Caution: *DRAFT—NOT FOR FILING*

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information as a courtesy. **Do not file draft forms.** Also, do not rely on draft instructions and publications for filing. We generally do not release drafts of forms until we believe we have incorporated all changes. However, unexpected issues sometimes arise, or legislation is passed, necessitating a change to a draft form. In addition, forms generally are subject to OMB approval before they can be officially released. Drafts of instructions and publications usually have at least some changes before being officially released.

Early releases of draft forms and instructions are at IRS.gov/draftforms. Please note that drafts may remain on IRS.gov even after the final release is posted at IRS.gov/downloadforms, and thus may not be removed until there is a new draft for the subsequent revision. All information about all revisions of all forms, instructions, and publications is at IRS.gov/formspubs.

Almost every form and publication also has its own easily accessible information page on IRS.gov. For example, the Form 1040 page is at IRS.gov/form1040; the Form W-2 page is at IRS.gov/w2; the Publication 17 page is at IRS.gov/pub17; the Form W-4 page is at IRS.gov/w4; the Form 8863 page is at IRS.gov/form8863; and the Schedule A (Form 1040) page is at IRS.gov/schedulea. If typing in the links above instead of clicking on them: type the link into the address bar of your browser, not in a Search box; the text after the slash must be lowercase; and your browser may require the link to begin with “www.”. Note that these are shortcut links that will automatically go to the actual link for the page.

If you wish, you can submit comments about draft or final forms, instructions, or publications on the Comment on Tax Forms and Publications page on IRS.gov. We cannot respond to all comments due to the high volume we receive, but we will carefully consider each one. Please note that we may not be able to consider many suggestions until the subsequent revision of the product.

2016

Department of the Treasury
Internal Revenue Service

Instructions for Form 8615

Tax for Certain Children Who Have Unearned Income

DRAFT AS OF July 25, 2016

Future Developments

For the latest information about developments related to Form 8615 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/form8615*.

General Instructions

Purpose of Form

For children under age 18 and certain older children described below in *Who Must File*, unearned income over $2,100 is taxed at the parent's rate if the parent's rate is higher than the child's. If the child's unearned income is more than $2,100, use Form 8615 to figure the child's tax.

Unearned Income

For Form 8615, "unearned income" includes all taxable income other than earned income as defined later. Unearned income includes taxable interest, ordinary dividends, capital gains (including capital gain distributions), rents, royalties, etc. It also includes taxable social security benefits, pension and annuity income, taxable scholarship and fellowship grants not reported on Form W-2, unemployment compensation, alimony, and income (other than earned income) received as the beneficiary of a trust.

Who Must File

Form 8615 must be filed for any child who meets all of the following conditions.

1. The child had more than $2,100 of unearned income.
2. The child is required to file a tax return.
3. The child either:

a. Was under age 18 at the end of 2016,

b. Was age 18 at the end of 2016 and did not have earned income that was more than half of the child's support, or

c. Was a full-time student at least age 19 and under age 24 at the end of 2016 and did not have earned income that was more than half of the child's support.

(Earned income is defined later. Support is defined below.)

4. At least one of the child's parents was alive at the end of 2016.
5. The child does not file a joint return for 2016.

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.

Support. Your child's support includes 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. For details, see Pub. 501, Exemptions, Standard Deduction, and Filing Information.

Certain January 1 birthdays. Use the following chart to determine whether certain children with January 1 birthdays meet condition 3 under *Who Must File*.

IF a child was born on...	THEN, at the end of 2016, the child is considered to be...
January 1, 1999	18*
January 1, 1998	19**
January 1, 1993	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.

TIP *The parent may be able to elect to report the child's interest, ordinary dividends, and capital gain distributions on the parent's return. If the parent makes this election, the child will not have to file a return or Form 8615. However, the federal income tax on the child's income, including qualified dividends and capital gain distributions, may be higher if this election is made. For more details, see Form 8814, Parents' Election To Report Child's Interest and Dividends.*

Additional Information

For more details, see Pub. 929, Tax Rules for Children and Dependents.

Incomplete Information for Parent or Other Children

If the parent's taxable income, filing status, or the net unearned income of the parent's other children is not known by the due date of the child's return, reasonable estimates can be used. Enter "Estimated" next to the appropriate line(s) of Form 8615. When the correct information is available, file Form 1040X, Amended U.S. Individual Income Tax Return.

Instead of using estimates, the child can get an automatic 6-month extension of time to file. For details, see Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return.

Amended Return

If the parent's income changes after the child's return is filed, the tax must be refigured using the adjusted amounts. The child's tax must also be refigured if there are changes to the net unearned income of other children for whom the parent is required to file a Form 8615. If the child's tax changes, file Form 1040X to correct the child's tax.

Alternative Minimum Tax

A child whose tax is figured on Form 8615 may owe the alternative minimum tax. For details, see Form 6251, Alternative Minimum Tax—Individuals, and its instructions.

Net Investment Income Tax

A child whose tax is figured on Form 8615 may be subject to the Net Investment Income Tax (NIIT). NIIT is a 3.8% tax on the lesser of net investment income or the excess of the child's modified adjusted gross income (MAGI) over the threshold amount. Use Form 8960, Net Investment Income Tax, to figure this tax. For more information on NIIT, go to *www.irs.gov* and enter "Net Investment Income Tax" in the search box.

Line Instructions

Lines A and B

If the child's parents were married to each other and filed a joint return, enter the name and social security number (SSN) of the parent who is listed first on the joint return.

If the parents were married but filed separate returns, enter the name and SSN of the parent who had the higher taxable income. If you do not know which parent had the higher taxable income, see Pub. 929.

If the parents were unmarried, treated as unmarried for federal income tax purposes, or separated by either a divorce or separate maintenance decree, enter the name and SSN of the parent with whom the child lived for most of the year (the custodial parent).

Exceptions. If the custodial parent remarried and filed a joint return with his or her new spouse, enter the name and SSN of the person listed first on the joint return, even if that person is not the child's parent. If the custodial parent and his or her new spouse filed separate returns, enter the name and SSN of the person with the higher taxable income, even if that person is not the child's parent.

If the parents were unmarried but lived together during the year with the child, enter the name and SSN of the parent who had the higher taxable income.

Line 1

If the child had no earned income (defined below), enter the child's adjusted gross income from Form 1040, line 38; Form 1040A, line 22; or Form 1040NR, line 37.

If the child had earned income, use the Child's Unearned Income Worksheet, later, to figure the amount to enter on line 1. But use Pub. 929 instead of the worksheet to figure the amount to enter on line 1 if the child:

- Files Form 2555 or 2555-EZ (relating to foreign earned income),
- Has a net loss from self-employment, or
- Claims a net operating loss deduction.

Earned income. Earned income includes wages, tips, and other payments received for personal services performed.

If the child is a sole proprietor or a partner in a trade or business in which both personal services and capital are material income-producing factors, earned income also includes a reasonable allowance for compensation for personal services, but not more than 30% of the child's share of the net profits from that trade or business (after subtracting the deduction for one-half of self-employment tax). However, the 30% limit does not apply if there are no net profits from the trade or business.

If capital is not an income-producing factor and the child's personal services produced the business income, all of the child's gross income from the trade or business is considered earned income. In that case, earned income is generally the total of the amounts reported on Form 1040, lines 7, 12, and 18; Form 1040A, line 7; or Form 1040NR, lines 8, 13, and 19.

Earned income also includes any taxable distribution from a qualified disability trust. A qualified disability trust is any nongrantor trust:

1. Described in 42 U.S.C. 1396p(c)(2)(B)(iv) and established solely for the benefit of an individual under 65 years of age who is disabled, and

2. All the beneficiaries of which are determined by the Commissioner of Social Security to have been disabled for some part of the tax year within the meaning of 42 U.S.C. 1382c(a)(3).

A trust will not fail to meet (2) above just because the trust's corpus may revert to a person who is not disabled after the trust ceases to have any disabled beneficiaries.

Child's Unearned Income Worksheet—Line 1

Keep for Your Records

1.	Enter the amount from the child's Form 1040, line 22; Form 1040A, line 15; or Form 1040NR, line 23, whichever applies	_____
2.	Enter the child's **earned income** (defined earlier) 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	_____
3.	Subtract line 2 from line 1. Enter the result here and on Form 8615, line 1	_____

Line 2

If the child itemized deductions, enter the larger of:

DRAFT AS OF July 25, 2016

- $2,100, or
- $1,050 plus the portion of the amount on Schedule A (Form 1040), line 29 (or Form 1040NR, Schedule A, line 15), that is directly connected with the production of the unearned income on Form 8615, line 1.

Line 4

If the child files Form 2555 or 2555-EZ (relating to foreign earned income), enter the amount from line 3 of the child's Foreign Earned Income Tax Worksheet (in the Form 1040 instructions), instead of the child's taxable income.

Line 6

If the parent filed a joint return, enter the taxable income shown on that return even if the parent's spouse is not the child's parent.

If the Foreign Earned Income Tax Worksheet (in the Form 1040 instructions) was used to figure the parent's tax, enter the amount from line 3 of that worksheet, instead of the parent's taxable income.

Line 8

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.

Net capital gain. Net capital gain is the smaller of the gain, if any, on Schedule D (Form 1040), 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, nor the parent, nor any other child has net capital gain, the net capital gain on line 8 is zero. (The term “other child” means any other child whose Form 8615 uses the tax return information of the parent identified on Lines A and B of Form 8615.)

If neither the child, nor the 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.

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 following discussions to find these amounts.

Net capital gain or qualified dividends on line 5. If the child has a net capital gain or qualified dividends, use the appropriate Line 5 Worksheet in these instructions to find the amount included on line 5. These worksheets are needed to adjust the child's net capital gain and qualified dividends by the appropriate allocated amount of the child's deductions.

Net capital gain or qualified dividends on line 6. If the parent has a net capital gain, its full amount is the net capital gain included on line 6. If the parent has qualified dividends, the full amount is the amount of qualified dividends included on line 6.

Net capital gain or qualified dividends on line 7. The net capital gain included on line 7 is the total of the amounts of net capital gain included on line 5 of the other children's Forms 8615. The qualified dividends included on line 7 is the total of the amounts of qualified dividends included on line 5 of the other children's Forms 8615. Find these amounts for each other child as explained under *Net capital gain or qualified dividends on line 5* discussed earlier. (Do not attach the other children's Forms 8615 to this child's return.)

DRAFT AS OF July 25, 2016

2016 Line 5 Worksheet #1

Keep for Your Records

Use this worksheet only if line 2 of the child's Form 8615 is $2,100 and lines 3 and 5 are the same amount.

1.	Enter the child's qualified dividends	**1.**
2.	Enter the child's net capital gain	**2.**
3.	Enter the amount from the child's Form 8615, line 1	**3.**
4.	Divide line 1 by line 3. Enter the result as a decimal (rounded to at least three places). Do not enter more than 1.000	**4.**
5.	Divide line 2 by line 3. Enter the result as a decimal (rounded to at least three places). Do not enter more than 1.000	**5.**
6.	Multiply $2,100 by line 4	**6.**
7.	Multiply $2,100 by line 5	**7.**
8.	**Qualified dividends on Form 8615, line 5.** Subtract line 6 of this worksheet from line 1 (but do not enter less than zero or more than the amount on Form 8615, line 5)	**8.**
9.	**Net capital gain on Form 8615, line 5.** Subtract line 7 of this worksheet 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)	**9.**

DRAFT AS OF July 25, 2016

2016 Line 5 Worksheet #2

Keep for Your Records

Use this worksheet only if line 2 of the child's Form 8615 is more than $2,100 and lines 3 and 5 of the child's Form 8615 are the same amount.

DRAFT AS OF July 25, 2016

1.	Enter the child's qualified dividends	**1.** _____
2.	Enter the child's net capital gain	**2.** _____
3.	Add lines 1 and 2	**3.** _____
4.	Divide line 1 by line 3. Enter the result as a decimal (rounded to at least three places)	**4.** _____
5.	Enter the child's itemized deductions directly connected with the production of the child's qualified dividends or net capital gain	**5.** _____
6.	Multiply line 4 by line 5	**6.** _____
7.	Subtract line 6 from line 5	**7.** _____
8.	Subtract line 7 from line 2	**8.** _____
9.	Subtract line 6 from line 1	**9.** _____
10.	Enter the amount from the child's Form 8615, line 1	**10.** _____
11.	Divide line 1 by line 10. Enter the result as a decimal (rounded to at least three places). Do not enter more than 1.000	**11.** _____
12.	Divide line 2 by line 10. Enter the result as a decimal (rounded to at least three places). Do not enter more than 1.000 minus the amount on line 11	**12.** _____
13.	Multiply $1,050 by line 11	**13.** _____
14.	Multiply $1,050 by line 12	**14.** _____
15.	**Qualified dividends on Form 8615, line 5.** Subtract line 13 from line 9 (but do not enter less than zero or more than the amount on Form 8615, line 5)	**15.** _____
16.	**Net capital gain on Form 8615, line 5.** Subtract line 14 from line 8 (but do not enter less than zero or more than the excess of Form 8615, line 5, over line 15 of this worksheet)	**16.** _____

2016 Line 5 Worksheet #3 *Keep for Your Records*

Use this worksheet only if the child's Form 8615, line 5, is less than line 3.

1.	Enter the child's qualified dividends	1. _____
2.	Enter the child's net capital gain	2. _____
3.	Add lines 1 and 2	3. _____
4.	Divide line 1 by line 3. Enter the result as a decimal (rounded to at least three places)	4. _____
5.	If the child itemized deductions, enter the child's itemized deductions directly connected with the production of the income on line 3	5. _____
6.	Multiply line 4 by line 5	6. _____
7.	Subtract line 6 from line 5	7. _____
8.	Subtract line 7 from line 2	8. _____
9.	Subtract line 6 from line 1	9. _____
10.	If the child can claim his or her own exemption, enter $4,050*. Otherwise, enter -0-	10. _____
11.	If the child itemized deductions, enter the child's itemized deductions not directly connected with the production of the income shown on line 3 of this worksheet. Otherwise, enter the child's standard deduction	11. _____
12.	Add lines 10 and 11	12. _____
13.	Enter the child's adjusted gross income (Form 1040, line 38; Form 1040A, line 22; or Form 1040NR, line 37)	13. _____
14.	Divide line 3 by line 13. Enter the result as a decimal (rounded to at least three places). Do not enter more than 1.000	14. _____
15.	Multiply line 12 by line 14	15. _____
16.	Multiply line 15 by line 4	16. _____
17.	Subtract line 16 from line 15	17. _____
18.	**Qualified dividends on Form 8615, line 5.** Subtract line 16 of this worksheet from line 9. Enter the result here (but do not enter less than zero or more than the amount on Form 8615, line 5)	18. _____
19.	**Net capital gain on Form 8615, line 5.** Subtract line 17 of this worksheet from line 8 (but do not enter less than zero or more than the excess of Form 8615, line 5, over line 18 of this worksheet)	19. _____

*If you enter more than $155,650 on line 13, see the Deduction for Exemptions Worksheet in the Form 1040, Form 1040A, or Form 1040NR instructions for the amount to enter on line 10.

DRAFT AS OF July 25, 2016

Line 9

Figure the tax using the Tax Table, Tax Computation Worksheet, Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040), whichever applies.

If line 8 includes any net capital gain or qualified dividends, use the Qualified Dividends and Capital Gain Tax Worksheet in the Form 1040, 1040A, or 1040NR instructions to figure the tax, unless you have to use the Schedule D Tax Worksheet or Schedule J (see below).

Schedule D Tax Worksheet. If the child, parent, or any other child has to file Schedule D and line 18 or 19 of any Schedule D is more than zero, use the Schedule D Tax Worksheet in the Instructions for Schedule D to figure the tax. See Pub. 929 for details on how to figure the line 9 tax using the Schedule D Tax Worksheet.

Schedule J (Form 1040). If any farming or fishing income (including certain amounts received in connection with the Exxon Valdez litigation) is included on line 8, the tax may be less if you use Schedule J. If Schedule J was used to figure the tax on the parent's return, see Pub. 929 for details on how to figure the 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, see Pub. 929 for instructions on how to figure the line 9 tax.

Using the Qualified Dividends and Capital Gain Tax Worksheet for line 9 tax. If you use the Qualified Dividends and Capital Gain Tax Worksheet to figure the line 9 tax, complete that worksheet as follows.

1. On line 1, enter the amount from Form 8615, line 8.

2. On line 2, enter the amount of qualified dividends included on Form 8615, line 8. (See the instructions for line 8.)

3. On line 3, enter the amount of the net capital gain included on Form 8615, line 8. (See the instructions for line 8.)

4. Complete line 4 following the worksheet instructions.

5. If you are completing the worksheet in the Form 1040 instructions, enter on line 5 the total of the amounts, if any, on line 4g of all Forms 4952 filed by the child, parent, or any other child. Then complete line 6 following the worksheet instructions.

6. If the Foreign Earned Income Tax Worksheet was used to figure the parent's tax, go to step 7 below. Otherwise, skip steps 7, 8, and 9 of these instructions below, and go to step 10.

7. Determine whether there is a line 8 capital gain excess. To do this, subtract from line 1 of the worksheet the amount on line 2c of the parent's Foreign Earned Income Tax Worksheet. Subtract the result from line 6 of this Qualified Dividends and Capital Gain Tax Worksheet (line 4 of the worksheet in the Form 1040A or Form 1040NR instructions). 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.

8. If there is no line 8 capital gain excess, skip step 9 below and go to step 10.

9. If there is a line 8 capital gain excess, complete a second Qualified Dividends and Capital Gain Tax Worksheet as instructed above and in step 10 below but in its entirety and with the following additional modifications.

a. Reduce the amount you would otherwise enter on line 3 (but not below zero) by the line 8 capital gain excess.

b. Reduce the amount you would otherwise enter on line 2 (but not below zero) by any of the line 8 capital gain excess not used in (a) earlier.

10. Complete lines 7 through 27 (lines 5 through 16 of the worksheet in the Form 1040A instructions or lines 5 through 25 in the Form 1040NR instructions) following the worksheet instructions. Use the parent's filing status to complete lines 8, 15, 24, and 26 (lines 6, 13, and 15 of the worksheet in the Form 1040A instructions or lines 6, 13, 22, and 24 of the worksheet in the Form 1040NR instructions).

Enter the amount from line 27 of the Qualified Dividends and Capital Gain Tax Worksheet (or line 16 of the worksheet in the Form 1040A instructions or line 25 of the worksheet in the Form 1040NR instructions) on Form 8615, line 9, and check the box on that line. Do not attach this worksheet to the child's return.

Line 10

If the parent filed a joint return, enter the tax shown on that return even if the parent's spouse is not the child's parent.

If the Foreign Earned Income Tax Worksheet (in the Form 1040 instructions) was used to figure the parent's tax, enter the amount from line 4 of that worksheet, instead of the parent's tax from Form 1040, line 44.

Line 15

Figure the tax using the Tax Table, Tax Computation Worksheet, Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J, whichever applies.

TIP *If line 14 includes any net capital gain or qualified dividends, use the Qualified Dividends and Capital Gain Tax Worksheet to figure this tax. However, if the child has to file Schedule D and line 18 or line 19 of the child's Schedule D is more than zero, use the Schedule D Tax Worksheet to figure this tax instead. See Pub. 929 for details on how to figure the line 15 tax using the Schedule D Tax Worksheet.*

Before using the Qualified Dividends and Capital Gain Tax Worksheet to figure the line 15 tax, you will need to know 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, line 14 does not include any net capital gain or qualified dividends.

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.

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.

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, see Pub. 929 for instructions on how to figure the line 15 tax.

Using the Qualified Dividends and Capital Gain Tax Worksheet for line 15 tax. If you use the Qualified Dividends and Capital Gain Tax Worksheet to figure the line 15 tax, complete that worksheet as follows.

1. On line 1, enter the amount from Form 8615, line 14.

2. On line 2, enter the amount of the qualified dividends included on Form 8615, line 14. (See *Net capital gain and qualified dividends on line 14*, earlier.)

3. On line 3, enter the amount of the net capital gain included on Form 8615, line 14. (See *Net capital gain and qualified dividends on line 14*, earlier.)

4. Complete line 4 following the worksheet instructions.

5. If you are completing the worksheet in the Form 1040 instructions, leave line 5 blank.

6. Complete lines 7 through 27 (lines 5 through 16 of the worksheet in the Form 1040A instructions or lines 5 through 25 of the worksheet in the Form 1040NR instructions) following the worksheet instructions. Use the child's filing status to complete lines 8, 15, 24, and 26 of the worksheet for Form 1040 (lines 6, 13, and 15 of the

DRAFT AS OF July 25, 2016

worksheet for Form 1040A or lines 6, 13, 22, and 24 of the worksheet for Form 1040NR).

Enter the amount from line 27 of this Qualified Dividends and Capital Gain Tax Worksheet (line 16 of the worksheet in the Form 1040A instructions or line 25 of the worksheet in the Form 1040NR instructions) on line 15 of Form 8615 and check the box on that line. Do not attach this worksheet to the child's return.

Using Schedule J (Form 1040) for line 15 tax. If line 14 includes any farming or fishing income (including certain amounts received in connection with the Exxon Valdez litigation), the tax may be less if you use Schedule J. See Pub. 929 for details on how to figure the line 15 tax using Schedule J.

Line 17

Figure the tax using the Tax Table, Tax Computation Worksheet, Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J, whichever applies.

If line 4 includes any qualified dividends or net capital gain, use the Qualified Dividends and Capital Gain Tax Worksheet to figure the tax unless the Schedule D Tax Worksheet has to be used instead.

If any farming or fishing income (including certain amounts received in connection with the Exxon Valdez litigation) is included on line 4, the tax may be less if you use Schedule J.

Child files Form 2555 or 2555-EZ. If line 4 includes any qualified dividends or net capital gain and the child files Form 2555 or 2555-EZ, see Pub. 929 for instructions on how to figure the line 17 tax.

Line 18

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 (in the Form 1040 instructions). Then complete the rest of the Foreign Earned Income Tax Worksheet to figure the child's tax.

DRAFT AS OF July 25, 2016