You enter \$1,500 of qualified tips on Schedule 1-A, line 5. This includes \$500 from the tutoring business because the net income from that business was more than the amount of qualified tips received in the course of that business. It also includes \$1,000 in qualified tips from your rideshare business. It does not include the remaining \$800 of qualified tips from your rideshare business because the qualified tips received in the course of the rideshare business are more than the net income from that business by that amount.

Line 10. If the amount on line 10 is zero or less, your deduction for your qualified tips is not reduced. Skip lines 11 and 12 and enter the amount from Schedule 1-A, line 7, on Schedule 1-A, line 13.



For more information on the qualified tips deduction, see [Notice 2025-69](#).

Part III No Tax on Overtime

Overtime compensation must be included in your gross income and is subject to income tax and generally social security and Medicare tax.

If you have net earnings from self-employment, use Schedule SE to figure the tax due on net earnings from self-employment.

You may be able to claim a deduction for qualified overtime compensation paid to you in 2025 and that is reported on Form W-2, Form 1099-NEC, or Form 1099-MISC.

You can claim this deduction whether you claim the standard deduction or itemize deductions on Schedule A or Schedule A (Form 1040-NR).



If you are married, you must file a joint return with your spouse to claim this deduction.



For tax year 2025, qualified overtime was not required to be separately accounted for on Form W-2, Form 1099-NEC, or Form 1099-MISC. See the instructions for lines 14a and 14b for more information about how to identify the qualified overtime included in the amounts reported on these forms.

Fill out Schedule 1-A, Part III, only if:

- You (and/or your spouse if filing a joint return) received qualified overtime compensation in 2025; and
- You have a valid social security number (SSN). If you are married filing jointly,

the spouse who received the qualified overtime compensation must have a valid SSN.

Maximum amount of deduction.

You can't deduct more than \$12,500 (\$25,000 if married filing jointly) of qualified overtime compensation.



If you are married and filing a joint return, and both you and your spouse have qualified overtime compensation, the \$25,000 maximum amount of deduction limit applies to your combined overtime compensation. It is not a per spouse limit.

The deduction amount (after applying the \$12,500 (\$25,000 if married filing jointly) limit) is reduced if your MAGI is greater than the amount shown next for your filing status.

- Married filing jointly—\$300,000.
- Single, Head of household, or Qualifying surviving spouse—\$150,000.

Your MAGI is the amount on line 3 on Part I of Schedule 1-A.

Qualified overtime compensation.

Qualified overtime compensation means overtime compensation that is paid to you as required under section 7 of the Fair Labor Standards Act of 1938 (FLSA) that is more than the amount of your regular rate of pay. This generally means the “half” portion of “time-and-a-half” compensation that is required by the FLSA. This “half” portion may be described by employers on various forms and statements as “overtime premium” or “FLSA Overtime Premium”.

In order for overtime to be required to be paid to you under the FLSA, you must (among other requirements) be covered by and not exempt from the FLSA (an FLSA-*eligible* employee). If you are ineligible for federal overtime, you are an FLSA-ineligible employee and you generally won't be paid overtime.

If you are an FLSA-*eligible* employee, you must generally receive overtime pay for hours you work that are more than a 40-hour workweek. Generally, the rate can't be less than one and a half times your regular rate of pay.

Amounts that are not qualified overtime compensation. The following amounts are not qualified overtime compensation and can't be included when figuring your deduction for qualified overtime compensation.

- **Premium pay.** Some employers under a collective bargaining agreement and/or under state law provide more pay than section 7 of the FLSA requires. For example, an employer might choose to pay more than "time-and-a-half." The amount of overtime paid that is over "time-and-a-half" is not qualified overtime compensation.

- **Payment for holidays and weekends.** Some employers may pay more for certain weekends or holidays even if the employee doesn't work more than 40 hours in the workweek. Extra pay for certain weekends or holidays is generally not qualified overtime compensation if the employee doesn't work more than 40 hours in the workweek.
- **Qualified tips.** Qualified overtime compensation doesn't include any amount you receive as a qualified tip.
- **Coverage under state rules.** Some FLSA-ineligible employees are eligible for overtime under state law or are paid premium rates for certain work for other reasons. Overtime pay that is paid to these FLSA-ineligible employees is not qualified overtime compensation and these amounts can't be included when figuring the deduction for qualified overtime compensation.



Qualified overtime must be paid to a covered, nonexempt employee under the FLSA (an FLSA-eligible employee).

Ask your employer or other service recipients whether you are an FLSA-eligible employee.

For more information on coverage and exemption under the FLSA, see [WHD Fact Sheets](#), [Overtime Pay](#), and [FLSA Guide](#).

Determining the amount of qualified overtime compensation for 2025. Because no changes have been made to Form W-2, Form 1099-NEC, or Form 1099-MISC to account for a separate accounting of qualified overtime compensation, a separate accounting may not appear on your Form W-2, Form 1099-NEC, or Form 1099-MISC. Some employers may choose to provide for the amount of qualified overtime compensation using Form W-2, box 14. If your employer does provide a separate accounting of your qualified overtime on

Form W-2, box 14, you can generally rely on this amount, and the methods described in paragraphs 1 through 5 don't apply to you.



If you request the amount of your FLSA Overtime Premium from your employer or the service recipient, you can rely on the information that is provided to you to determine the amount of your qualified overtime compensation.

If the amount of your qualified overtime compensation isn't separately identified on your Form W-2, Form 1099-NEC, or Form 1099-MISC, you can figure your qualified overtime compensation using one of the methods described in paragraphs 1 through 5.

If your employer is covered by a different overtime rule in section 7 of the FLSA, rather than the general rule in section 7(a), you must compute your overtime compensation using the rule that applies to you and may use any of the following

methods so long as it produces a reasonable result under the rule that applies to you. This may apply if, for example, you are a public sector employee in fire protection or law enforcement, or an employee of a political subdivision of a state or an interstate governmental agency who receives compensatory time off instead of cash overtime. See *Example 4* and *Example 5* for how this might apply to certain employees.

1. **Statement received separately accounts for overtime.** If a statement from your employer separately shows the “half” portion of the “time and a half” compensation (FLSA Overtime Premium), you can use the FLSA Overtime Premium that is separately shown to determine the amount of your qualified overtime compensation.

2. **Statement shows the overtime premium and regular wages.** If you are paid FLSA Overtime Premium and you receive a statement from your employer or the service recipient and the statement shows the total of all wages for the overtime hours (FLSA Overtime Premium plus regular wages), you can divide the total amount by three (3) and use the result when figuring your qualified overtime compensation.
3. **Statement shows the overtime premium and the premium you are paid is more than the amount of the FLSA Overtime Premium.** If you are paid more than the amount of FLSA Overtime Premium (for example, your employer pays you double your regular wages) and you receive a statement from your employer or the service recipient that shows the

portion of the overtime earnings that is more than your regular wage rate for the overtime hours, then you can multiply that portion by the appropriate fraction to calculate the half portion of FLSA Overtime Premium. See *Example 2* for more information on how to figure the amount of your qualified overtime compensation in this situation.

4. **Statement shows the overtime premium and regular wages and the premium you are paid is more than the amount of the FLSA Overtime Premium.** If you are paid more than the amount of FLSA Overtime Premium (for example, your employer pays you double your regular rate of pay) and you receive a statement from your employer or the service recipient that shows the total of all pay for the overtime hours

(for example, double your regular wages), then you can multiply the total amount by the appropriate fraction to estimate the half portion of FLSA Overtime Premium. See *Example 3* for more information on how to figure the amount of your qualified overtime compensation in this situation.

5. **Statement doesn't show overtime and employer or service recipient won't provide information.** If the statements you receive from your employer or the service recipient don't show the extra pay or the FLSA Overtime Premium and your employer or service recipient doesn't give you any additional information, you can use a reasonable method to figure the amount of your qualified overtime compensation, that takes into account:

- The regular rate paid to you by your employer or service recipient, and
- The number of hours over the 40-hour workweek or an estimate if you don't have records of the actual hours you worked.



If you use the method described in paragraph 2 or paragraph 4 to determine the amount of your qualified overtime compensation, and the method results in underestimating your qualified overtime compensation (for example, because your regular rate of pay is increased by a discretionary bonus), you can adjust the method to take the difference into account.

Make sure to keep a record of the documents you use when determining the amount of your qualified overtime compensation.

Example 1. You are an FLSA-eligible employee. In 2025, you received \$50,000 in regular pay and \$15,000 for overtime hours

worked. Your Form W-2 does not separately show your qualified overtime compensation; however, you have access to your payroll system that shows you were paid \$15,000 for overtime hours in 2025. You can include \$5,000 of your wages for the overtime hours when figuring your deduction for qualified overtime compensation. The \$5,000 is the “half” portion of “time-and-a-half” (\$15,000 divided by 3).

Example 2. You are an FLSA-eligible employee and work for an employer who pays overtime equal to twice the regular pay. In 2025, you were paid \$50,000 for non-overtime hours and \$20,000 for overtime hours worked.

Your Form W-2 does not separately show qualified overtime compensation. However, you have a pay stub showing that \$10,000 of the overtime pay was for the normal rate of pay for the overtime hours and \$10,000 of the overtime pay was the premium amount.

“Time-and-a-half” would be equal to \$15,000 (the \$10,000 for your regular wage for the overtime hours multiplied by 1.5).

The “half” portion of the “time-and-a-half” rate required by the FLSA is \$5,000 (\$15,000 divided by 3). You can include \$5,000 when figuring your deduction for qualified overtime compensation.

Example 3. The facts are the same as in *Example 2*, but your pay stub does not separately show the premium amount of overtime pay that is more than your regular wages. Instead, it shows that \$20,000 was the total amount of pay for the overtime hours. The \$20,000 is double your regular wages for the overtime hours you worked. Your regular wages are \$10,000 (the \$20,000 total amount of overtime pay divided by 2).

“Time-and-a-half” would be equal to \$15,000 (the \$10,000 of your regular wages for the overtime hours multiplied by 1.5).

The “half” portion of the “time-and-a-half” rate required by the FLSA is \$5,000 (\$15,000 divided by 3). You can include \$5,000 when figuring your deduction for qualified overtime compensation.

Example 4. You work in law enforcement and your employer is covered by a special overtime rule in section 7 of the FLSA. In 2025, you were paid \$15,000 for overtime hours worked on a “work period” basis of 14 days. You can include \$5,000 of your overtime pay when figuring your deduction for qualified overtime compensation (\$15,000 divided by 3).

Example 5. You work for a state government agency that is covered by a special overtime rule in section 7 of the FLSA. Your state agency pays compensatory time at a rate of one and one-half hours for each overtime hour worked. In 2025, you were paid wages of \$4,500 for the compensatory time you took off during the year.

You can include \$1,500 when figuring your deduction for qualified overtime compensation (\$4,500 divided by 3).

Valid SSN. You and/or your spouse who received qualified overtime compensation must have a valid SSN to take this deduction. A valid SSN for purposes of the deduction for qualified overtime compensation is one that is valid for employment and that is issued by the SSA before the due date of your 2025 return (including extensions). For more information, see *Valid SSN for No Tax on Tips*, earlier.

Line 14a. In most cases, the amount on Form W-2, box 1, includes all of your wages and compensation, including your regular wages plus any qualified overtime compensation. Enter on line 14a only the qualified overtime compensation amount that is included on Form W-2. Some employers may choose to provide the amount of qualified overtime compensation to

employees using box 14 of Form W-2. See *Determining the amount of qualified overtime compensation for 2025*, earlier, to figure the amount to enter on Schedule 1-A, line 14a. Keep a copy of any document you relied on to support your calculation of qualified overtime compensation.

Qualified Overtime Compensation From More Than One Employer Worksheet — *Keep for Your Records*

1	(a) Name of employer	(b) Qualified overtime reported on Form W-2, box 1
A		
B		
C		
D		
E		
2	Add the amounts from lines 1A through 1E, column (b), and enter this amount on Schedule 1-A, line 14a	

Qualified Overtime Compensation From More Than One Payor Worksheet — *Keep for Your Records*

1	(a) Payor's name	(b) Qualified overtime reported on Form 1099-NEC, box 1, or Form 1099-MISC, box 3
A		
B		
C		
D		
E		
2	Add the amounts from lines 1A through 1E, column (b) and enter this amount on Schedule 1-A, line 14b	

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If you and/or your spouse received qualified overtime compensation from more than one employer in 2025, complete the Qualified Overtime Compensation From More Than One Employer Worksheet. If you received qualified overtime compensation that is not included in box 1 of Form W-2 (for example, overtime amounts that are deferred under a qualified retirement plan), enter that amount here. Keep a copy of any document you relied on to support your calculation of qualified overtime compensation.

Line 14b. The amount on Form 1099-NEC, box 1, or Form 1099-MISC, box 3, is your nonemployee compensation or other income, including your compensation and other income plus any qualified overtime compensation. Enter on Line 14b only the qualified overtime compensation amount that is included in Form 1099-NEC, box 1, or Form 1099-MISC, box 3.

Do not enter the total amount from Form 1099-NEC, box 1, or Form 1099-MISC, box 3. See *Determining the amount of qualified overtime compensation for 2025*, earlier, to figure the amount to enter on Schedule 1-A, line 14b. Keep a copy of any document you relied on to support your calculation of qualified overtime compensation.

If you and/or your spouse received qualified overtime compensation from more than one payor in 2025, complete the Qualified Overtime Compensation From More Than One Payor Worksheet.

Line 18. If the amount on line 18 is zero or less, your deduction for your qualified overtime compensation is not reduced. Skip lines 19 and 20 and enter the amount from Schedule 1-A, line 15, on Schedule 1-A, line 21.



For more information on the qualified overtime deduction, see [Notice 2025-69](#).

Part IV No Tax on Car Loan Interest

You may be able to claim a deduction if you and/or your spouse paid or accrued qualified passenger vehicle loan interest (QPVLI) (see *Qualified passenger vehicle loan interest*, later) in 2025. You can claim this deduction whether you claim the standard deduction or itemize deductions on Schedule A (Form 1040) or Schedule A (Form 1040-NR).

Fill out Schedule 1-A, Part IV, only if you paid or accrued QPVLI in 2025.

VIN required on your return. In order to take the QPVLI deduction, you must include the vehicle identification number (VIN) of the purchased applicable passenger vehicle (APV) (see *Applicable passenger vehicle*, later) on your tax return. If you paid QPVLI allocable to multiple APVs, include the VIN of each APV.

If the purchased APV was replaced due to an unforeseen intervening event (for example, a defective APV was replaced under a state lemon law), include the VIN of the substitute APV. For more information, see Proposed Regulations section 1.163-16(c)(3)(ii).

Maximum amount of deduction. You can't deduct more than \$10,000 of the QPVLI you paid or accrued in 2025.

The amount of the QPVLI deduction (after applying the \$10,000 limit) is reduced if your MAGI is greater than the amount shown next to your filing status below.

- Married filing jointly—\$200,000.
- All other filing statuses—\$100,000.

Your MAGI is the amount on line 3 in Part I of Schedule 1-A.

Qualified passenger vehicle loan interest. To qualify for the QPVLI deduction, the interest must be paid or accrued on a loan

that generally meets all the following requirements.

1. Your loan was originated after December 31, 2024.
2. The loan was originated by you.
3. The proceeds from your loan were used to purchase an APV (lease payments do not qualify).
4. Your APV is for personal use (which means you don't expect it to be used predominantly for business or commercial use. See *Personal use*, later).
5. Your loan is secured by a first lien on the purchased APV.

Change in obligor by reason of previous obligor's death. The obligor on the loan is generally the person responsible for paying the loan.

If a loan met requirements 1 through 5 at the time it was originated by a previous obligor, and you became the obligor by reason of a previous obligor's death, interest paid by you on the loan is generally QPVLI if the loan continues to be secured by a first lien on the purchased APV. A change in obligor by reason of a previous obligor's death could occur, for example, when you inherit an APV subject to a loan originated by the person who died. See Proposed Regulation section 1.163-16(d)(5).

Loan amount. Indebtedness that can be counted for purposes of determining QPVLI includes indebtedness incurred to finance the purchase price of the APV, as well as items or amounts that are customarily financed in an APV purchase transaction and that are directly related to the purchased APV. For example, this includes vehicle service plans, extended warranties, sales tax, and vehicle-related fees.

Interest on items and services not customarily financed in an APV purchase transaction and that are directly related to the purchased APV, such as liability insurance, a trailer, or amounts representing debt on a vehicle traded in as part of the purchase transaction for the APV (so-called negative equity), is not eligible for the deduction.

Refinanced loan. If your prior loan that had QPVLII is later refinanced, interest paid on the refinanced amount is generally eligible for the deduction, so long as the new loan is secured by a first lien on the APV with respect to which the refinanced loan was incurred. The loan amount is limited to the outstanding balance of the refinanced loan as of the date of the refinancing.

Applicable passenger vehicle. In general, an APV is any vehicle that meets the following conditions:

- The original use of the vehicle starts with you (a used vehicle does not qualify),
- The vehicle is a motor vehicle manufactured primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails),
- The vehicle has at least 2 wheels,
- The vehicle is a car, minivan, van, SUV, pickup truck, or motorcycle, and has a gross vehicle weight rating of less than 14,000 pounds, and
- The vehicle has undergone final assembly in the United States.

Final assembly in the United States. The location of final assembly will be listed on the vehicle information label attached to each vehicle on a dealer's premises. You can rely on that information label. You can also rely on the vehicle's plant of manufacture as reported in the VIN to determine whether the vehicle

has undergone final assembly in the United States. The [VIN Decoder](#) website for the National Highway Traffic Safety Administration provides plant of manufacture information. You can follow the instructions on that website to see if your vehicle's plant of manufacture is located in the United States.

Personal use. Personal use means a use other than:

- Use in any trade or business (except for the use in the trade or business of performing services as an employee), or
- For the production of income.

You are considered to have purchased an APV for personal use if, at the time you incur a loan to purchase an APV, you expect that the APV will be used for personal use for more than 50% of the time by you and/or any combination of individuals with certain relationships to you, including your spouse;

your or your spouse's child, grandchild, father, mother, brother, or sister; as well as an individual who has the same main home as you and is a member of your household.

Example. You purchase an APV that you expect to use to earn income as a driver for a rideshare service for 15% of the time you expect to own the APV. You expect to use the APV for personal use for the remaining 85% of the time. You are considered to have purchased your APV for personal use.

Interest deducted elsewhere on your return instead of on Schedule 1-A. If some or all of the QPVLI qualifies to be deducted in more than one place on your return, you may choose where to report the deduction, but you cannot deduct the same amount more than once. For example, if you deducted some or all of the interest that you paid or accrued on your loan as interest on

Schedule C, Schedule E, or Schedule F, then you can't deduct that same interest as QPVLI on Schedule 1-A.

Line 22. Enter the VIN(s) of the APV(s) on line 22, column (i). If you need to report more than two VINs, attach a statement to your return showing the information required on line 22.

Next, for each entered VIN, enter the QPVLI paid or accrued on the loan originated for the purchase of that APV. On line 22, column (ii), enter the amount of the QPVLI, if any, that was deducted elsewhere on your return (for example, on Schedule C, Schedule E, or Schedule F). On line 22, column (iii), enter the total amount of the QPVLI paid or accrued on the loan during the taxable year minus the amount on line 22, column (ii).

Line 24. The amount on line 24 cannot be more than \$10,000, the maximum amount of the QPVLI deduction.

Line 27. If the amount on line 27 is zero or less, the amount of your QPVL I reported on line 24 is not reduced. Skip lines 28 and 29 and enter the amount from Schedule 1-A, line 24, on Schedule 1-A, line 30.

Part V Enhanced Deduction for Seniors

You may be able to claim the enhanced deduction for seniors. You can claim this deduction whether you claim the standard deduction or itemize deductions on Schedule A or Schedule A (Form 1040-NR).



If you are married, you must file a joint return with your spouse to claim this deduction.



The special rules that apply to U.S. nationals; residents of Canada, Mexico, and South Korea; and residents of India who were students or business

apprentices don't apply to the enhanced deduction for seniors. See Pub. 519 for more information.

Fill out Schedule 1-A, Part V, only if:

- You (and/or your spouse if filing a joint return) were born before January 2, 1961.
- You have a valid social security number (SSN). If you are married filing jointly, the spouse who is claiming the enhanced deduction for seniors must have a valid SSN.

Maximum amount of deduction. The maximum amount of the enhanced deduction for seniors is \$6,000 per person. If you are married filing jointly, and both you and your spouse were born before January 2, 1961, and you both have a valid SSN, the maximum amount of the enhanced deduction for seniors is \$12,000. The \$6,000 per person amount is reduced if your MAGI is more than the amount shown next for your filing status.

- Married filing jointly—\$150,000.
- Single, Head of household, or Qualifying surviving spouse—\$75,000.

Your MAGI is the amount on line 3 on Part I of Schedule 1-A.

Valid SSN. You and/or your spouse must have a valid SSN to take this deduction. A valid SSN for purposes of the enhanced deduction for seniors is one that is valid for employment and that is issued by the SSA before the due date of your 2025 return (including extensions). For more information, see *Valid SSN for No Tax on Tips*, earlier.

Instructions for Schedule 2

Additional Taxes

General Instructions

Use Schedule 2 if you have additional taxes that can't be entered directly on Form 1040, 1040-SR, or 1040-NR.

Include the amount on Schedule 2, line 3, in the total on Form 1040, 1040-SR, or 1040-NR, line 17.

Enter the amount on Schedule 2, line 21, on Form 1040 or 1040-SR, line 23; or 1040-NR, line 23b.

Specific Instructions

Lines 1a Through 1z

Additions to Tax

Line 1a. Excess advance premium tax credit repayment. The premium tax credit helps pay premiums for health insurance purchased from the Marketplace. Eligible individuals may have advance payments of the premium tax credit paid on their behalf directly to the insurance company. If you, your spouse with whom you are filing a joint return, or your dependent was enrolled in coverage purchased from the Marketplace and advance payments of the premium tax credit

were made for the coverage, complete Form 8962 to reconcile (compare) the advance payments with your premium tax credit. You (or whoever enrolled you) should have received Form 1095-A from the Marketplace with information about your coverage and any advance credit payments. If the advance credit payments were more than the premium tax credit you can claim, the amount you must repay will be shown on Form 8962, line 29. Enter that amount, if any, on line 1a.

You may have to repay excess advance payments of the premium tax credit even if someone else enrolled you, your spouse, or your dependent in Marketplace coverage. In that case, another individual may have received the Form 1095-A for the coverage. You may also have to repay excess advance payments of the premium tax credit if you enrolled an individual in coverage through the Marketplace, you don't claim the individual as a dependent on your return, and no one else

claims that individual as a dependent. For more information, see the Instructions for Form 8962.

Line 1b. Repayment of new clean vehicle credit(s) from Schedule A (Form 8936), Part II. If you purchased a new clean vehicle from a registered dealer and reduced the amount you paid at the time of sale by transferring the credit to the dealer, you may have to repay the amount of the credit you transferred if you no longer qualify. If you completed Schedule A (Form 8936), Part II, and you:

- Checked the “Yes” box on Part II, line 8a or 8d; and
- Checked the “Yes” box on Part I, line 4a; then, enter the amount from Part I, line 4a, on Schedule 2, line 1b.

If you completed more than one Schedule A (Form 8936), Part II, and you need to report an amount from more than one Schedule A

(Form 8936), Part II, enter the total of those amounts on line 1b.

Line 1c. Repayment of previously owned clean vehicle credit(s) from Schedule A (Form 8936), Part IV. If you purchased a previously owned clean vehicle from a registered dealer and reduced the amount you paid at the time of sale by transferring the credit to the dealer, you may have to repay the amount of the credit you transferred if you no longer qualify. If you completed Schedule A (Form 8936), Part IV, and you:

- Checked the “Yes” box on Part IV, line 13a or 13c; and
- Checked the “Yes” box on Part I, line 4a; then, enter the amount from Part I, line 4a, on Schedule 2, line 1c.

If you completed more than one Schedule A (Form 8936), Part IV, and you need to report an amount from more than one Schedule A

(Form 8936), Part IV, enter the total of those amounts on line 1c.

Line 1d. Recapture of net EPE. Enter any amount of net elective payment election (EPE) recapture from Form 4255, line 2a, column (l).

Line 1e. Excessive payments (EPs) on gross EPE from Form 4255. If you reported an amount on Form 4255, column (n)(1), on line 1a, 1c, 1d, and/or 2a, check the applicable box and enter the amount on line 1e. If you checked more than one box, enter the total amount on line 1e.

Line 1f. 20% EP from Form 4255. If you reported an amount on Form 4255, column (n)(3), line 1a, 1c, 1d, and/or 2a, check the applicable box and enter the amount on line 1f. If you checked more than one box, enter the total on line 1f.

Line 1y. Other additions to tax. Enter the following additions to tax.

1. Recapture of the alternative fuel vehicle refueling property credit (see Form 8911). Identify as "ARPCR."
2. Any EPE related to the credit applied against tax from Form 8933 reported on Form 4255, line 2a, column (k). Identify as "EPE8933."
3. Recapture of any non-EPE credit from Form 8933 reported on Form 4255, line 2a, column (j). Also, any section 6418(g)(3) amounts attributable to recapture from Form 8933 reported on Form 4255, line 2a, column (m)(3). Identify as "NEPE8933."
4. Any amount that was reported on Form 4255, column (n)(2), line 1a, 1c, 1d, and/or 2a. Identify as "EPGEPE."

5. Any section 6418(g)(2) excessive credit transfer amount reported on Form 4255, column (m)(1) and (m)(2). Identify as "6418(g)(2)."



For more information about elective pay and credit transferability, go to [IRS.gov/Credits-Deductions/Elective-Pay-andTransferability-Frequently-AskedQuestions-Transferability](https://www.irs.gov/Credits-Deductions/Elective-Pay-andTransferability-Frequently-AskedQuestions-Transferability).

Line 2

Alternative Minimum Tax (AMT)

The AMT exemption amount is increased to \$88,100 (\$137,000 if married filing jointly or qualifying surviving spouse; \$68,500 if married filing separately). The income levels at which the AMT exemption begins to phase out has increased to \$626,350 (\$1,252,700 if married filing jointly or qualifying surviving spouse).

See the Instructions for Form 6251 to see if you must file the form and then use Form

6251 to figure the amount, if any, of your AMT. Enter the amount from Form 6251, line 11, on line 2.

For help with the alternative minimum tax, go to [IRS.gov/AMT](https://www.irs.gov/AMT). **Line 4**

Self-employment Tax

On line 4, enter the amount of the tax due on net earning from self-employment from Schedule SE, line 12.

If you filed Form 4361, received IRS approval, and had no other income subject to self-employment tax, check box 1 on line 4.

If you filed Form 4029 and received IRS approval, check box 2 on line 4. See Pub. 517 for details.

If you are a U.S. citizen or resident alien living outside the United States and your self-employment income is exempt from self-employment tax, you should get a statement from the appropriate agency of the foreign

country verifying that your self-employment income is subject to social security in that country. Attach a copy of the statement, check box 3, and enter "EAS" on the entry space next to box 3.

If you have income from a business (including farming) and the income is community income, but you aren't the spouse who carried on the business and you had no other income subject to self-employment tax, check box 3 and enter "ECI" on the entry space next to box 3.

If you received fees for services performed as a notary public and you had no other income subject to self-employment tax, check box 3 and enter "EN" on the entry space next to box 3. If you did have other earnings of \$400 or more subject to self-employment tax, check box 3 and enter "EN" and the amount of your net profit as a notary public from Schedule C on the entry space next to box 3.

For more information, see the Instructions for Schedule SE.

Line 5

Unreported Social Security and Medicare Tax From Form 4137

Enter the total of any taxes from Form 4137.

If you received tips of \$20 or more in any month and you didn't report the full amount to your employer, you must pay the social security and Medicare or railroad retirement (RRTA) tax on the unreported tips.

Don't include the value of any noncash tips, such as tickets or passes. You don't pay social security and Medicare taxes or RRTA tax on these noncash tips.

To figure the social security and Medicare tax, use Form 4137. If you owe RRTA tax, contact your employer. Your employer will figure and collect the RRTA tax.



You may be charged a penalty equal to 50% of the social security and Medicare or RRTA tax due on tips you received but didn't report to your employer.

Line 6

Uncollected Social Security and Medicare Tax From Form 8919

Enter the total of any taxes from Form 8919.

If you are an employee who received wages from an employer who didn't withhold social security and Medicare tax from your wages, use Form 8919 to figure your share of the unreported tax. Include on line 6 the amount from line 13 of Form 8919. Include the amount from line 6 of Form 8919 on Form 1040 or 1040-SR, line 1g.

Line 8

Additional Tax on IRAs, Other Qualified Retirement Plans, etc.

If any of the following apply, see Form 5329 and its instructions to find out if you owe this tax and if you must file Form 5329. Also see Form 5329 and its instructions for definitions of the terms used here.

1. You received an early distribution from (a) an IRA or other qualified retirement plan, (b) an annuity, or (c) a modified endowment contract entered into after June 20, 1988, and the total distribution wasn't rolled over.
2. Excess contributions were made to your IRA, Coverdell education savings account (ESA), Archer MSA, health savings account (HSA), or ABLE account.

3. You received a taxable distribution from a Coverdell ESA, qualified tuition program, or ABLE account.
4. You didn't take the minimum required distribution from your IRA or other qualified retirement plan by April 1 of the year following the year you reached age 73.

Exception. If only item (1) applies and distribution code 1 is correctly shown in box 7 of all your Forms 1099-R, you don't have to file Form 5329. Instead, multiply the taxable amount of the distribution by 10% (0.10) and enter the result on line 8. The taxable amount of the distribution is the part of the distribution you reported on Form 1040, 1040-SR, or 1040-NR, line 4b or 5b, or on Form 4972. Also check the box on line 8 to indicate that you don't have to file Form 5329. But you must file Form 5329 if distribution code 1 is incorrectly shown in box 7 of Form 1099-R or you qualify for an

exception, such as the exceptions for qualified medical expenses, qualified higher education expenses, qualified first-time homebuyer distributions, or a qualified reservist distribution.

Line 9

Household Employment Taxes

Enter the household employment taxes you owe for having a household employee. If any of the following apply, see Schedule H and its instructions to find out if you owe these taxes.

1. You paid any one household employee (defined below) cash wages of \$2,800 or more in 2025. Cash wages include wages paid by check, money order, etc. But don't count amounts paid to an employee who was under age 18 at any time in 2025 and was a student.

2. You withheld federal income tax during 2025 at the request of any household employee.
3. You paid total cash wages of \$1,000 or more in any calendar quarter of 2024 or 2025 to household employees.

Any person who does household work is a household employee if you can control what will be done and how it will be done.

Household work includes work done in or around your home by babysitters, nannies, health aides, housekeepers, yard workers, and similar domestic workers.

Line 10

Reserved for Future Use

Line 10 has been reserved for future use.

Line 11

Additional Medicare Tax

See Form 8959 and its instructions if the total of your 2025 wages and any self-employment income was more than:

- \$125,000 if married filing separately;
- \$250,000 if married filing jointly; or
- \$200,000 if single, head of household, or qualifying surviving spouse. Also see Form 8959 if you had railroad retirement (RRTA) compensation that was more than the amount just listed that applies to you.

If you are married filing jointly and either you or your spouse had wages or RRTA compensation of more than \$200,000, your employer may have withheld Additional Medicare Tax even if you don't owe the tax. In that case, you may be able to get a refund of the tax withheld.

See the Instructions for Form 8959 to find out how to report the withheld tax on Form 8959.

Line 12

Net Investment Income Tax

See Form 8960 and its instructions if the amount on Form 1040, 1040-SR, or 1040-NR, line 11b, is more than:

- \$125,000 if married filing separately,
- \$250,000 if married filing jointly or qualifying surviving spouse, or
- \$200,000 if single or head of household.

If you file Form 2555, see Form 8960 and its instructions if the amount on Form 1040, 1040-SR, or 1040-NR, line 11b, is more than:

- \$0 if married filing separately,
- \$120,000 if married filing jointly or qualifying surviving spouse, or
- \$70,000 if single or head of household.

Line 13

Uncollected social security and Medicare or RRTA tax on tips or group-term life insurance. This tax should be shown in box 12 of Form W-2 with codes A and B or M and N.

Line 14

Interest on Tax Due on Installment Income From the Sale of Certain Residential Lots and Timeshares

Enter interest on tax due on installment income from the sale of certain residential lots and timeshares under section 453(l)(3).

Line 15

Interest on the Deferred Tax on Gain From Certain Installment Sales With a Sales Price Over \$150,000

Enter interest on the deferred tax on gain from certain installment sales with a sales price over \$150,000 under section 453A(c).

Line 16

Recapture of Low-Income Housing Credit

Enter the amount from Form 8611, line 14.

Lines 17a Through 17z

Other Additional Taxes

Line 17a. Recapture of the following credits.

1. Amounts from Form 4255, column (j), lines 1b, 1j, 1l, and 1m. Identify as "3468."
2. Non-EPE recapture applied
3. against tax from Form 3468, Part IV, reported on Form 4255, line 1d, column (j). Identify as "NEPE3468."
4. New markets credit (see Form 8874). Identify as "NMCR."
5. Credit for employer-provided childcare facilities (see Form 8882). Identify as "ECCFR."

6. Any section 6418(g)(3) amounts attributable to recapture from Form 4255, column (m)(3). Identify as "6418(g)(3)."

Line 17b. If you sold your home in 2025 and it was financed (in whole or in part) from the proceeds of any tax-exempt qualified mortgage bond or you claimed the mortgage interest credit, you may owe a recapture tax on the mortgage subsidy. See Form 8828.

Line 17c. Enter any additional tax on health savings account (HSA) distributions you received from Form 8889, line 17b. See Form 8889, Part II.

Line 17d. Enter any additional tax for failure to remain an eligible individual during the testing period from Form 8889, line 21. See Form 8889, Part III.

Line 17e. Enter any additional tax on Archer MSA distributions from Form 8853, line 9b. See Form 8853.

Line 17f. Enter any additional tax on Medicare Advantage MSA distributions from Form 8853, line 13b. See Form 8853.

Line 17g. Enter any additional tax on recapture of a charitable contribution deduction relating to a fractional interest in tangible personal property. See Pub. 526 for more information.

Line 17h. Enter any additional tax on income you received from a nonqualified deferred compensation plan that fails to meet the requirements of section 409A. This income should be shown in box 12 of Form W-2 with code Z, or in box 15 of Form 1099-MISC. The tax is 20% of the amount required to be included in income plus an interest amount determined under section 409A(a)(1)(B) (ii). See section 409A(a)(1)(B) for details.

Line 17i. Enter any additional tax on compensation you received from a nonqualified deferred compensation plan described in section 457A if the compensation

would have been includible in your income in an earlier year except that the amount wasn't determinable until 2025. The tax is 20% of the amount required to be included in income plus an interest amount determined under section 457A(c)(2). See section 457A for details.

Line 17j. Enter any section 72(m)(5) excess benefits tax. See Pub. 560 for more information.

Line 17k. If you received an excess parachute payment (EPP), you must pay a 20% tax on it. This tax should be shown in box 12 of Form W-2 with code K. If you received a Form 1099-NEC, the tax is 20% of the EPP shown in box 3. Enter this amount on line 17k.

Line 17l. Enter any tax on accumulation distribution of trusts. See Form 4970 for more information.

Line 17m. Enter any excise tax on insider stock compensation from an expatriated corporation. See section 4985.

Line 17n. Enter any look-back interest under section 167(g) or 460(b). See Form 8697 or 8866 for more information.

Line 17o. Enter any tax on non-effectively connected income for any part of the year you were a nonresident alien. See the Instructions for Form 1040-NR for more information.

Line 17p. Enter any interest amount from Form 8621, line 16f, relating to distributions from, and dispositions of, stock of a section 1291 fund.

Line 17q. Enter any interest amount from Form 8621, line 24.

Line 17z. Use line 17z to report any taxes not reported elsewhere on your return or other schedules. List the type and amount of tax.

Other taxes to be listed include the following.

- The prevailing wage and apprenticeship penalties (PWA) from Form 4255 for the following:
 1. Form 7210/Form 4255, line 1c, columns (o)(1), (o)(2), (p)(1), and/or (p) (2). If you entered an amount in more than one column, enter the total on line 17z. Identify as "PWA7210."
 2. Form 8933/Form 4255, line 2a, columns (o)(1), (o)(2), (p)(1), and/or (p) (2). If you entered an amount in more than one column, enter the total on line 17z. Identify as "PWA8933."
 3. Any amount from Form 4255, columns (o)(1), (o)(2), (p)(1), and/or (p) (2) not reported elsewhere. If you entered an amount in more than one column, enter the total on line 17z. Identify as "NPWA."

- Form 8978 adjustment. Complete the Negative Form 8978 Adjustment Worksheet—Schedule 2 (Line 17z) if you are filing Form 8978 and completed the worksheet in the Schedule 3, line 6l, instructions and the amount on line 3 of that worksheet is negative.



If you file Form 8621, don't enter the amount from line 9c on line 17z.

Instead, see the Instructions for Form 8621 for how to report this amount.

Line 19

Recapture of Net EPE From Form 4255

Enter the recapture amount of the net EPE claimed on Form 4255, line 1d, column (I), related to the credit from Form 3468, Part IV.

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Negative Form 8978 Adjustment Worksheet—Schedule 2 (Line 17z)

Complete this worksheet if you completed line 3 on the Negative Form 8978 Adjustment Worksheet in the Schedule 3, line 6l, instructions.

1. Enter the sum of any chapter 1 taxes* (other than your negative Form 8978 adjustment) reported in Part II of Schedule 2

1.
2. Enter as a positive number the negative amount from line 3 of the Negative Form 8978 Adjustment Worksheet in the Schedule 3, line 6l, instructions

2.
3. Is the amount on line 1 more than the amount on line 2?

☐ **Yes.** List the type (Form 8978 ADJ) and the amount from line 2 as a negative number (in parentheses) on line 17z.

☐ **No.** List the type (Form 8978 ADJ) and the amount from line 1 as a negative number (in parentheses) on line 17z.

Combine this amount with any other amounts reported on line 17z to complete the line 17z entry space.

** Chapter 1 taxes include taxes from sections 1 through 1400Z-2 of the Code, as well as certain amounts the Code treats as chapter 1 taxes. Generally, this does not include amounts reported on Schedule 2, lines 4, 7, 9, 11–13, 17k–17m, or 17z (other than chapter 1 taxes).*

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Instructions for Schedule 3

Additional Credits and Payments

General Instructions

Use Schedule 3 if you have nonrefundable credits, other than the child tax credit or the credit for other dependents, or other payments and refundable credits.

Include the amount on Schedule 3, line 8, in the amount entered on Form 1040, 1040-SR, or 1040-NR, line 20.

Enter the amount on Schedule 3, line 15, on Form 1040, 1040-SR, or 1040-NR, line 31.

Specific Instructions

Line 1

Foreign Tax Credit



If you are a shareholder in a controlled foreign corporation and made a section 962 election, see the instructions for Forms 1040 and 1040-SR, line 16, for the foreign tax credit you figured on Form 1118.

If you paid income tax to a foreign country or U.S. territory, you may be able to take this credit. Generally, you must complete and attach Form 1116 to do so.

Exception. You don't have to complete Form 1116 to take this credit if all of the following apply.

1. All of your foreign source gross income was from interest and dividends and all of that income and the foreign tax paid on it were

reported to you on Form 1099-INT, Form 1099-DIV, or Schedule K-3 (or substitute statement).

2. The total of your foreign taxes wasn't more than \$300 (not more than \$600 if married filing jointly).
3. You held the stock or bonds on which the dividends or interest were paid for at least 16 days and weren't obligated to pay these amounts to someone else.
4. You aren't filing Form 4563 or excluding income from sources within Puerto Rico.
5. All of your foreign taxes were:
 - a. Legally owed and not eligible for a refund or reduced tax rate under a tax treaty, and
 - b. Paid to countries that are recognized by the United States and don't support terrorism.

For more details on these requirements, see the Instructions for Form 1116.

Do you meet all five requirements just listed?

- ☐ **Yes.** Enter on line 1 the smaller of (a) your total foreign taxes, or (b) the total of the amounts on Form 1040 or 1040-SR, line 16, and Schedule 2, line 1a.
- ☐ **No.** See Form 1116 to find out if you can take the credit and, if you can, if you have to file Form 1116.

Line 2

Credit for Child and Dependent Care Expenses

You may be able to take this credit if, in order to work or look for work, you paid someone to care for:

- Your qualifying child under age 13 whom you claim as your dependent,

- Your disabled spouse or any other disabled person who couldn't care for themselves, or
- Your child whom you couldn't claim as a dependent because of the rules for *Children of divorced or separated parents* under *Who Qualifies as Your Dependent*, earlier.

For details, use [Tax Topic 602](#) or see Form 2441.

Line 3

Education Credits

If you (or your dependent) paid qualified expenses in 2025 for yourself, your spouse, or your dependent to enroll in or attend an eligible educational institution, you may be able to take an education credit. See Form 8863 for details.

However, you can't take an education credit if any of the following applies.

- You, or your spouse if filing jointly, are claimed as a dependent on someone else's (such as your parent's) 2025 tax return.
- Your filing status is married filing separately.
- The amount on Form 1040 or 1040-SR, line 11b, is \$90,000 or more (\$180,000 or more if married filing jointly).
- You, or your spouse, were a nonresident alien for any part of 2025 unless your filing status is married filing jointly.
See Nonresident aliens and dual-status aliens, earlier.

You may be able to increase an education credit if the student chooses to include all or part of a Pell grant or certain other scholarships or fellowships in income.

For more information, see Pub. 970; the instructions for Form 1040 or 1040-SR, line 29; and [IRS.gov/EdCredit](https://www.irs.gov/EdCredit).

Line 4

Retirement Savings Contributions Credit (Saver's Credit)

You may be able to take this credit if you, or your spouse if filing jointly, made (a) contributions, other than rollover contributions, to a traditional or Roth IRA; (b) elective deferrals to a 401(k) or 403(b) plan (including designated Roth contributions) or to a governmental section 457(b) plan, SIMPLE IRA, or a SEP; (c) voluntary employee contributions to a qualified retirement plan (including the federal Thrift Savings Plan); (d) contributions to a 501(c)(18)(D) plan; or (e) contributions to an ABLE account by the designated beneficiary, as defined in section 529A.

However, you can't take the credit if either of the following applies.

1. The amount on Form 1040, 1040-SR, or 1040-NR, line 11b, is more than

\$39,500 (\$59,250 if head of household; \$79,000 if married filing jointly).

2. The person(s) who made the qualified contribution or elective deferral (a) was born after January 1, 2008, (b) is claimed as a dependent on someone else's 2025 tax return, or (c) was a student (defined next).

You were a student if during any part of 5 calendar months of 2025, you:

- Were 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 doesn't include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

For more details, use [Tax Topic 610](#) or see Form 8880.

Line 5

Residential Energy Credits

Line 5a—residential clean energy credit.

If you made energy saving improvements to one or more homes that you used as a residence during 2025, you may be able to take the residential clean energy credit. For more information, see Form 5695 and its instructions.

Line 5b—energy efficient home

improvement credit. If you made qualified energy efficiency improvements to your main home located in the United States in 2025, you may be able to take the energy efficient home improvement credit. For more information, see Form 5695 and its instructions.

Condos and co-ops. If you are a member of a condominium management association for a condominium you own or a tenant-stockholder in a cooperative housing corporation, you are treated as having paid your proportionate share of any costs of such association or corporation for purposes of these credits.

More details. For details, see Form 5695.

Lines 6a Through 6z

Other Nonrefundable Credits

Line 6a. The general business credit consists of a number of credits that usually apply only to individuals who are partners, shareholders in an S corporation, self-employed, or who have rental property. See Form 3800 or Pub. 334.