

# Instructions for Form 8615

## Tax for Certain Children Who Have Unearned Income

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://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 \$2,700 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 \$2,700, use Form 8615 to figure the child's tax.

#### Unearned Income

Unearned income is generally all income other than salaries, wages, and other amounts received as pay for work actually performed ([earned income](#)). It includes taxable interest, dividends, capital gains (including capital gain distributions), rents, royalties, pension and annuity income, taxable scholarship and fellowship grants not reported on Form W-2, unemployment compensation, alimony, the taxable part of social security and pension payments, and income (other than earned income) received as the beneficiary of a trust.

**Tip:** For more information about the special rules regarding scholarship and fellowship grants, see Chapter 1, Scholarships, Fellowship Grants, Grants and Tuition Reductions, in Pub. 970, Tax Benefits for Education.

#### Who Must File

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

1. The child had more than \$2,700 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 2025,
  - b. Was age 18 at the end of 2025 and didn't 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 2025 and didn't 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 2025.
5. The child doesn't file a joint return for 2025.

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 don't apply if neither of the child's parents were living at the end of the year.

**Support.** Your 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 isn't considered support if your child is 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 certain children with January 1 birthdays meet condition 3 under [Who Must File](#), earlier.

IF you were born on...	THEN, at the end of 2025, you are considered to be...
January 1, 2008	18*
January 1, 2007	19**
January 1, 2002	24***

\* This child isn't **under** age 18. The child meets condition 3 only if the child didn't 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 didn't have earned income that was more than half of the child's support.

\*\*\* Don't 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 won't 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.

#### Which Parent's Return To Use

If a child's parents are married to each other and file a joint return, use the joint return to complete Form 8615. For other situations when the parents do not file a joint return, see [Parents Who Don't File a Joint Return](#), next.

#### Parents Who Don't File a Joint Return

For parents who don't file a joint return, the following discussions explain which parent's tax return must be used to figure the tax.

**Parents are married.** If the child's parents file separate returns, use the return of the parent with the greater taxable income.

**Parents not living together.** If the child's parents are married to each other but not living together, and the parent with whom the child lives (the custodial parent) is considered unmarried, use the return of the custodial parent. If the custodial parent isn't considered unmarried, use the return of the parent with the greater taxable income.

For an explanation of when a married person living apart from their spouse is considered unmarried, see [Head of Household](#) in Pub. 501.

**Parents are divorced.** If the child's parents are divorced or legally separated, and the parent who had custody of the child for the greater part of the year (the custodial parent) hasn't remarried, use the return of the custodial parent.

**Custodial parent remarried.** If the custodial parent has remarried, the stepparent (rather than the noncustodial parent) is treated as the child's other parent. Therefore, if the custodial parent

and the stepparent file a joint return, use that joint return. Don't use the return of the noncustodial parent.

If the custodial parent and the stepparent are married, but file separate returns, use the return of the one with the greater taxable income. If the custodial parent and the stepparent are married but not living together, the earlier discussion under [Parents not living together](#) applies.

**Parents never married.** If a child's parents have never been married to each other, but lived together all year, use the return of the parent with the greater taxable income. If the parents didn't live together all year, the rules explained earlier under [Parents are divorced](#) apply.

**Widowed parent remarried.** If a widow or widower remarries, the new spouse is treated as the child's other parent. The rules explained earlier under [Custodial parent remarried](#) apply.

## Incomplete Information for Filing

If the parents' taxable income, filing status, or net unearned income of the parents' other children isn't known by the original due date of the child's return, the child should request an extension of time to file using Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return.

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

**Parent with different tax year.** If the parent and the child don't have the same tax year, complete Form 8615 using the information on the parent's return for the tax year that ends in the child's tax year.

**Example.** Kimberly must use her mother's tax and taxable income to complete her Form 8615 for calendar year 2025 (January 1–December 31). Kimberly's mother files her tax return on a fiscal year basis (July 1–June 30). Kimberly must use the information on her mother's return for the tax year ending June 30, 2025, to complete her 2025 Form 8615.

**Parent's return information unavailable.** If a child can't get the required information about their parent's tax return, the child (or the child's legal representative) can request the necessary information from the IRS.

**How to request.** After the end of the tax year, send a signed, written request for the information to the Internal Revenue Service Center where the parent's return will be filed. (The IRS can't process a request received before the end of the tax year.)

The request must contain all of the following.

- A statement that you are making the request to comply with section 1(g) of the Internal Revenue Code and that you have tried to get the information from the parent.
- Proof of the child's age (for example, a copy of the child's birth certificate).
- Evidence the child has more than \$2,700 of unearned income (for example, a copy of the child's prior year tax return or copies of Forms 1099 for the current year).
- The name, address, social security number (SSN) (if known), and filing status (if known) of the parent whose information is to be shown on Form 8615.

A child's legal representative making the request should include a copy of their Power of Attorney, such as Form 2848, or proof of legal guardianship.

## Amended Return

If the parents' income changes after the child's return is filed, the child's 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 1040-X.

## Alternative Minimum Tax (AMT)

A child may be subject to AMT if the child has certain items given preferential treatment under the tax law. These items include accelerated depreciation and certain tax-exempt interest income.

The AMT may also apply if you have passive activity losses or certain distributions from estates or trusts.

For details, see Form 6251, Alternative Minimum Tax—Individuals, and its instructions.

## Net Investment Income Tax (NIIT)

A child whose tax is figured on Form 8615 may be subject to the 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 [IRS.gov/NIIT](#).

## Specific Instructions

### Lines A–C

If the child's parents were married to each other and filed a joint return, enter the name and SSN of the parent who is listed first on the joint return. On line C, check the box for the parent's filing status.

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 don't know which parent had the higher taxable income, see [Which Parent's Return To Use](#), earlier.

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

**Exceptions.** If the custodial parent remarried and filed a joint return with their new spouse, enter the name and SSN of the person listed first on the joint return, even if that person isn't the child's parent. If the custodial parent and their new spouse filed separate returns, enter the name and SSN of the person with the higher taxable income, even if that person isn't 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 or 1040-NR, line 1b.

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 the [Alternate Worksheet for Form 8615, Line 1](#) to figure the amount to enter on line 1 if the child:

- Files Form 2555 (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 doesn't apply if there are no net profits from the trade or business.

If capital isn't 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 or 1040-NR, line 1z, and Schedule 1 (Form 1040), lines 3 and 6.

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

- 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
- 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.

**Nontaxable income.** For this purpose, unearned income includes only amounts your child must include in gross income. Nontaxable unearned income, such as tax-exempt interest and the nontaxable part of social security and pension payments, isn't included in gross income.

**Capital loss.** Your child's capital losses are taken into account in figuring their unearned income. Capital losses are first applied against capital gains. If the capital losses are more than the capital gains, the difference (up to \$3,000 (\$1,500 in the case of a married individual filing a separate return)) is subtracted from your child's interest, dividends, and other unearned income. Any difference over \$3,000 is carried to the next year.

## Child's Unearned Income Worksheet—Line 1

### Keep for Your Records:

- Enter the amount from the child's Form 1040 or 1040-NR, line 9, whichever applies . . . . .
- Enter the child's **earned income** (defined earlier) plus the amount of any penalty on early withdrawal of savings from the child's Schedule 1 (Form 1040), line 18, whichever applies . . . . .
- Subtract line 2 from line 1. Enter the result here and on Form 8615, line 1 . . . . .

**Income from property received as a gift.** Your child's unearned income includes all income produced by property belonging to your child. This is true even if the property was transferred to your child, regardless of when the property was transferred or purchased or who transferred it.

**Example.** Amanda Black, age 13, received the following income.

- Dividends—\$1,300.
- Wages—\$2,100.
- Taxable interest—\$1,400.
- Tax-exempt interest—\$100.
- Capital gains—\$300.
- Capital losses—(\$200).

The dividends were qualified dividends on stock given to her by her grandparents.

Amanda's unearned income is \$2,800. This is the total of the dividends (\$1,300), taxable interest (\$1,400), and capital gains reduced by capital losses (\$300 – \$200 = \$100). Her wages are earned (not unearned) income because they are received for work actually performed. Her tax-exempt interest isn't included because it is nontaxable.

## Alternate Worksheet for Form 8615, Line 1

- Enter the amount from your child's Form 1040 or 1040-NR, line 9 . . . . .
- Enter the total of any net loss from self-employment, any net operating loss deduction, any foreign earned income exclusion, and any foreign housing exclusion from your child's Form 1040 or 1040-NR. Enter this total as a positive number (greater than zero) . . . . .
- Add line A and line B and enter the total . . . . .
- Enter your child's earned income plus any amount from your child's Schedule 1 (Form 1040), line 18 . . . . .  
Generally, your child's earned income is the total of the amounts reported on Form 1040 or 1040-NR, line 1z; and Schedule 1 (Form 1040), lines 3 and 6 (if Schedule 1 (Form 1040), line 3 or 6 is a loss, use zero)
- Subtract line D from line C. Enter the result here and on Form 8615, line 1 . . . . .

**Trust income.** If your child is the beneficiary of a trust, distributions of taxable interest, dividends, capital gains, and other unearned income from the trust are unearned income to your child.

**Caution:** Taxable distributions from a qualified disability trust are considered earned income for the purposes of completing Form 8615.

**Caution:** However, only certain directly connected expenses, such as interest and deductible amortizable bond premiums, are deductible in tax years 2018 through 2025.

**Caution:** Suspension of miscellaneous itemized deductions permanently extended from previous sunset of 2025, but miscellaneous itemized deductions for unreimbursed educator expenses are allowed.

**Adjustment to income.** In figuring the amount to enter on line 1, your child's unearned income is reduced by any penalty on the early withdrawal of savings.

## Line 2

If the child doesn't itemize deductions on Schedule A (Form 1040), enter \$2,700 on line 2.

If the child itemizes deductions, enter on line 2 the larger of:

- \$1,350 plus the portion of the amount on Schedule A (Form 1040), line 17 (or Schedule A (Form 1040-NR), line 8), that is directly connected with the production of the unearned income on Form 8615, line 1; or
- \$2,700.

**Directly connected.** Itemized deductions are directly connected with the production of unearned income if they are for expenses to produce or collect taxable income or to manage, conserve, or maintain property held for producing income. These expenses include custodian fees and service charges, service fees to collect taxable interest and dividends, and certain investment counsel fees.

**Caution:** For tax years 2018 through 2025, miscellaneous itemized deductions are suspended and not deductible.

**Caution:** Suspension of miscellaneous itemized deductions permanently extended from previous sunset of 2025, but miscellaneous itemized deductions for unreimbursed educator expenses are allowed.

**Example 1.** Roger, age 12, has unearned income of \$8,000, no other income, no adjustments to income, and itemized deductions of \$300 that are directly connected with his unearned income. His adjusted gross income is \$8,000, which is entered on Form 1040, line 11b, and on Form 8615, line 1. Roger enters \$2,700 on line 2 because that is more than the total of \$1,350 plus his directly connected itemized deductions of \$300 (\$1,650).

**Example 2.** Eleanor, age 8, has unearned income of \$16,000 and an early withdrawal penalty of \$100. She has no other income.

She has itemized deductions of \$1,500 that are directly connected with the production of her unearned income. Her adjusted gross income, entered on line 1, is \$15,900 (\$16,000 – \$100). The amount on line 2 is \$2,850. This is the larger of:

1. \$1,350 plus the \$1,500 of directly connected itemized deductions, or
2. \$2,700.

## Line 3

Subtract line 2 from line 1 and enter the result on this line. If zero or less, don't complete the rest of the form. However, you must still attach Form 8615 to your child's tax return. Figure the tax on your child's taxable income in the normal manner.

## Line 4

Enter on line 4 your child's taxable income from Form 1040 or 1040-NR, line 15.

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

## Line 5

A child's net unearned income can't be more than their taxable income. Enter on Form 8615, line 5, the smaller of line 3 or line 4. This is the child's unearned income.

If zero or less, don't complete the rest of the form. However, you must still attach Form 8615 to your child's tax return. Figure the tax on your child's taxable income in the normal manner.

## Figuring a Tentative Tax at the Parent's Tax Rate

The next step in completing Form 8615 is to figure a tentative tax on the child's net unearned income at the parent's tax rate. The tentative tax at the parent's tax rate is the difference between the tax on the parent's taxable income figured with the child's net unearned income (plus the net unearned income of any other child whose Form 8615 includes the tax return information of that parent) and the tax figured without it.

When figuring the tentative tax at the parent's tax rate on Form 8615, don't refigure any of the exclusions, deductions, or credits on the parent's return because of the child's net unearned income. For example, don't refigure the medical expense deduction.

Figure the tentative tax on Form 8615, lines 6 through 13.

## Line 6

Enter on line 6 the amount from the parent's Form 1040, 1040-SR, or 1040-NR, line 15, even if your spouse isn't the child's parent. If the parent's taxable income is zero or less, enter zero on line 6.

**Parent files Form 2555.** If the parent files Form 2555 to claim the foreign earned income exclusion, housing exclusion, or housing deduction, the Foreign Earned Income Tax Worksheet in the Instructions for Form 1040 is used to figure the parent's tax. Enter the amount from line 3 of the Foreign Earned Income Tax Worksheet as the parent's taxable income, on line 6 of Form 8615.

## Line 7

If the tax return information of the parent is also used on any other child's Form 8615, enter on line 7 the total of the amounts from line 5 of all the other children's Forms 8615 being completed. (The term

"other child" means any other child whose Form 8615 uses the tax information of the parent identified on lines A and B of Form 8615.)

**Example.** Paul and Jane Persimmon have three children, Sharon, Jerry, and Mike, who must attach Form 8615 to their tax returns. The children's net unearned income amounts on line 5 of their Forms 8615 are:

- Sharon—\$3,000,
- Jerry—\$2,800, and
- Mike—\$3,200.

Line 7 of Sharon's Form 8615 will show \$6,000, the total of the amounts on line 5 of Jerry's and Mike's Forms 8615.

Line 7 of Jerry's Form 8615 will show \$6,200 (\$3,000 + \$3,200).

Line 7 of Mike's Form 8615 will show \$5,800 (\$3,000 + \$2,800).

## 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 isn't required, it is the amount on Form 1040, 1040-SR, or 1040-NR, line 7a.

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

**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, the 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, the 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 are 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](#), earlier. (Don't attach the other children's Forms 8615 to this child's return.)

**Note:** The amount of any net capital gain or qualified dividends isn't separately reported on line 8. It is needed, however, when figuring the tax on line 9.

## 2025 Line 5 Worksheet #1

Use this worksheet only if line 2 of the child's Form 8615 is \$2,700 and lines 3 and 5 are the same amount.

### Keep for Your Records:

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). 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 \$2,700 by line 4 .....	6. _____
7. Multiply \$2,700 by line 5 .....	7. _____
8. Qualified dividends on Form 8615, line 5. 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. Net capital gain on Form 8615, line 5. 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. _____

## 2025 Line 5 Worksheet #2

Use this worksheet only if line 2 of the child's Form 8615 is more than \$2,700 and lines 3 and 5 of the child's Form 8615 are the same amount.

### Keep for Your Records:

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). 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 \$1,350 by line 11 .....	13. _____
14. Multiply \$1,350 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. _____

## 2025 Line 5 Worksheet #3

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

### Keep for Your Records:

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. 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 or 1040-NR, line 11b) .....	13. _____
14. Divide line 3 by line 13. Enter the result as a decimal (rounded to at least three places). Don't 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. <b>Qualified dividends on Form 8615, line 5.</b> Subtract line 16 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) .....	18. _____
19. <b>Net capital gain on Form 8615, line 5.</b> Subtract line 17 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 18 of this worksheet) .....	19. _____

## Line 9

Figure the tax on the amount on line 8 using the Tax Table, the Tax Computation Worksheet, the Qualified Dividends and Capital Gain Tax Worksheet (in the Instructions for Form 1040 (and 1040-SR), or the Instructions for Form 1040-NR), the Schedule D Tax Worksheet (in the Schedule D instructions), or Schedule J (Form 1040), as follows.

- If line 8 doesn't include any net capital gain or qualified dividends, use the Tax Table or Tax Computation Worksheet to figure this tax. But if Schedule J is used to figure the tax on the parent's return, use it to figure this tax.
- If line 8 includes any net capital gain or qualified dividends, use the Qualified Dividends and Capital Gain Tax Worksheet to figure this tax. For details, see the instructions for Form 8615, line 9. However, if the child, the parent, or any other child has 28% rate gain or unrecaptured section 1250 gain, use the Schedule D Tax Worksheet. But if Schedule J is used to figure the tax on the parent's return, use it to figure this tax.

**Child files Form 2555.** 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, see [Using the Schedule D Tax Worksheet for line 9 tax](#), later, 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 the Foreign Earned Income Tax Worksheet was used to figure the parent's tax, go to step 6. Otherwise, skip steps 6, 7, and 8 and go to step 9.
6. Determine whether there is a line 8 capital gain excess. To do this, subtract from line 1 of this worksheet the amount on line 2c of the parent's Foreign Earned Income Tax Worksheet. 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.
7. If there is no line 8 capital gain excess, skip step 8 and go to step 9.
8. If there is a line 8 capital gain excess, complete a second Qualified Dividends and Capital Gain Tax Worksheet (in its entirety using steps 1 through 7), 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).
9. Complete lines 5 through 25 following the worksheet instructions. Use the parent's filing status to complete lines 6, 13, 22, and 24.

Enter the amount from line 25 of the Qualified Dividends and Capital Gain Tax Worksheet on Form 8615, line 9, and check the box on that line. Don't attach this worksheet to the child's return.

**Using the Schedule D Tax Worksheet for line 9 tax.** Use the Schedule D Tax Worksheet (in the Schedule D instructions) to figure the tax on line 9, if the child, the parent, or any other child has unrecaptured section 1250 gain or 28% rate gain. If you must use the Schedule D Tax Worksheet, first complete any Schedule D and any actual Schedule D Tax Worksheet required for the child, the parent, or any other child. Then, figure the line 9 tax using another

Schedule D Tax Worksheet. (Don't attach this Schedule D Tax Worksheet to the child's return.)

Complete this Schedule D Tax Worksheet as follows.

1. On line 1, enter the amount from Form 8615, line 8.
2. On line 2, enter the qualified dividends included on Form 8615, line 8. (See the earlier discussion for Form 8615, line 8.)
3. On line 3, enter the total of the amounts, if any, on line 4g of all Forms 4952 filed by the child, the parent, or any other child.
4. On line 4, enter the total of the amounts, if any, on line 4e of all Forms 4952 filed by the child, the parent, or any other child. If applicable, include instead the smaller amount entered on the dotted line next to line 4e.
5. On lines 5 and 6, follow the worksheet instructions.
6. On line 7, enter the net capital gain included on Form 8615, line 8. (See the earlier discussion for [line 8](#).)
7. On lines 8 through 10, follow the worksheet instructions.
8. On line 11, enter zero if neither the child, nor the parent, nor any other child has unrecaptured section 1250 gain (Schedule D, line 19) or 28% rate gain (Schedule D, line 18). Otherwise, enter the amount of unrecaptured section 1250 gain and 28% rate gain included in the net capital gain on Form 8615, line 8. Figure these amounts as explained later under [Figuring unrecaptured section 1250 gain \(line 11\)](#) and [Figuring 28% rate gain \(line 11\)](#).
9. If the Foreign Earned Income Tax Worksheet was used to figure the parent's tax or the tax of any child, go to step 10 below. Otherwise, skip steps 10, 11, and 12 below, and go to step 13.
10. Determine whether there is a line 8 capital gain excess as follows.
  - a. Add the amounts on line 2c of all Foreign Earned Income Tax Worksheets completed by the parent or any child for whom Form 8615 is filed. (But, for each child, don't add more than the excess, if any, of the amount on line 5 of the child's Form 8615 over the child's taxable income on Form 1040 or 1040-NR, line 15.)
  - b. Subtract (a) from the amount on line 1 of this Schedule D Tax Worksheet.
  - c. Subtract (b) from the amount on line 10 of this Schedule D Tax Worksheet. 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.
11. If there is no line 8 capital gain excess, skip step 12 below and go to step 13.
12. If there is a line 8 capital gain excess, complete a second Schedule D Tax Worksheet as instructed above and in step 13 but in its entirety and with the following additional modifications. (These modifications are to be made only for purposes of filling out this additional Schedule D Tax Worksheet.)
  - a. Reduce the amount you would otherwise enter on line 9 (but not below zero) by the line 8 capital gain excess.
  - b. Reduce the amount you would otherwise enter on line 6 (but not below zero) by any of the line 8 capital gain excess not used in (a) above.
  - c. If the child, the parent, or any other child has 28% rate gain, reduce the amount you would otherwise enter on line 8 of Worksheet 1 for Line 11 of the Schedule D Tax Worksheet—28% Rate Gain (Line 9 Tax), shown later, (but not below zero) by the line 8 capital gain excess, and refigure the amount on line 11 of this Schedule D Tax Worksheet.
  - d. If the child, the parent, or any other child has unrecaptured section 1250 gain, reduce the amount you would otherwise enter on line 8 of Worksheet 2 for Line 11 of the Schedule D Tax Worksheet—Unrecaptured Section 1250

Gain (Line 9 Tax) (but not below zero) by the line 8 capital gain excess not used in step 12c above, and refigure the amount on line 11 of this Schedule D Tax Worksheet.

13. Complete lines 12 through 47 following the worksheet instructions. On line 35, enter the smaller of (a) line 9 of this worksheet; or (b) the total of the amounts, if any, on line 19 of all Schedules D (Form 1040) filed by the child, the parent, or any other child. Use the parent's filing status to complete lines 15, 44, and 46.

Enter the amount from line 47 of this Schedule D Tax Worksheet on Form 8615, line 9, and check the box on that line. Don't attach this worksheet to the child's return.

**Figuring 28% rate gain (line 11).** If the child, the parent, or any other child has 28% rate gain, figure the amount of 28% rate gain included in the net capital gain on Form 8615, line 8, using the following worksheet.

**Worksheet 1 for Line 11 of the Schedule D Tax Worksheet—28% Rate Gain (Line 9 Tax)**

- Enter the amount, if any, from your child's Schedule D (Form 1040), line 18 .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*
- Enter the amount, if any, from the last line of your child's completed Line 5 Worksheet. (See the line 8 instructions for which Line 5 Worksheet to use.) .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*
- Enter the amount from line 2 of your child's completed Line 5 Worksheet .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*
- Divide line 2 by line 3. Enter the result as a decimal .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*
- Multiply line 1 by line 4 .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*
- If no other child has 28% rate gain, enter -0-. Otherwise, repeat lines 1 through 5 above for each other child who has 28% rate gain and enter the total of the line 5 amounts for those other children .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*
- Enter the amount, if any, from line 18 of the parent's Schedule D (Form 1040) .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*
- Add lines 5, 6, and 7. Also include this amount on the Schedule D Tax Worksheet, line 11 .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*

**Figuring unrecaptured section 1250 gain (line 11).** If the child, the parent, or any other child has unrecaptured section 1250 gain, figure the amount of unrecaptured section 1250 gain included in the net capital gain on Form 8615, line 8, using the following worksheet.

**Worksheet 2 for Line 11 of the Schedule D Tax Worksheet—Unrecaptured Section 1250 Gain (Line 9 Tax)**

- Enter the amount, if any, from your child's Schedule D, line 19 .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*
- Enter the amount, if any, from the last line of your child's completed Line 5 Worksheet. (See the line 8 instructions for which Line 5 Worksheet to use.) .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*
- Enter the amount from line 2 of your child's completed Line 5 Worksheet .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*
- Divide line 2 by line 3. Enter the result as a decimal .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*
- Multiply line 1 by line 4 .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*
- If no other child has unrecaptured section 1250 gain, enter -0-. Otherwise, repeat lines 1 through 5 for each other child who has unrecaptured section 1250 gain and enter the total of the line 5 amounts for those children .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*
- Enter the amount, if any, from line 19 of the parent's Schedule D (Form 1040) .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*
- Add lines 5, 6, and 7. Also include this amount on the Schedule D Tax Worksheet, line 11 .....  
*If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.*

**Using Schedule J (Form 1040) for line 9 tax.** If any farming or fishing income is included on line 8, the tax may be less if you use Schedule J. Use Schedule J to figure the line 9 tax on Form 8615 if Schedule J is used to figure the tax on the parent's return. First complete the actual Schedule J for the parent, then use another Schedule J as a worksheet to figure the tax to enter on line 9 of Form 8615. (Don't attach this worksheet to the child's return.)

Complete this worksheet Schedule J as follows.

- On line 1, enter the amount from Form 8615, line 8.
- On lines 2a, 2b, and 2c, enter the amounts from the parent's Schedule J, lines 2a, 2b, and 2c.
- Complete line 3 following the Schedule J instructions.
- Complete line 4. If Form 8615, line 8, includes any net capital gain, use the Qualified Dividends and Capital Gain Tax Worksheet to figure the tax amount on this line.

For details on how to use the worksheet, see [Using the Qualified Dividends and Capital Gain Tax Worksheet for line 9 tax](#), except use the amount from line 3 of this worksheet Schedule J (Form 1040) instead of the amount on Form 8615, line 8.

However, if the child, the parent, or any other child has a 28% rate gain or unrecaptured section 1250 gain, use the Schedule D Tax Worksheet. Follow the earlier instructions under [Using the Schedule D Tax Worksheet for line 9 tax](#), except use the amount on line 3 of this worksheet Schedule J (instead of the amount on Form 8615, line 8) in step 1, above.

- On lines 5 through 16, enter the amounts from the parent's Schedule J, lines 5 through 16.
- Complete lines 17 and 18 following the Schedule J (Form 1040) instructions.
- On lines 19 through 22, enter the amounts from the parent's Schedule J, lines 19 through 22.
- Complete line 23 following the Schedule J instructions.

Enter the amount from line 23 of this worksheet Schedule J on Form 8615, line 9, and check the box on that line.

## Line 10

Enter on line 10 the amount from Form 1040, 1040-SR, or 1040-NR, line 16. Don't include the tax, if any, from Form 4972 or Form 8814 or any tax from recapture of an education credit.

**Parent files Form 2555.** If the Foreign Earned Income Tax Worksheet (in the Instructions for Form 1040) 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 16.

## Line 11

Subtract line 10 from line 9 and enter the result on this line. This is the tentative tax.

If line 7 is blank, skip lines 12a and 12b and enter the amount from line 11 on line 13. Also skip the discussion for lines 12a and 12b that follows.

## Lines 12a and 12b

If an amount is entered on line 7, divide the tentative tax shown on line 11 among the children according to each child's share of the total net unearned income. This is done on lines 12a, 12b, and 13. Add the amount on line 7 to the amount on line 5 and enter the total on line 12a. Divide the amount on line 5 by the amount on line 12a and enter the result, as a decimal, on line 12b.

**Example.** In the earlier [example](#) under [Line 7](#), Sharon's Form 8615 shows \$6,000 on line 7. The amount entered on line 12a is \$9,000, the total of the amounts on lines 5 and 7 (\$3,000 + \$6,000). The decimal on line 12b is 0.333, figured as follows and rounded to three places.

$$\frac{\$3,000}{\$9,000} = 0.333$$

## Line 13

If an amount is entered on line 7, multiply line 11 by the decimal on line 12b and enter the result on line 13. This is the child's share of the tentative tax.

## Figuring the Child's Tax

The final step in figuring the child's tax is to determine the larger of:

1. The total of:
  - a. The child's share of the tentative tax based on the parent's tax rate, plus
  - b. The tax on the child's taxable income in excess of net unearned income, figured at the child's tax rate, or
2. The tax on the child's taxable income, figured at the child's tax rate.

This is the child's tax. It is figured on Form 8615, lines 14 through 18.

## Line 14

If lines 4 and 5 of Form 8615 are the same, the child's taxable income isn't more than the child's net unearned income. Enter zero on lines 14 and 15, and go to line 16. Also skip the rest of this discussion and the discussion for line 15 that follows.

If lines 4 and 5 aren't the same, subtract line 5 from line 4 and enter the result on line 14. Then, before completing line 15, you must determine 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 doesn't have any net capital gain or qualified dividends, the amount of the net capital gain and qualified dividends included on line 14 is zero.

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. (See the earlier discussion of [line 8](#).)

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. (See the earlier discussion of [line 8](#).)

## 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 [Using the Schedule D Tax Worksheet for line 15 tax](#), later, for instructions on how to figure the line 15 tax.

**Note:** 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. See [Net capital gain and qualified dividends on line 14](#), earlier.

**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. Complete lines 5 through 25 following the worksheet instructions. Use the child's filing status to complete lines 6, 13, 22, and 24 of the worksheet.

Enter the amount from line 25 on line 15 of Form 8615 and check the box on that line. Don't attach this worksheet to the child's return.

**Child files Form 2555.** If line 14 includes any net capital gain or qualified dividends and the child files Form 2555, see [Using the Schedule D Tax Worksheet for line 15 tax](#) next for instructions on how to figure the line 15 tax.

**Using the Schedule D Tax Worksheet for line 15 tax.** Use the Schedule D Tax Worksheet (in the Schedule D instructions) to figure the line 15 tax if the child has unrecaptured section 1250 gain or 28% rate gain. Don't attach this Schedule D Tax Worksheet to the child's return.

Complete this Schedule D Tax Worksheet as follows.

1. On line 1, enter the amount from Form 8615, line 14.
2. On line 2, enter the qualified dividends included on Form 8615, line 14. (See the earlier discussion of line 14.)
3. Leave lines 3 through 5 blank.
4. Enter the amount from line 2 on line 6.
5. On line 7, enter the net capital gain included on Form 8615, line 14. (See the earlier discussion of line 14.)
6. Skip line 8.
7. Enter the amount from line 7 on line 9.
8. Complete line 10, following the worksheet instructions.
9. On line 11, enter zero if the child has no 28% rate gain (Schedule D, line 18) or unrecaptured section 1250 gain (Schedule D, line 19).

Otherwise, see [Worksheet 1 for Line 11 of the Schedule D Tax Worksheet—28% Rate Gain \(Line 9 Tax\)](#) and [Worksheet 2 for Line 11 of the Schedule D Tax Worksheet—Unrecaptured Section 1250 Gain \(Line 9 Tax\)](#) under [Using the Schedule D Tax Worksheet for line 9 tax](#), earlier.

For each worksheet you complete, subtract line 5 of that worksheet from line 1 of that worksheet, and include the result on line 11 of this worksheet.

10. If the child isn't filing Form 2555, skip steps 11, 12, and 13 below, and go to step 14. If the child is filing Form 2555, go to step 11.
11. Determine whether there is a line 14 capital gain excess as follows.
  - a. Subtract from line 2c of your Foreign Earned Income Tax Worksheet the excess, if any, of the amount on line 5 of the child's Form 8615 over the child's taxable income on Form 1040 or 1040-NR, line 15.
  - b. Subtract (a) from the amount on line 14 of Form 8615.
  - c. Subtract (b) from the amount on line 10 of this Schedule D Tax Worksheet. If the result is more than zero, that amount is the line 14 capital gain excess. If the result is zero or less, there is no line 14 capital gain excess.
12. If there is no line 14 capital gain excess, skip step 13 below and go to step 14.
13. If there is a line 14 capital gain excess, complete a second Schedule D Tax Worksheet as instructed above and in step 14 below but in its entirety and with the following additional

modifications. (These modifications are to be made only for purposes of filling out this Schedule D Tax Worksheet.)

- a. Reduce the amount you would otherwise enter on line 9 (but not below zero) by the line 14 capital gain excess.
- b. Reduce the amount you would otherwise enter on line 6 (but not below zero) by any of the line 14 capital gain excess not used in (a) above.
- c. If the child has a 28% rate gain, reduce the amount you would otherwise enter on line 11, as figured in step 9, (but not below zero) by the line 14 capital gain excess.
- d. If the child has unrecaptured section 1250 gain, reduce the amount you would otherwise enter on line 11, as figured in step 9, (but not below zero) by the line 14 capital gain excess not used in (c) above.

14. Complete lines 12 through 47 following the worksheet instructions. Use the child's filing status to complete lines 15, 44, and 46.

Enter the amount from line 47 of this Schedule D Tax Worksheet on Form 8615, line 15, and check the box on that line. Don't attach this worksheet to your return.

**Using Schedule J (Form 1040) for line 15 tax.** If Schedule J applies, use it as a worksheet to figure the tax to enter on Form 8615, line 15. On line 1 of this worksheet, enter the amount from Form 8615, line 14. Complete lines 2a through 23 following the Schedule J instructions. Use the child's filing status to complete lines 4, 8, 12, and 16.

Enter the amount from line 23 of this worksheet Schedule J on Form 8615, line 15, and check the box on that line. Don't attach this worksheet to the child's return.

## Line 16

Add lines 13 and 15 and enter the total on line 16. This is your child's tax figured at the parent's rate on net unearned income and the child's tax rate on other income.

## Line 17

Figure the tax on the amount on line 4. Use the Tax Table, the Tax Computation Worksheet, the Qualified Dividends and Capital Gain Tax Worksheet, the Schedule D Tax Worksheet, or the child's actual Schedule J (Form 1040), whichever applies. Enter the tax amount on line 17. If the amount was figured using the Qualified Dividends and Capital Gain Tax Worksheet, the Schedule D Tax Worksheet, or Schedule J, check the box on that line.

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 is included on line 4, the tax may be less if you use Schedule J.

**Child files Form 2555.** If your child files Form 2555 and has a net capital gain or qualified dividends, figure the tax using the Qualified Dividends and Capital Gain Tax Worksheet or the Schedule D Tax Worksheet, whichever applies. To fill out that worksheet, follow the instructions in the footnote to the Foreign Earned Income Tax Worksheet (in the Instructions for Form 1040).

## Line 18

Enter on line 18 the larger of line 16 or line 17. Also enter this amount on the child's Form 1040 or 1040-NR, line 16. This is the child's tax.

**Child files Form 2555.** If your child files Form 2555, don't enter the amount from Form 8615, line 18, on the child's Form 1040 or 1040-NR, line 16. Instead, enter the amount from Form 8615, line 18, on line 4 of the child's Foreign Earned Income Tax Worksheet. Then complete the rest of the Foreign Earned Income Tax Worksheet (in the Instructions for Form 1040) to figure the child's tax.