



# Instructions for Form 8615

## Tax for Certain Children Who Have Unearned Income (Rev. January 2020)

Section references are to the Internal Revenue Code unless otherwise noted.

### 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 [IRS.gov/Form8615](https://www.irs.gov/Form8615).

### What's New

#### Election to modify the tax on your unearned income.

Recent legislation has modified for 2019 (and retroactively for 2018) the rules related to the tax for certain children who have unearned income to allow you to elect to calculate your tax based on the tax rate of your parent. For tax year 2019, you can elect this alternative application for the tax on your unearned income. You will complete Form 8615 differently depending on your election. See the instructions for [Part II Tax](#), later, for more information.

If you make this election for 2019, include a statement with your return specifying "election to modify tax of unearned income." The statement can be made on the return (for example, on line 7 or at the top of Form 8615) or on an attachment filed with the return.

For tax year 2018, if you choose to modify the tax on your unearned income using the tentative tax based on the tax rate of your parent, you will need to use the 2018 Instructions for Form 8615 and file an amended return, Form 1040-X. See [IRS.gov/Form1040X](https://www.irs.gov/Form1040X) for more information about amending a tax return. If you make this election, include a statement or an attachment with your amended return specifying "election to modify tax of unearned income."

### Reminder

**Change in tax rates.** The Tax Cuts and Jobs Act of 2017 modified the tax rates and brackets used to figure the tax on 2019 unearned income for certain children. Unless you elect to calculate your tax based on the tax rate of your parent, all net unearned income over a threshold amount of \$2,200 for 2019 will be taxed using the brackets and rates for estates and trusts.

## General Instructions

### Purpose of Form

Use Form 8615 to figure your tax on unearned income over \$2,200 if you are under age 18, and in certain situations if you are older. See [Who Must File](#), later.

### Unearned Income

For Form 8615, "unearned income" includes all taxable income other than [earned income](#). 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 anyone who meets all of the following conditions.

1. You had more than \$2,200 of unearned income.
2. You are required to file a tax return.
3. You were either:
  - a. Under age 18 at the end of 2019,
  - b. Age 18 at the end of 2019 and didn't have earned income that was more than half of your support, or
  - c. A full-time student at least age 19 and under age 24 at the end of 2019 and didn't have earned income that was more than half of your support.

([Earned income](#) is defined later. [Support](#) is defined below.)

4. At least one of your parents was alive at the end of 2019.
5. You don't file a joint return for 2019.

These rules apply if you're legally adopted or a stepchild. These rules also apply whether or not you're a dependent. These rules don't apply if neither of your parents were living at the end of the year.

**Support.** Your support includes all amounts spent to provide you with food, lodging, clothing, education, medical and dental care, recreation, transportation, and similar necessities. To figure your support, count support provided by you, your parents, and others. However, a scholarship you received isn't considered support if you're a full-time student. For details, see Pub. 501, Dependents, Standard Deduction, and Filing Information.

**Certain January 1 birthdays.** Use the following chart to determine whether you meet condition 3 under [Who Must File](#), earlier, for certain January 1 birthdays.

IF you were born on...	THEN, at the end of 2019, you are considered to be...
January 1, 2002	18*
January 1, 2001	19**
January 1, 1996	24***

\*You aren't **under** age 18. You meet condition 3 only if you didn't have earned income that was more than half of your support.  
 \*\*You meet condition 3 only if you were a full-time student who didn't have earned income that was more than half of your support.  
 \*\*\*Don't use Form 8615.



**TIP** Your parent may be able to elect to report your interest, ordinary dividends, and capital gain distributions on his or her return. If your parent makes this election, you won't have to file a return or Form 8615. However, the federal income tax on your 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 Filing

If your or your parent's taxable income, filing status, or net unearned income isn't known by the due date of your return, reasonable estimates can be used. When the correct information is available, file Form 1040-X, Amended U.S. Individual Income Tax Return.

Instead of using estimates, you 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.



*An extension of time to file isn't an extension of time to pay.*

## Amended Return

If your or your parent's income changes after your return is filed, the tax must be refigured using the adjusted amounts. If your tax changes, file Form 1040-X to correct your tax. You must also file an amended return if you elect to modify the tax on your unearned income for tax year 2018 using the tentative tax based on the tax rate of your parent. See [What's New](#).

## Alternative Minimum Tax

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

## Net Investment Income Tax

If your tax is figured on Form 8615, you 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 your 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 [IRS.gov/NIIT](https://www.irs.gov/NIIT).

## Specific Instructions

### Lines A and B

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

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

If your 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 you resided for the greater part of the calendar year. See the definition of custodial parent in Pub. 501.

**Exceptions.** If your 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 isn't your parent. If your 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 isn't your parent.

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

## Line 1

If you had no [earned income](#) (defined below), enter your adjusted gross income from Form 1040, line 8b, or Form 1040-NR, line 35.

If you had earned income, use the [Unearned Income Worksheet](#) 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 you:

- File Form 2555 (relating to foreign earned income),
- Have a net loss from self-employment, or
- Claim a net operating loss deduction.

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

If you're 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 your 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 doesn't apply if there are no net profits from the trade or business.

If capital isn't an income-producing factor and your personal services produced the business income, all of your 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, line 1; Schedule 1 (Form 1040 or 1040-SR), lines 3 and 6; or Form 1040-NR, 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 won't fail to meet (2) above just because the trust's corpus may revert to a person who isn't disabled after the trust ceases to have any disabled beneficiaries.

## Unearned Income Worksheet—Line 1

*Keep for Your Records*



1. Enter the amount from your Form 1040, line 7b, or Form 1040-NR, line 23, whichever applies . . . . . \_\_\_\_\_
2. Enter your **earned income** (defined earlier) plus the amount of any penalty on early withdrawal of savings from your Schedule 1 (Form 1040 or 1040-SR), line 17, or Form 1040-NR, line 30, whichever applies . . . . . \_\_\_\_\_
3. Subtract line 2 from line 1. Enter the result here and on Form 8615, line 1 . . . . . \_\_\_\_\_

## Line 2

If you itemized deductions, enter the larger of:

- \$2,200; or
- \$1,100 plus the portion of the amount on Schedule A (Form 1040 or 1040-SR), line 17 (or Form 1040-NR, Schedule A, line 8), that is directly connected with the production of the unearned income on Form 8615, line 1.

## Line 4

Enter on line 4 your taxable income from Form 1040, line 11b, or Form 1040-NR, line 41.

**Filing Form 2555.** If you file Form 2555 (relating to foreign earned income), the Foreign Earned Income Tax Worksheet (in the Instructions for Forms 1040 and 1040-SR) is used to figure your tax. Enter the amount from line 3 of the Foreign Earned Income Tax Worksheet as your taxable income on line 4.

## Part II Tax

You will complete Part II of Form 8615 differently if you elect to apply the tentative tax based on the tax rate of your parent. If you elect this option, go to the [2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet](#) for details on how to figure your tax using this method.

If you are figuring your tax based on the brackets and rates for estates and trusts, see the instructions below for [line 6](#) and [line 7](#).

## Line 6

Subtract line 5 from line 4. The result is your “earned taxable income.”

**Note.** The amount shown on line 6, while meeting the statutory definition of earned taxable income, may include an amount of unearned income because it is reduced (but not below zero) by your net unearned income.

## Line 7

Figure the tax on the amount on line 4 by first using the [2019 Line 7 Tax Computation Worksheet](#).



*As an alternative, you may use the [2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet](#) to calculate the amount to report on line 7.*

Enter the tax amount on line 7. If the Qualified Dividends and Capital Gain Tax Worksheet (in the Form 1040 or Form 1040-NR instructions), the Schedule D Tax Worksheet (in the Schedule D instructions), or your actual Schedule J (Form 1040 or 1040-SR), Income Averaging for Farmers and Fishermen, is used to figure your tax, check the box on line 7. See below for more information and for modifications in figuring your line 7 tax.

**Qualified dividends.** Qualified dividends are those dividends reported on Form 1040, line 3a, or Form 1040-NR, line 10b.

**Net capital gain.** Net capital gain is the smaller of the gain, if any, on Schedule D (Form 1040 or 1040-SR), line 15, or the gain, if any, on Schedule D, line 16. If Schedule D isn't required, it is the amount on Form 1040, line 6, or Form 1040-NR, line 14.

If line 4 of your Form 8615 includes any qualified dividends or net capital gain, see [Using the Qualified Dividends and Capital Gain Tax Worksheet for line 7 tax](#) below to figure your tax, unless the Schedule D Tax Worksheet or Schedule J must be used instead.

**Schedule D Tax Worksheet.** If you have to file Schedule D and line 18 or 19 of your Schedule D is more than zero, use the Schedule D Tax Worksheet to figure your tax. See [Using the Schedule D Tax Worksheet for line 7 tax](#) next for modifications in figuring your line 7 tax.

**Using the Schedule D Tax Worksheet for line 7 tax.** If you use the Schedule D Tax Worksheet to figure the line 7 tax, complete that worksheet in its entirety but with the following modifications.

1. **Line 15.** Add Form 8615, line 6, and \$2,650. Enter the **smaller** of the result and the amount listed below for your filing status.

- Single or married filing separately—\$39,375.
- Head of household—\$52,750.

2. **Line 19.** Enter the **smallest** of the following four amounts:

- Line 1 of the Schedule D Tax Worksheet,
- \$160,725 if single or married filing separately,
- \$160,700 if head of household, or
- The sum of Form 8615, line 6, and \$9,300.

3. **Line 26.** Add Form 8615, line 6, and \$12,950. Enter the **smaller** of the result and the amount listed below for your filing status.

- Single—\$434,550.
- Married filing separately—\$244,425.
- Head of household—\$461,700.

4. **Line 44.** Complete the [2019 Line 7 Tax Computation Worksheet](#) again, using the amount from line 21 of the Schedule D Tax Worksheet instead of the amount from line 4 of Form 8615.

5. **Line 46.** Figure the tax on the amount on line 1 of the Schedule D Tax Worksheet using the 2019 Line 7 Tax Computation Worksheet.

**Using the Qualified Dividends and Capital Gain Tax Worksheet for line 7 tax.** If you use the Qualified Dividends and Capital Gain Tax Worksheet to figure the line 7 tax, complete that worksheet in its entirety but with the following modifications.

1. **Line 8.** Add Form 8615, line 6, and \$2,650. Enter the **smaller** of the result and the amount listed below for your filing status.

- Single or married filing separately—\$39,375.
- Head of household—\$52,750.

2. **Line 15.** Add Form 8615, line 6, and \$12,950. Enter the **smaller** of the result and the amount listed below for your filing status.

- Single—\$434,550.
- Married filing separately—\$244,425.
- Head of household—\$461,700.

3. **Line 24.** Complete the [2019 Line 7 Tax Computation Worksheet](#) again, using the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet instead of the amount from line 4 of Form 8615.

4. **Line 26.** Figure the tax on the amount on line 1 of the Qualified Dividends and Capital Gain Tax Worksheet using the 2019 Line 7 Tax Computation Worksheet.

**Using Schedule J (Form 1040 or 1040-SR) for line 7 tax.** If line 4 includes any farming or fishing income (including certain amounts received in connection with the Exxon Valdez litigation) and doesn't include any net capital gain or qualified dividends, use it to figure this tax without modifications. The tax may be less if you use Schedule J.

**Filing Form 2555.** If you file Form 2555 (relating to foreign earned income), don't enter the amount from Form 8615, line 7, on Form 1040, line 12a. Instead, enter the amount from Form 8615, line 7, on line 4 of the Foreign Earned Income Tax Worksheet. Then complete the rest of the Foreign Earned Income Tax Worksheet to figure your tax.

**2019 Line 7 Tax Computation Worksheet**

1.	Add Form 8615, line 6, and \$2,600	1.	_____
2.	Enter the <b>smaller</b> of Form 8615, line 4, or line 1	2.	_____
3.	Enter the <b>smaller</b> of line 2 or the amount listed below for your filing status. <ul style="list-style-type: none"> <li>• Single or married filing separately—\$9,700.</li> <li>• Head of household—\$13,850</li> </ul>	3.	_____
4.	Multiply line 3 by 10% (0.10)	4.	_____
5.	Enter the <b>smaller</b> of line 2 or the amount listed below for your filing status. <ul style="list-style-type: none"> <li>• Single or married filing separately—\$39,475.</li> <li>• Head of household—\$52,850</li> </ul>	5.	_____
6.	Subtract line 3 from line 5. If zero or less, enter -0-	6.	_____
7.	Multiply line 6 by 12% (0.12)	7.	_____
8.	Enter the <b>smaller</b> of line 2 or \$84,200	8.	_____
9.	Subtract line 5 from line 8. If zero or less, enter -0-	9.	_____
10.	Multiply line 9 by 22% (0.22)	10.	_____
11.	Add Form 8615, line 6, and \$9,300	11.	_____
12.	Enter the <b>smaller</b> of Form 8615, line 4, or line 11	12.	_____
13.	Enter the <b>smaller</b> of line 12 or the amount listed below for your filing status. <ul style="list-style-type: none"> <li>• Single or married filing separately—\$160,725.</li> <li>• Head of household—\$160,700</li> </ul>	13.	_____
14.	Subtract line 8 from line 13. If zero or less, enter -0-	14.	_____
15.	Multiply line 14 by 24% (0.24)	15.	_____
16.	Enter the <b>smaller</b> of line 12 or \$204,100	16.	_____
17.	Subtract line 13 from line 16. If zero or less, enter -0-	17.	_____
18.	Multiply line 17 by 32% (0.32)	18.	_____
19.	Add Form 8615, line 6, and \$12,750	19.	_____
20.	Enter the <b>smaller</b> of Form 8615, line 4, or line 19	20.	_____
21.	Enter the <b>smaller</b> of line 20 or the amount listed below for your filing status. <ul style="list-style-type: none"> <li>• Single or head of household—\$510,300.</li> <li>• Married filing separately—\$306,175</li> </ul>	21.	_____
22.	Subtract line 16 from line 21. If zero or less, enter -0-	22.	_____
23.	Multiply line 22 by 35% (0.35)	23.	_____
24.	Subtract line 21 from Form 8615, line 4. If zero or less, enter -0-	24.	_____
25.	Multiply line 24 by 37% (0.37)	25.	_____
26.	Add lines 4, 7, 10, 15, 18, 23, and 25. <b>Stop.</b> If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040 or 1040-SR) is used to figure your tax, see the instructions, earlier. Otherwise, enter the result here and on Form 8615, line 7	26.	_____

**2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet**

Keep for Your Records 

1.	Enter your parent's <b>taxable income</b> from Form 1040, line 11b; or Form 1040-NR, line 41. If zero or less, enter -0- .....	1.	_____
2.	Enter the total, if any, from Forms 8615, line 5, of all other children of the parent named above. Do not include the amount from your own Form 8615, line 5 .....	2.	_____
3.	Add Form 8615, line 5, and lines 1 and 2 from this worksheet and enter the result here .....	3.	_____
4.	Enter the tax on the amount on line 3 above based on your <b>parent's</b> filing status .....	4.	_____
5.	Enter your parent's tax from Form 1040, line 12a, minus any alternative minimum tax; or Form 1040-NR, line 42. <b>Do not</b> include any tax from <b>Form 4972, 8814, or 8885</b> or any tax from recapture of an education credit .....	5.	_____
6.	Subtract line 5 from line 4 and enter the result. If line 2 is blank, also enter this amount on line 8 and go to <b>Part II</b> of your Form 8615 .....	6.	_____
7a.	Add line 5 of your Form 8615 and line 2 of this worksheet and enter the result here .....	7a.	_____
b.	Divide line 5 of your Form 8615 by line 7a. Enter the result as a decimal (rounded to at least three places) .....	b.	_____
8.	Multiply line 6 by line 7b .....	8.	_____
9.	Enter the tax on the amount on Form 8615, line 6, based on your filing status .....	9.	_____
10.	Add lines 8 and 9 .....		_____
11.	Enter the tax on the amount on Form 8615, line 4, based on your filing status (see instructions) .....	11.	_____
12.	Enter the <b>larger</b> of line 10 or line 11 here and on your Form 8615, line 7 .....	12.	_____

**2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet Instructions**

**Line 1.** If your parent filed a joint return, enter the taxable income shown on that return even if your parent's spouse isn't your parent.

If the Foreign Earned Income Tax Worksheet (in the Instructions for Forms 1040 and 1040-SR) was used to figure your parent's tax, enter the amount from line 3 of that worksheet, instead of your parent's taxable income.

**Line 3.** Enter on this line the total of line 5 of your Form 8615, and lines 1 and 2 of the [2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet](#). You must determine the amount of net capital gain and qualified dividends included on this line before completing line 3 of the [2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet](#).

**Net capital gain.** Net capital gain is the smaller of the gain, if any, on Schedule D (Form 1040 or 1040-SR), line 15, or the gain, if any, on Schedule D, line 16. If Schedule D isn't required, it is the amount on Form 1040, line 6, or Form 1040-NR, line 14.

**Qualified dividends.** Qualified dividends are those dividends reported on line 3a of Form 1040 or line 10b of Form 1040-NR.

**Net capital gain and qualified dividends on line 3.** If neither you, nor your parent, nor any other child has net capital gain, the net capital gain on line 3 is zero. (The term "other child" means any other child whose Form 8615 uses the tax return information of your parent identified on lines A and B of Form

8615.) If neither you, nor your parent, nor any other child has qualified dividends, the amount of qualified dividends on line 3 is zero. If you, your parent, or any other child has net capital gain, figure the amount of net capital gain included on line 3 by adding together the net capital gain amounts included on line 5 of your Form 8615, and lines 1 and 2 of your [2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet](#). If you, your parent, or any other child has qualified dividends, figure the amount of qualified dividends included on line 3 by adding together the qualified dividend amounts included on line 5 of your Form 8615, and lines 1 and 2 of your [2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet](#). Use the following discussions to find these amounts.

**Net capital gain or qualified dividends on line 5 of your Form 8615.** If you have a net capital gain or qualified dividends, use the appropriate Form 8615, Line 5 Worksheet, later, in these instructions to find the amount included on Form 8615, line 5. These worksheets are needed to adjust your net capital gain and qualified dividends by the appropriate allocated amount of your deductions.

**Net capital gain or qualified dividends on line 1 of your 2019 Tentative Tax Based on the Tax Rate of Your Parent worksheet.** If your parent has a net capital gain, its full amount is the net capital gain included on line 1 of your [2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet](#). If your parent has qualified dividends, the full amount is the amount of qualified dividends included on line 1 of the [2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet](#).

**Net capital gain or qualified dividends on line 2 of your 2019 Tentative Tax Based on the Tax Rate of Your Parent worksheet.** The net capital gain included on line 2 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 2 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 of your Form 8615*, earlier. (Don't attach the other children's Forms 8615 to this child's return.)

**2019 Line 5 Worksheet #1**

Keep for Your Records 

Use this worksheet only if line 2 of **your** Form 8615 is \$2,200 and lines 3 and 5 are the same amount.

1.	Enter your qualified dividends .....	1.	_____
2.	Enter your net capital gain .....	2.	_____
3.	Enter the amount from your Form 8615, line 1 .....	3.	_____
4.	Divide line 1 by line 3. Enter the result as a decimal (rounded to at least three places). Don't 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). Don't enter more than 1.000 .....	5.	_____
6.	Multiply \$2,200 by line 4 .....	6.	_____
7.	Multiply \$2,200 by line 5 .....	7.	_____
8.	<b>Qualified dividends on Form 8615, line 5.</b> Subtract line 6 of this worksheet from line 1 (but don't enter less than zero or more than the amount on Form 8615, line 5) .....	8.	_____
9.	<b>Net capital gain on Form 8615, line 5.</b> Subtract line 7 of this worksheet from line 2 (but don't enter less than zero or more than the excess of Form 8615, line 5, over line 8 of this worksheet) .....	9.	_____

**2019 Line 5 Worksheet #2**

Use this worksheet only if line 2 of **your** Form 8615 is more than \$2,200 and lines 3 and 5 of your Form 8615 are the same amount.

1.	Enter your qualified dividends .....	1.	_____
2.	Enter your 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 your itemized deductions directly connected with the production of your 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 your Form 8615, line 1 .....	10.	_____
11.	Divide line 1 by line 10. Enter the result as a decimal (rounded to at least three places). Don't 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). Don't enter more than 1.000 minus the amount on line 11 .....	12.	_____
13.	Multiply \$1,100 by line 11 .....	13.	_____
14.	Multiply \$1,100 by line 12 .....	14.	_____
15.	<b>Qualified dividends on Form 8615, line 5.</b> Subtract line 13 from line 9 (but don't enter less than zero or more than the amount on Form 8615, line 5) .....	15.	_____
16.	<b>Net capital gain on Form 8615, line 5.</b> Subtract line 14 from line 8 (but don't enter less than zero or more than the excess of Form 8615, line 5, over line 15 of this worksheet) .....	16.	_____

**2019 Line 5 Worksheet #3**

Use this worksheet only if **your** Form 8615, line 5, is less than line 3.

1.	Enter your qualified dividends .....	1.	_____
2.	Enter your 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 your 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 itemized deductions, enter your itemized deductions not directly connected with the production of the income shown on line 3 of this worksheet. Otherwise, enter your standard deduction .....	10.	_____
11.	Enter your adjusted gross income (Form 1040, line 8b, or Form 1040-NR, line 35) .....	11.	_____
12.	Divide line 3 by line 11. Enter the result as a decimal (rounded to at least three places). Don't enter more than 1.000 .....	12.	_____
13.	Multiply line 10 by line 12 .....	13.	_____
14.	Multiply line 13 by line 4 .....	14.	_____
15.	Subtract line 14 from line 13 .....	15.	_____
16.	<b>Qualified dividends on Form 8615, line 5.</b> Subtract line 14 of this worksheet from line 9. Enter the result here (but don't enter less than zero or more than the amount on Form 8615, line 5) .....	16.	_____
17.	<b>Net capital gain on Form 8615, line 5.</b> Subtract line 15 of this worksheet from line 8 (but don't enter less than zero or more than the excess of Form 8615, line 5, over line 16 of this worksheet) .....	17.	_____

**Line 4.** 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 or 1040-SR), whichever applies.

If line 3 of the [2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet](#) includes any net capital gain or qualified dividends, use the Qualified Dividends and Capital Gain Tax Worksheet in the Form 1040 or 1040-NR 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 4 tax using the Schedule D Tax Worksheet.

**Schedule J (Form 1040 or 1040-SR).** If any farming or fishing income (including certain amounts received in connection with the Exxon Valdez litigation) is included on line 3, 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.** If line 3 includes any net capital gain or qualified dividends and the child or any other child filing Form 8615 also files Form 2555, see Pub. 929 for instructions on how to figure the line 4 tax.

**Using the Qualified Dividends and Capital Gain Tax Worksheet for line 4 tax.** If you use the Qualified Dividends and Capital Gain Tax Worksheet to figure the line 4 tax, complete that worksheet as follows.

1. On line 1, enter the amount from line 3 of your [2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet](#).

2. On line 2, enter the amount of qualified dividends included on line 3 of your [2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet](#). (See the instructions for line 3 of the worksheet.)

3. On line 3, enter the amount of the net capital gain included on **line 3 of your** [2019 Tentative Tax Based on the Tax](#)



[Rate of Your Parent Worksheet](#). (See the instructions for line 3 of the worksheet.)

4. Complete line 4 following the worksheet instructions.

5. If you are completing the worksheet in the Instructions for Forms 1040 and 1040-SR, 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 your 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 1040-NR 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 25 in the Form 1040-NR instructions) following the worksheet instructions. Use the parent's filing status to complete lines 8, 15, 24, and 26 (lines 6, 13, 22, and 24 of the worksheet in the Form 1040-NR instructions).

Enter the amount from line 27 of the Qualified Dividends and Capital Gain Tax Worksheet (or line 25 of the worksheet in the Form 1040-NR instructions) on line 4 of your [2019 Tentative Tax Based on the Tax Rate of Your Parent Worksheet](#).

**Line 5.** If your parent filed a joint return, enter the tax shown on that return even if your parent's spouse isn't your parent.

If the Foreign Earned Income Tax Worksheet (in the Instructions for Forms 1040 and 1040-SR) was used to figure the parent's tax, enter the amount from line 4 of that worksheet, instead of your parent's tax from Form 1040, line 12a.