

Sample article for organizations to use to reach customers (word count 314)

Customize and post the following article on your websites and/or use in other communication vehicles to help your customers find out if net investment income tax applies to them.

Find out if Net Investment Income Tax applies to you

If you have net investment income, you may be liable for a 3.8 percent [Net Investment Income Tax](#) on the lesser of either your net investment income or the amount by which your modified adjusted gross income exceeds a certain threshold based on your filing status.

In general, net investment income includes, but is not limited to, interest, dividends, capital gains, rental and royalty income, and non-qualified annuities.

Net investment income generally **does not** include wages, unemployment compensation, Social Security Benefits, alimony, and most self-employment income.

You will owe the tax if you have net investment income **and also** have modified adjusted gross income over the following thresholds:

- Married filing jointly — \$250,000,
- Married filing separately — \$125,000,
- Single or head of household — \$200,000, or
- Qualifying widow(er) with dependent child — \$250,000.

If you owe Net Investment Income Tax, you'll report it on Form 8960, Net Investment Income Tax, and attach it to your federal income tax return.

If you had too little withholding or failed to pay enough quarterly estimated taxes to also cover the Net Investment Income Tax, you may be subject to an estimated tax penalty.

The Net Investment Income Tax is separate from the new [Additional Medicare Tax](#). You may be subject to both taxes, but not on the same type of income. The 0.9 percent Additional Medicare Tax applies to individuals' wages, compensation, and self-employment income over certain thresholds, but it *does not apply to income items included in Net Investment Income*.

For additional information on Net Investment Income Tax, see our [questions and answers](#) posted on [IRS.gov](#).

NOTE TO EDITOR: Below are additional resources you can share with your customers.

Tools to help

- [Form 8960](#) and [Instructions](#), Net Investment Income Tax— Individuals, Estates, and Trusts
- Use the [IRS Withholding Calculator](#) tool available on [IRS.gov](#) to calculate your withholding.
- [Give Withholding and Payments a Check-up to Avoid a Tax Surprise](#) (IRS Tax Tip).