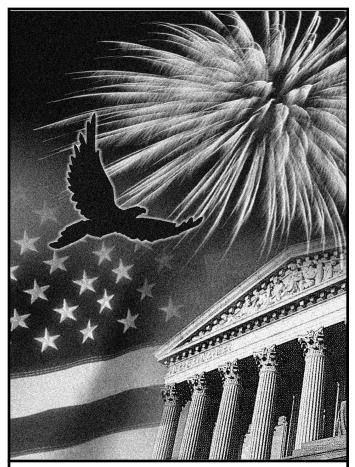


Publication 929

Cat. No. 64349Y

Tax Rules for Children and Dependents

For use in preparing **2013** Returns



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Contents

Future Developments

For the latest information about developments related to Publication 929, such as legislation enacted after this publication was published, go to www.irs.gov/pub929.

Reminders

Social security number (SSN). Dependents who are required to file a tax return must have an SSN. To apply for an SSN, file Form SS-5 with the Social Security Administration. You can go to the website www.socialsecurity.gov for more information.

Individual taxpayer identification number (ITIN). The IRS will issue an ITIN to a nonresident or resident alien who does not have and is not eligible to get an SSN. To apply for an ITIN, file Form W-7, Application for IRS Individual Taxpayer Identification Number, with the IRS. It takes 6-10 weeks to get an ITIN. The ITIN is entered wherever an SSN is requested on a tax return. If you are a nonresident alien applying for an ITIN to file a tax return, you generally must attach your original, completed return to Form W-7 to get an ITIN. See the Form W-7 instructions for more information.

An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law. Effective January 1, 2013, ITINs will expire after 5 years. Taxpayers who still need an ITIN after the end of the expiration period must reapply for a number.

Photographs of missing children. The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

Introduction

Part 1 of this publication explains the filing requirements and other tax information for individuals who can be claimed as a dependent on another person's tax return. Part 2 explains how to report and figure the tax on un-

earned income of certain children (whether or not they can be claimed as dependents).

Definitions. Many of the terms used in this publication, such as "dependent," "earned income," and "unearned income," are defined in the Glossary at the back of this publication.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions.

You can write to us at the following address:

Internal Revenue Service Tax Forms and Publications Division 1111 Constitution Ave. NW, IR-6526 Washington, DC 20224

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Tax questions. If you have a tax question, check the information available on IRS.gov or call 1-800-829-1040. We cannot answer tax questions sent to either of the above addresses.

Useful Items

You may want to see:

Publication

- □ 501 Exemptions, Standard Deduction, and Filing Information
- ☐ **505** Tax Withholding and Estimated Tax
- ☐ **550** Investment Income and Expenses

Form (and Instructions)

- □ W-4 Employee's Withholding Allowance Certificate
- □ 8615 Tax for Certain Children Who Have Unearned Income
- □ 8814 Parents' Election To Report Child's Interest and Dividends

See <u>How To Get Tax Help</u> near the end of this publication for information about getting these publications and forms.

Part 1. **Rules for All Dependents**

Terms you may need to know (see Glossary):

Dependent

Earned income

Exemption

Gross income

Itemized deductions

Standard deduction

Unearned income

This part of the publication discusses the filing requirements for dependents, who is responsible for a child's return, how to figure a dependent's standard deduction and exemption (if any), and whether a dependent can claim exemption from federal income tax withholding.

Filing Requirements

Whether a dependent has to file a return generally depends on the amount of the dependent's earned and unearned income and whether the dependent is married, is age 65 or older, or is blind.



A dependent may have to file a return even if his or her income is less than the amount that would CAUTION normally require a return. See Other Filing Re-

quirements, later.

Page 2 **Publication 929 (2013)** The following sections apply to dependents with:

- · Earned income only,
- Unearned income only, and
- Both earned and unearned income.

To find out whether a dependent must file, read the section that applies, or use Table 1.

Earned Income Only

A dependent whose gross income is only earned income must file a return if the gross income is more than the amount listed in the following table.

Marital Status	Amount
Single Under 65 and not blind Either 65 or older or blind 65 or older and blind	\$6,100 \$7,600 \$9,100
Married* Under 65 and not blind Either 65 or older or blind 65 or older and blind	\$6,100 \$7,300 \$8,500

^{*}If a dependent's spouse itemizes deductions on a separate return, the dependent must file a return if the dependent has \$5 or more of gross income (earned and/or unearned).

Example. William is 16. His mother claims an exemption for him on her income tax return. He worked part time on weekends during the school year and full time during the summer. He earned \$7,000 in wages. He did not have any unearned income.

He must file a tax return because he has earned income only and his gross income is more than \$6,100. If he is blind, he does not have to file a return because his gross income is not more than \$7,600.

Unearned Income Only

A dependent whose gross income is only unearned income must file a return if the gross income is more than the amount listed in the following table.

Marital Status	Amount
Single	
Under 65 and not blind	\$1,000
Either 65 or older or blind	\$2,500
65 or older and blind	\$4,000
Married*	
Under 65 and not blind	\$1,000
Either 65 or older or blind	\$2,200
65 or older and blind	\$3,400

^{*}If a dependent's spouse itemizes deductions on a separate return, the dependent must file a return if the dependent has \$5 or more of gross income (earned and/or unearned).

Example. Sarah is 18 and single. Her parents can claim an exemption for her on their income tax return. She received \$1,970 of taxable interest and dividend income. She did not work during the year.

She must file a tax return because she has unearned income only and her gross income is more than \$1,000. If

she is blind, she does not have to file a return because she has unearned income only and her gross income is not more than \$2,500.

Election to report child's unearned income on parent's return. A parent of a child under age 19 (or under age 24 if a full-time student) may be able to elect to include the child's interest and dividend income on the parent's return. See <u>Parent's Election To Report Child's Interest and Dividends</u> in <u>Part 2</u>. If the parent makes this election, the child does not have to file a return.

Both Earned and Unearned Income



A dependent who has both earned and unearned income generally must file a return if the dependent's gross income is more than line 5 of the fol-

lowing worksheet.

Filing Requirement Worksheet for Most Dependents

1.	Enter dependent's earned income plus \$350	
2.	Minimum amount	\$1,000
3.	Compare lines 1 and 2. Enter the larger amount	
4.	Maximum amount	6,100
5.	Compare lines 3 and 4. Enter the smaller amount	
6.	Enter the dependent's gross income. If line 6 is more than line 5, the dependent must file an income tax return. If the dependent is married and his or her spouse itemizes deductions on a separate return, the dependent must file an income tax return if line 6 is \$5 or more.	

Example 1. Joe is 20, single, not blind, and a full-time college student. He does not provide more than half of his own support, and his parents claim an exemption for him on their income tax return. He received \$200 taxable interest income and earned \$2,750 from a part-time job.

He does not have to file a tax return because his gross income of \$2,950 (\$200 interest plus \$2,750 in wages) is not more than \$3,100, the amount on line 5 of his filled-in Filing Requirement Worksheet for Most Dependents (shown next).

Table 1. 2013 Filing Requirements for Dependents

If yo	ur parent (or someone else) can claim you as a dependent, use this table to see if you must file a return.
Se	e the definitions of "dependent," "earned income," "unearned income," and "gross income" in the Glossary.
Sing	le dependents—Were you either age 65 or older or blind?
	No. You must file a return if any of the following apply.
	Your unearned income was over \$1,000.
	Your earned income was over \$6,100.
	Your gross income was more than the larger of—
	• \$1,000, or
	Your earned income (up to \$5,750) plus \$350.
	Yes. You must file a return if any of the following apply.
	• Your unearned income was over \$2,500 (\$4,000 if 65 or older and blind),
	• Your earned income was over \$7,600 (\$9,100 if 65 or older and blind),
	Your gross income was more than the larger of—
	• \$2,500 (\$4,000 if 65 or older and blind), or
	 Your earned income (up to \$5,750) plus \$1,850 (\$3,350 if 65 or older and blind).
Mar	ried dependents—Were you either age 65 or older or blind?
	No. You must file a return if any of the following apply.
	Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.
	Your unearned income was over \$1,000.
	Your earned income was over \$6,100.
	Your gross income was more than the larger of—
	• \$1,000, or
	Your earned income (up to \$5,750) plus \$350.
	Yes. You must file a return if any of the following apply.
	Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.
	• Your unearned income was over \$2,200 (\$3,400 if 65 or older and blind),
	 Your earned income was over \$7,300 (\$8,500 if 65 or older and blind),
	Your gross income was more than the larger of—
	• \$2,200 (\$3,400 if 65 or older and blind), or
	 Your earned income (up to \$5,750) plus \$1,550 (\$2,750 if 65 or older and blind).

Filled-in Example 1 Filing Requirement Worksheet for Most Dependents

	•	
1.	Enter dependent's earned income plus \$350	\$3,100
2.	Minimum amount	1,000
3.	Compare lines 1 and 2. Enter the larger amount	3,100
4.	Maximum amount	6,100
5.	Compare lines 3 and 4. Enter the smaller amount	3,100
6.	Enter the dependent's gross income. If line 6 is more than line 5, the dependent must file an income tax return. If the dependent is married and his or her spouse itemizes deductions on a separate return, the dependent must file an income tax return if line 6 is \$5 or more.	\$ 2,950

Example 2. The facts are the same as in *Example 1* except that Joe had \$600 taxable interest income.

He must file a tax return because his gross income of \$3,350 (\$600 interest plus \$2,750 wages) is more than \$3,100, the amount on line 5 of his filled-in worksheet (shown next).

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Filled-in Example 2 Filing Requirement Worksheet for Most Dependents

1.	Enter dependent's earned income plus \$350	\$3,100
2.	Minimum amount	1,000
3.	Compare lines 1 and 2. Enter the larger amount	3,100
4.	Maximum amount	6,100
5.	Compare lines 3 and 4. Enter the smaller amount	3,100
6.	Enter the dependent's gross income. If line 6 is more than line 5, the dependent must file an income tax return. If the dependent is married and his or her spouse itemizes deductions on a separate return, the dependent must file an income tax return if line 6 is \$5 or more.	\$ 3,350



Age 65 or older or blind. A dependent who is age 65 or older or blind must file a return if his or her gross income is more than line 7 of the follow-

ing worksheet.

Filing Requirement Worksheet for Dependents Who Are Age 65 or Older or Blind

1. Enter dependent's earned income plus \$350

Compare lines 1 and 2. Enter the larger amount . .

4.	Maximum amount		6,100
5.	Compare lines 3 and 4. Enter the small amount		
6.	Enter the amount from the following table applies to the dependent		
	Marital Status	Amount	
	Single		
	Either 65 or older or blind	\$1,500	
	65 or older and blind	\$3,000	
	Married		
	Either 65 or older or blind	\$1,200	
	65 or older and blind	\$2,400	
7.	Add lines 5 and 6. Enter the total		
8.	Enter the dependent's gross income. If li	ne 8 is more	
	than line 7, the dependent must file an ir	come tax	
	return. If the dependent is married and his or her		
	spouse itemizes deductions on a separa	ite return,	
	the dependent must file an income tax	return if	

Example 3. The facts are the same as in *Example 2* except that Joe is also blind. He does not have to file a return because his gross income of \$3,350 is not more than \$4,600, the amount on line 7 of his filled-in Filing Requirement Worksheet for Dependents Who Are Age 65 or Older or Blind (shown next).

line 8 is \$5 or more

Filled-in Example 3 Filing Requirement Worksheet for Dependents Who Are Age 65 or Older or Blind

1.	Enter dependent's earned income plus		
••	\$350		\$3,100
2.	Minimum amount		1,000
3.	Compare lines 1 and 2. Enter the larger amount		3,100
4.	Maximum amount		6,100
5.	Compare lines 3 and 4. Enter the smaller amount		3,100
6.	Enter the amount from the following table that applies to the dependent		1,500
	Marital Status An	nount	
	Single		
	Either 65 or older or blind \$	31,500	
	65 or older and blind \$	3,000	
	Married		
	Either 65 or older or blind \$	31,200	
	65 or older and blind \$	32,400	
7.	Add lines 5 and 6. Enter the total		4,600
8.	Enter the dependent's gross income. If line 8 is more than line 7, the dependent must file an income tax return. If the dependent is married an	d	

Other Filing Requirements

Some dependents may have to file a tax return even if their income is less than the amount that would normally require them to file a return.

\$3,350

his or her spouse itemizes deductions on a separate return, the dependent must file an income tax return

if line 8 is \$5 or more

A dependent must file a tax return if he or she owes any other taxes, such as:

- Social security and Medicare taxes on tips not reported to his or her employer or on wages received from an employer who did not withhold these taxes,
- Uncollected social security and Medicare or railroad retirement taxes on tips reported to his or her employer or on group-term life insurance,
- Alternative minimum tax,
- Additional tax on a health savings account from Form 8889, Part III,
- Recapture taxes, such as the tax from recapture of an education credit, or
- Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if the dependent is filing a return only because of this tax, the dependent can file Form 5329 by itself.

A dependent must also file a tax return if he or she:

 Had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes, or

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\$1,000

• Had net earnings from self-employment of at least \$400.

Spouse itemizes. A dependent must file a return if the dependent's spouse itemizes deductions on a separate return and the dependent has \$5 or more of gross income (earned and/or unearned).

Should a Return Be Filed Even If Not Required?

Even if a dependent does not meet any of the filing requirements discussed earlier, he or she should file a tax return if either of the following applies.

- Income tax was withheld from his or her income.
- He or she qualifies for the earned income credit, additional child tax credit, health coverage tax credit, or refundable American opportunity education credit. See the tax return instructions to find out who qualifies for these credits.

By filing a return, the dependent can get a refund.

Responsibility for Child's Return

Generally, a child is responsible for filing his or her own tax return and for paying any tax, penalties, or interest on that return. If a child cannot file his or her own return for any reason, such as age, the child's parent, guardian, or other legally responsible person must file it for the child.

Signing the child's return. If the child cannot sign his or her return, a parent or guardian must sign the child's name followed by the words "By (signature), parent (or guardian) for minor child."

Authority of parent or guardian. A parent or guardian who signs a return on a child's behalf can deal with the IRS on all matters connected with the return.

In general, a parent or guardian who does not sign the child's return can only provide information concerning the child's return and pay the child's tax. That parent or guardian is not entitled to receive information from the IRS or legally bind the child to a tax liability arising from the return.

Third party designee. A child's parent or guardian who does not sign the child's return may be authorized, as a third party designee, to discuss the processing of the return with the IRS as well as provide information concerning the return. The child or the person signing the return on the child's behalf must check the "Yes" box in the "Third Party Designee" area of the return and name the parent or guardian as the designee.

If designated, a parent or guardian can respond to certain IRS notices and receive information about the processing of the return and the status of a refund or

payment. This designation does not authorize the parent or guardian to receive any refund check, bind the child to any tax liability, or otherwise represent the child before the IRS. See the return instructions for more information.

Designated as representative. A parent or guardian who does not sign the child's return may be designated as the child's representative by the child or the person signing the return on the child's behalf. Form 2848, Power of Attorney and Declaration of Representative, is used to designate a child's representative. See Publication 947, Practice Before the IRS and Power of Attorney, for more information.

If designated, a parent or guardian can receive information about the child's return but cannot legally bind the child to a tax liability unless authorized to do so by the law of the state in which the child lives.

IRS notice. If you or the child receives a notice from the IRS concerning the child's return or tax liability, you should immediately inform the IRS that the notice concerns a child. The notice will show who to contact. The IRS will try to resolve the matter with the parent(s) or guardian(s) of the child consistent with their authority.

Child's earnings. For federal income tax purposes, amounts a child earns by performing services are included in the gross income of the child and not the gross income of the parent. This is true even if, under state law, the parent has the right to the earnings and may actually have received them.

If the child does not pay the tax due on this income, the parent may be liable for the tax.

Child's expenses. Deductions for payments that are made out of a child's earnings are the child's, even if the payments are made by the parent.

Example. You made payments on your child's behalf that are deductible as a business expense and a charitable contribution. You made the payments out of your child's earnings. These items can be deducted only on the child's return.

Standard Deduction

The standard deduction for an individual who can be claimed as a dependent on another person's tax return is generally limited to the larger of:

- 1. \$1,000, or
- 2. The individual's earned income plus \$350, but not more than the regular standard deduction (generally \$6,100).

However, the standard deduction may be higher for a dependent who:

- Is 65 or older, or
- Is blind.

Worksheet 1. Standard Deduction Worksheet for Dependents



Lloc	Hashir and about the if				
USE	this worksheet only if someone else can claim you (or your spouse, if filing jointly) as a dependent.				
If yo	ou were 65 or older and/or blind, check the correct number of boxes below. Put the total number of boxes checke	d in box	c and	I go to line	1.
a.	You 65 or older			Blind	
b.	Your spouse, if claiming spouse's exemption 65 or older			Blind	
c.	Total boxes checked				
1.	Enter your earned income (defined below) plus \$350. If none, enter -0	1.			
2.	Minimum amount.	2.		\$1,000	
3.	Compare lines 1 and 2. Enter the larger of the two amounts here.	3.			
4.	Enter on line 4 the amount shown below for your filing status.				
•	Single or Married filing separately—\$6,100				
•	Married filing jointly—\$12,200				
•	Head of household—\$8,950	4.			
5.	Standard deduction.				
a.	Compare lines 3 and 4. Enter the smaller amount here. If under 65 and not blind, stop here. This is your standard deduction. Otherwise, go on to line 5b.	5a.			
b.	If 65 or older or blind, multiply \$1,500 (\$1,200 if married) by the number in box c above. Enter the result here.	5b.			
c.	Add lines 5a and 5b. This is your standard deduction for 2013.	5c.			
Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in income.					

Certain dependents cannot claim any standard deduction. See *Standard Deduction of Zero*, later.

Worksheet 1. Use Worksheet 1 to figure the dependent's standard deduction.

Example 1. Michael is single, age 15, and not blind. His parents can claim him as a dependent on their tax return. He has taxable interest income of \$800 and wages of \$150. He enters \$500 (his earned income plus \$350) on line 1 of Worksheet 1. On line 3, he enters \$1,000, the larger of \$500 or \$1,000. Michael enters \$6,100 on line 4. On line 5a, he enters \$1,000, the smaller of \$1,000 or \$6,100. His standard deduction is \$1,000.

Example 2. Judy, a full-time student, is single, age 22, and not blind. Her parents can claim her as a dependent on their tax return. She has dividend income of \$275 and wages of \$2,500. She enters \$2,850 (her earned income plus \$350) on line 1 of Worksheet 1. On line 3, she enters \$2,850, the larger of \$2,850 or \$1,000. She enters \$6,100 on line 4. On line 5a, she enters \$2,850 (the smaller of \$2,850 or \$6,100) as her standard deduction.

Example 3. Amy, who is single, is claimed as a dependent on her parents' tax return. She is 18 years old and blind. She has taxable interest income of \$1,000 and wages of \$2,000. She enters \$2,350 (her earned income

plus \$350) on line 1 of Worksheet 1. She enters \$2,350 (the larger of \$2,350 or \$1,000) on line 3, \$6,100 on line 4, and \$2,350 (the smaller of \$2,350 or \$6,100) on line 5a. Because Amy is blind, she checks the box for blindness and enters "1" in box c at the top of Worksheet 1. She enters \$1,500 (the number in box c times \$1,500) on line 5b. Her standard deduction on line 5c is \$3,850 (\$2,350 + \$1,500).

Standard Deduction of Zero

The standard deduction for the following dependents is zero.

- A married dependent filing a separate return whose spouse itemizes deductions.
- A dependent who files a return for a period of less than 12 months due to a change in his or her annual accounting period.
- A nonresident or dual-status alien dependent, unless the dependent is married to a U.S. citizen or resident alien at the end of the year and chooses to be treated as a U.S. resident for the year. See Publication 519, U.S. Tax Guide for Aliens, for information on making this choice.

Example. Jennifer, who is a dependent of her parents, is entitled to file a joint return with her husband. However, her husband elects to file a separate return and itemize his deductions. Because he itemizes, Jennifer's standard deduction on her return is zero. She can, however, itemize any of her allowable deductions.

Dependent's Own Exemption

A person who can be claimed as a dependent on another taxpayer's return cannot claim his or her own exemption. This is true even if the other taxpayer does not actually claim the exemption.

Example. James and Barbara can claim their child, Ben, as a dependent on their return. Ben is a college student who works during the summer and must file a tax return. Ben cannot claim his own exemption on his return. This is true even if James and Barbara do not claim him as a dependent on their return.

Withholding From Wages

Employers generally withhold federal income tax, social security tax, and Medicare tax from an employee's wages. If the employee claims exemption from withholding on Form W-4, the employer will not withhold federal income tax. The exemption from withholding does not apply to social security and Medicare taxes.

Conditions for exemption from withholding. An employee can claim exemption from withholding for 2014 only if he or she meets both of the following conditions.

- 1. For 2013, the employee had a right to a refund of all federal income tax withheld because he or she had no tax liability.
- 2. For 2014, the employee expects a refund of all federal income tax withheld because he or she expects to have no tax liability.

Dependents. An employee who is a dependent ordinarily cannot claim exemption from withholding if both of the following are true.

- The employee's gross income will be more than \$1,000, the minimum standard deduction for 2014.
- The employee's unearned income will be more than \$350.

Exceptions. An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

- 1. Is age 65 or older,
- 2. Is blind, or
- 3. Will claim on his or her 2014 tax return:
 - a. Adjustments to income,

- b. Tax credits, or
- c. Itemized deductions.

The above exceptions do not apply to supplemental wages greater than \$1,000,000. For more information, see *Exemption From Withholding* in chapter 1 of Publication 505.

Example. Guy is 17 and a student. During the summer he works part time at a grocery store. He expects to earn about \$1,200 this year. He also worked at the store last summer and received a refund of all his withheld income tax because he did not have a tax liability. The only other income he expects during the year is \$375 interest on a savings account. He expects that his parents will be able to claim him as a dependent on their tax return. He is not blind and will not claim adjustments to income, itemized deductions, a higher standard deduction, or tax credits on his return.

Guy cannot claim exemption from withholding when he fills out Form W-4 because his parents will be able to claim him as a dependent, his gross income will be more than \$1,000 (the minimum standard deduction amount) and his unearned income will be more than \$350.

Claiming exemption from withholding. To claim exemption from withholding, an employee must enter "Exempt" in the space provided on Form W-4, line 7. The employee must complete the rest of the form, as explained in the form instructions, and give it to his or her employer.

Renewing an exemption from withholding. An exemption from withholding is good for only one year. An employee must file a new Form W-4 by February 15 each year to continue the exemption.

Part 2. Tax on Unearned Income of Certain Children

Terms you may need to know (see Glossary):

Adjusted gross income

Adjustments to income

Alternative minimum tax

Capital gain distribution

Dependent

Earned income

Full-time student

Gross income

Itemized deductions

Net capital gain

Net unearned income

Qualified dividends

Standard deduction

Support

Tax year

Taxable income

Unearned income

Unrecaptured section 1250 gain

28% rate gain

The two rules that follow may affect the tax on the unearned income of certain children.

- If the child's interest and dividend income (including capital gain distributions) total less than \$10,000, the child's parent may be able to choose to include that income on the parent's return rather than file a return for the child. (See <u>Parent's Election To Report Child's Interest and Dividends</u>, later.)
- If the child's interest, dividends, and other unearned income total more than \$2,000, part of that income may be taxed at the parent's tax rate instead of the child's tax rate. (See <u>Tax for Certain Children Who</u> <u>Have Unearned Income</u>, later.)

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.

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 figure the tax on the child's unearned income. The tax rate and other return information from that return are used to figure the child's tax as explained later under <u>Tax for Certain Children Who Have Unearned Income</u>.

Parents Who Do Not File a Joint Return

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

Only the parent whose tax return is used can make the election described under <u>Parent's Election To Report Child's Interest and Dividends</u>.

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 is not considered unmarried, use the return of the parent with the greater taxable income.

For an explanation of when a married person living apart from his or her spouse is considered unmarried, see *Head of Household* in Publication 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) has not 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. Do not 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 did not 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 <u>Custodial parent remarried</u> apply.

Parent's Election To Report Child's Interest and Dividends

You may be able to elect to include your child's interest and dividend income (including capital gain distributions) on your tax return. If you do, your child will not have to file a return.

You can make this election only if all the following conditions are met.

- Your child was under age 19 (or under age 24 if a full-time student) at the end of the year.
- Your child had income only from interest and dividends (including capital gain distributions and Alaska Permanent Fund dividends).
- The child's gross income was less than \$10,000.
- The child is required to file a return unless you make this election.
- The child does not file a joint return for the year.
- No estimated tax payment was made for the year, and no overpayment from the previous year (or from any amended return) was applied to this year under your child's name and social security number.

- No federal income tax was withheld from your child's income under the backup withholding rules.
- You are the parent whose return must be used when applying the special tax rules for children. (See <u>Which</u> <u>Parent's Return To Use</u>, earlier.)

These conditions are also shown in Figure 1.

Certain January 1 birthdays. A child born on January 1, 1995, is considered to be age 19 at the end of 2013. You cannot make this election for such a child unless the child was a full-time student.

A child born on January 1, 1990, is considered to be age 24 at the end of 2013. You cannot make this election for such a child.

How to make the election. Make the election by attaching Form 8814 to your Form 1040 or Form 1040NR. (If you make this election, you cannot file Form 1040A or Form 1040EZ.) Attach a separate Form 8814 for each child for whom you make the election. You can make the election for one or more children and not for others.

Effect of Making the Election

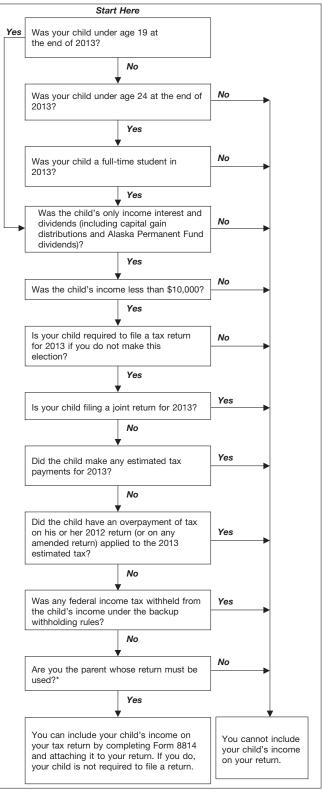
The federal income tax on your child's income may be more if you make the Form 8814 election.

Rate may be higher. If your child received qualified dividends or capital gain distributions, you may pay up to \$100 more tax if you make this election instead of filing a separate tax return for the child. This is because the tax rate on the child's income between \$1,000 and \$2,000 is 10% if you make this election. However, if you file a separate return for the child, the tax rate may be as low as 0% (zero percent) because of the preferential tax rates for qualified dividends and capital gain distributions.

Deductions you cannot take. By making the Form 8814 election, you cannot take any of the following deductions that the child would be entitled to on his or her return.

- The additional standard deduction if the child is blind.
- The deduction for a penalty on an early withdrawal of your child's savings.
- Itemized deductions (such as your child's investment expenses or charitable contributions).

Figure 1. Can You Include Your Child's Income On Your Tax Return?



*See Which Parent's Return To Use

Deductible investment interest. If you use Form 8814, your child's unearned income is considered your unearned income. To figure the limit on your deductible investment interest, add the child's unearned income to yours. However, if your child received qualified dividends,

capital gain distributions, or Alaska Permanent Fund dividends, see chapter 3 of Publication 550 for information about how to figure the limit.

Alternative minimum tax. If your child received tax-exempt interest (or exempt-interest dividends paid by a regulated investment company) from certain private activity bonds, you must determine if that interest is a tax preference item for alternative minimum tax (AMT) purposes. If it is, you must include it with your own tax preference items when figuring your AMT. See Form 6251, Alternative Minimum Tax—Individuals, and its instructions for details.

Reduced deductions or credits. If you use Form 8814, your increased adjusted gross income may reduce certain deductions or credits on your return, including the following.

- Deduction for contributions to a traditional individual retirement arrangement (IRA).
- Deduction for student loan interest.
- Itemized deductions for medical expenses, casualty and theft losses, and certain miscellaneous expenses.
- Credit for child and dependent care expenses.
- Child tax credit.
- Education tax credits.
- Earned income credit.

Penalty for underpayment of estimated tax. If you make this election for 2013 and did not have enough tax withheld or pay enough estimated tax to cover the tax you owe, you may be subject to a penalty. If you plan to make this election for 2014, you may need to increase your federal income tax withholding or your estimated tax payments to avoid the penalty. Get Publication 505 for more information.

Figuring Child's Income

Use Form 8814, Part I, to figure your child's interest and dividend income to report on your return. Only the amount over \$2,000 is added to your income. The amount over \$2,000 is shown on Form 8814, line 6. Unless the child's income includes qualified dividends or capital gain distributions (discussed next), the same amount is shown on Form 8814, line 12. Include the amount from Form 8814, line 12, on Form 1040 or Form 1040NR, line 21. If you file more than one Form 8814, include the total amounts from line 12 of all your Forms 8814 on Form 1040 or Form 1040NR, line 21. On the dotted line next to line 21, enter "Form 8814" and the total of the Form 8814, line 12 amounts.

Note. The tax on the first \$2,000 is figured on Form 8814, Part II. See *Figuring Additional Tax*, later.

Qualified dividends. Enter on Form 8814, line 2a, any ordinary dividends your child received. This amount may

include qualified dividends. Qualified dividends are those dividends reported on Form 1040, line 9b, or Form 1040NR, line 10b, and are eligible for lower tax rates that apply to a net capital gain. For detailed information about qualified dividends, see Publication 550.

If your child received qualified dividends, the amount of these dividends that is added to your income must be reported on Form 1040, lines 9a and 9b, or Form 1040NR, lines 10a and 10b. You do not include these dividends on Form 8814, line 12, or on line 21 of Form 1040 or Form 1040NR.

Enter the child's qualified dividends on Form 8814, line 2b. But do not include this amount on Form 1040, lines 9a and 9b, or Form 1040NR, lines 10a and 10b. Instead, include the amount from Form 8814, line 9, on Form 1040, lines 9a and 9b, or Form 1040NR, lines 10a and 10b. (The amount on Form 8814, line 9, may be less than the amount on Form 8814, line 2b, because lines 7 through 12 of the form divide the \$2,000 base amount on Form 8814, line 5, between the child's qualified dividends, capital gain distributions, and other interest and dividend income, reducing each of those amounts.)

Capital gain distributions. Enter on Form 8814, line 3, any capital gain distributions your child received. The amount of these distributions that is added to your income must be reported on Schedule D (Form 1040), line 13, or, if you are not required to file Schedule D, on Form 1040, line 13, or Form 1040NR, line 14. You do not include it on Form 8814, line 12, or on line 21 of Form 1040 or Form 1040NR.

Include the amount from Form 8814, line 10, on Schedule D, line 13; Form 1040, line 13; or Form 1040NR, line 14, whichever applies. (The amount on Form 8814, line 10, may be less than the amount on Form 8814, line 3, because lines 7 through 12 of the form divide the \$2,000 base amount on Form 8814, line 5, between the child's qualified dividends, capital gain distributions, and other interest and dividend income, reducing each of those amounts.)

Collectibles (28% rate) gain. If any of the child's capital gain distributions are reported on Form 1099-DIV as collectibles (28% rate) gain, you must determine how much to also include on line 4 of the 28% Rate Gain Worksheet, in the instructions for Schedule D, line 18. Multiply the child's capital gain distribution included on Schedule D, line 13, by a fraction. The numerator is the part of the child's total capital gain distribution that is collectibles (28% rate) gain. The denominator is the child's total capital gain distribution. Enter the result on line 4 of the 28% Rate Gain Worksheet.

Unrecaptured section 1250 gain. If any of the child's capital gain distributions are reported on Form 1099-DIV as unrecaptured section 1250 gain, you must determine how much to include on line 11 of the Unrecaptured Section 1250 Gain Worksheet in the instructions for Schedule D, line 19. Multiply the child's capital gain distribution included on Schedule D, line 13, by a fraction. The numerator is the part of the child's total capital gain distribution that is unrecaptured section 1250 gain. The denominator

is the child's total capital gain distribution. Enter the result on the Unrecaptured Section 1250 Gain Worksheet, line 11.

Section 1202 gain. If any of the child's capital gain distributions are reported as section 1202 gain (gain on qualified small business stock) on Form 1099-DIV, part or all of that gain may be eligible for the section 1202 exclusion. (For information about the exclusion, see chapter 4 of Publication 550.) To figure that part, multiply the child's capital gain distribution included on Schedule D, line 13, by a fraction. The numerator is the part of the child's total capital gain distribution that is section 1202 gain. The denominator is the child's total capital gain distribution. Your section 1202 exclusion is generally 50% of the result, but may be subject to a limit. In some cases, the exclusion is more than 50%. See the instructions for Schedule D for details and information on how to report the exclusion amount.

Example. Fred is 6 years old. In 2013, he received dividend income of \$2,100, which included \$1,575 of ordinary dividends and a \$525 capital gain distribution from a mutual fund. (None of the distributions were reported on Form 1099-DIV as unrecaptured section 1250 gain, section 1202 gain, or collectibles (28% rate) gain.) All of the ordinary dividends are qualified dividends. He has no other income and is not subject to backup withholding. No estimated tax payments were made under his name and social security number.

Fred's parents elect to include Fred's income on their tax return instead of filing a return for him.

They figure the amount to report on Form 1040, lines 9a and 9b, the amount to report on their Schedule D, line 13, and the amount to report on Form 1040, line 21, as follows.

They leave lines 1a and 1b of Form 8814 blank because Fred does not have any interest income. They enter his ordinary dividends of \$1,575 on lines 2a and 2b because all of Fred's ordinary dividends are qualified dividends. They enter the amount of Fred's capital gain distributions, \$525, on line 3. Next, they add the amounts on lines 1a, 2a, and 3 and enter the result, \$2,100, on line 4.

They subtract the base amount on line 5, \$2,000, from the amount on line 4, \$2,100, and enter the result, \$100, on line 6. This is the total amount from Form 8814 to be reported on their return. Next, they figure how much of this amount is qualified dividends and how much is capital gain distributions.

- They divide the amount on line 2b, \$1,575, by the amount on line 4, \$2,100. They enter the result, .75, on line 7.
- They divide the amount on line 3, \$525, by the amount on line 4, \$2,100. They enter the result, .25, on line 8.
- They multiply the amount on line 6, \$100, by the decimal on line 7, .75, and enter the result, \$75, on line 9.
- They multiply the amount on line 6, \$100, by the decimal on line 8, .25, and enter the result, \$25, on line 10.
- They include the amount from line 9, \$75, on lines 9a and 9b of their Form 1040 and enter "Form 8814 -

\$75" on the dotted lines next to lines 9a and 9b. They include the amount from line 10, \$25, on line 13 of their Schedule D (Form 1040) and enter "Form 8814 -\$25" on the dotted line next to Schedule D, line 13.

They enter \$100 (\$75 + \$25) on line 11 and -0- (\$100 -\$100) on line 12. Because the amount on line 12 is -0-, they do not include any amount from Form 8814 on their Form 1040, line 21.

Figuring Additional Tax

Use Form 8814, Part II, to figure the tax on the \$2,000 of your child's interest and dividends that you do not include in your income. This tax is added to the tax figured on your income.

This additional tax is the smaller of:

- 1. 10% x (your child's gross income \$1,000), or
- 2. \$100.



Include the amount from line 15 of all your Forms 8814 in the total on Form 1040, line 44, or Form CAUTION 1040NR, line 42. Check box a on Form 1040, line 44, or Form 1040NR, line 42.

Tax for Certain Children Who **Have Unearned Income**

If a child's interest, dividends, and other unearned income total more than \$2,000, part of that income may be taxed at the parent's tax rate instead of the child's tax rate. If the parent does not or cannot choose to include the child's income on the parent's return, use Form 8615 to figure the child's tax. Attach the completed form to the child's Form 1040, Form 1040A, or Form 1040NR.

When Form 8615 must be filed. Form 8615 must be filed for a child if all of the following statements are true.

- 1. The child's unearned income was more than \$2,000.
- 2. The child is required to file a return for 2013.
- 3. The child either:
 - a. Was under age 18 at the end of the year,
 - b. Was age 18 at the end of the year and did not have earned income that was more than half of his or her support, or
 - c. Was over age 18 and under age 24 at the end of the year, was a full-time student, and did not have earned income that was more than half of his or her support.
- 4. At least one of the child's parents was alive at the end of 2013.
- 5. The child does not file a joint return for 2013.

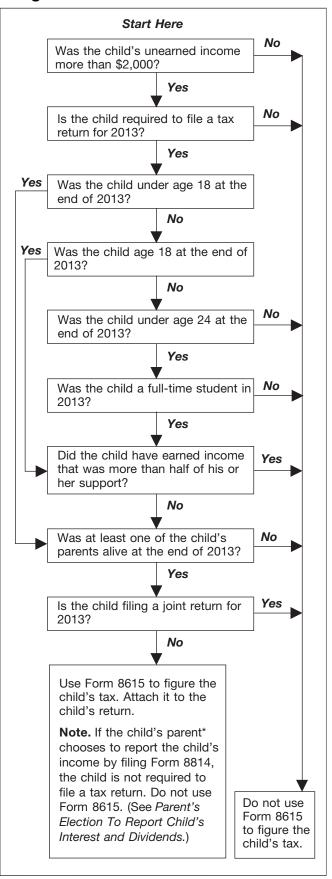
These conditions are also shown in Figure 2.

Certain January 1 birthdays. Use the following chart to determine whether certain children with January 1 birthdays meet condition 3 under *When Form 8615 must be filed.*

IF a child was born on	THEN, at the end of 2013, the child is considered to be
January 1, 1996	18*
January 1, 1995	19**
January 1, 1990	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.

Figure 2. Do You Have To Use Form 8615 To Figure Your Child's Tax?



^{*}See Which Parent's Return To Use

^{**}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.

Providing Parental Information (Form 8615, Lines A–C)

On Form 8615, lines A and B, enter the parent's name and social security number. (If the parents filed a joint return, enter the name and social security number listed first on the joint return.) On line C, check the box for the parent's filing status.

See Which Parent's Return To Use, earlier, for information on which parent's return information must be used on Form 8615.

Parent with different tax year. If the parent and the child do not 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 2013 (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, 2013, to complete her 2013 Form 8615.

Parent's return information not known timely. If the information needed from the parent's return is not known by the time the child's return is due (usually April 15), you can file the return using estimates.

You can use any reasonable estimate. This includes using information from last year's return. If you use an estimated amount on Form 8615, enter "Estimated" on the line next to the amount.

When you get the correct information, file an amended return on Form 1040X, Amended U.S. Individual Income Tax Return.

Extension of time to file. Instead of using estimates, you can get an automatic 6-month extension of time to file if, by the date your return is due, you file Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return. See the instructions for Form 4868 for details.



An extension of time to file is not an extension of time to pay. You must make an accurate estimate CAUTION of the tax for 2013. If you do not pay the full

amount due by the regular due date, the child will owe interest and may also be charged penalties. See Form 4868 and its instructions.

Parent's return information not available. If a child cannot get the required information about his or her parent's tax return, the child (or the child's legal representative) can request the necessary information from the Internal Revenue Service (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 cannot process a request received before the end of the tax year.)



You should also consider getting an extension of time to file the child's return, because there may be a delay in getting the requested information.

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 pa-
- Proof of the child's age (for example, a copy of the child's birth certificate).
- Evidence the child has more than \$2,000 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 (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 his or her Power of Attorney, such as Form 2848, or proof of legal guardianship.

Step 1. Figuring the Child's Net **Unearned Income** (Form 8615, Part I)

The first step in figuring a child's tax using Form 8615 is to figure the child's net unearned income. To do that, use Form 8615, Part I.

Line 1 (Unearned Income)

If the child had no earned income, enter on this line the adjusted gross income shown on the child's return. Adjusted gross income is shown on Form 1040, line 38: Form 1040A, line 22; or Form 1040NR, line 37. Form 1040EZ and Form 1040NR-EZ cannot be used if Form 8615 must be filed.

If the child had earned income, figure the amount to enter on Form 8615, line 1, by using the worksheet in the instructions for the form.



However, use the following worksheet if:

- the child has excluded any foreign earned income,
- deducted a loss from self-employment, or
- has a net operating loss from another year.

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Alternate Worksheet for Form 8615, Line 1

A.	Enter the amount from the child's Form 1040, line 22, or Form 1040NR, line 23	
B.	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 the child's Form 1040 or Form 1040NR. Enter this total as a positive number (greater than zero)	
C.	Add line A and line B and enter the total	
D.	Enter the child's earned income plus any amount from the child's Form 1040, line 30, or the child's Form 1040NR, line 30	
	Generally, the child's earned income is the total of the amounts reported on Form 1040, lines 7, 12, and 18 (if line 12 or 18 is a loss, use zero) or Form 1040NR, lines 8, 13, and 19 (if line 13 or 19 is a loss, use zero)	
F.	Subtract line D from line C. Enter the result	

Unearned income defined. Unearned income is generally all income other than salaries, wages, and other amounts received as pay for work actually performed. It includes taxable interest, dividends, capital gains (including capital gain distributions), the taxable part of social security and pension payments, certain distributions from trusts, and unemployment compensation. Unearned income includes amounts produced by assets the child obtained with earned income (such as interest on a savings account into which the child deposited wages).

here and on Form 8615, line 1

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

Capital loss. A child's capital losses are taken into account in figuring the child's 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) is subtracted from the child's interest, dividends, and other unearned income. Any difference over \$3,000 is carried to the next year.

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

A child's unearned income includes income produced by property given as a gift to the child. This includes gifts to the child from grandparents or any other person and gifts made under the Uniform Gift to Minors Act. **Example.** Amanda Black, age 13, received the following income.

- Dividends—\$800
- Wages—\$2,100
- Taxable interest—\$1,200
- 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 \$2,100. This is the total of the dividends (\$800), taxable interest (\$1,200), 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 is not included because it is nontaxable.

Trust income. If a 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 the child.

However, taxable distributions from a qualified disability trust are considered earned income for the purposes of completing Form 8615. See the Form 8615 instructions for details.

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

Line 2 (Deductions)

If the child does not itemize deductions on Schedule A (Form 1040 or Form 1040NR), enter \$2,000 on line 2.

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

- \$1,000 plus the portion of the child's itemized deductions on Schedule A (Form 1040), line 29 (or Schedule A (Form 1040NR), line 15), that are directly connected with the production of the unearned income entered on line 1, or
- 2. \$2,000.

Directly connected. Itemized deductions are directly connected with the production of unearned income if they are for expenses paid 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.

These expenses are added to certain other miscellaneous itemized deductions on Schedule A (Form 1040). Only the amount greater than 2% of the child's adjusted gross income can be deducted. See Publication 529, Miscellaneous Deductions, for more information.

Example 1. Roger, age 12, has unearned income of \$8,000, no other income, no adjustments to income, and itemized deductions of \$300 (net of the 2%-of-adjusted-gross-income limit) that are directly connected with his unearned income. His adjusted gross income is \$8,000, which is entered on Form 1040, line 38, and on Form 8615, line 1. Roger enters \$2,000 on line 2 because that is more than the total of \$1,000 plus his directly-connected itemized deductions of \$300.

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 \$1,050 (net of the 2%-of-adjusted-gross-income limit) 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 \$2,050. This is the larger of:

- 1. \$1,000 plus the \$1,050 of directly connected itemized deductions, or
- 2. \$2,000.

Line 3

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

Line 4 (Child's Taxable Income)

Enter on line 4 the child's taxable income from Form 1040, line 43; Form 1040A, line 27; or Form 1040NR, line 41.

Child files Form 2555 or 2555-EZ. If the child files Form 2555 or 2555-EZ to claim the foreign earned income exclusion, housing exclusion, or housing deduction, the Foreign Earned Income Tax Worksheet (in the Form 1040 instructions) is used to figure the child's tax. Enter the amount from line 3 of the Foreign Earned Income Tax Worksheet as the child's taxable income on Form 8615, line 4.

Line 5 (Net Unearned Income)

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

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

Step 2. Figuring a Tentative Tax at the Parent's Tax Rate (Form 8615, Part II)

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, do not refigure any of the exclusions, deductions, or credits on the parent's return because of the child's net unearned income. For example, do not refigure the medical expense deduction.

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

Line 6 (Parent's Taxable Income)

Enter on line 6 the amount from the parent's Form 1040, line 43; Form 1040A, line 27; Form 1040EZ, line 6; Form 1040NR, line 41; or Form 1040NR-EZ, line 14. If the parent's taxable income is zero or less, enter zero on line 6.

Parent files Form 2555 or 2555-EZ. If the parent files Form 2555 or 2555-EZ to claim the foreign earned income exclusion, housing exclusion, or housing deduction, the Foreign Earned Income Tax Worksheet in the Form 1040 instructions 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 (Net Unearned Income of Other Children)

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. Do not include the amount from line 5 of the Form 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—\$800
- Jerry—\$600
- Mike—\$1,000

Line 7 of Sharon's Form 8615 will show \$1,600, 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 \$1,800 (\$800 + \$1,000).

Line 7 of Mike's Form 8615 will show \$1,400 (\$800 + \$600).

Other children's information not available. If the net unearned income of the other children is not available when the return is due, either file the return using estimates or get an extension of time to file. Estimates and extensions are discussed earlier under <u>Providing Parental Information (Form 8615, Lines A–C)</u>.

Line 8 (Parent's Taxable Income Plus Children's Net Unearned Income)

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 Form 8615, 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.

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 of Form 8615.

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 instructions for Form 8615, line 8, including the appropriate Line 5 Worksheet, to find these amounts. See the instructions for Form 8615 for more details.

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

Line 9 (Tax on Parent's Taxable Income Plus Children's Net Unearned Income)

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 Form 1040, 1040A, or 1040NR instructions), the Schedule D

Tax Worksheet (in the Schedule D instructions), or Schedule J (Form 1040), as follows.

- If line 8 does not include any net capital gain or qualified dividends, use the Tax Table or Tax Computation
 Worksheet to figure this tax. But if Schedule J, Income
 Averaging for Farmers and Fishermen, 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, 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 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, use *Using the Schedule D Tax Worksheet for line 9 tax*, next, to figure the line 9 tax.

Using the Schedule D Tax Worksheet for line 9 tax. Use the Schedule D Tax Worksheet (in the Schedule D instructions) to figure the line 9 tax on Form 8615 if the child, 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, parent, or any other child. Then figure the line 9 tax using another Schedule D Tax Worksheet. (Do not 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 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, 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, 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.)
- 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 line 8 of Form 8615.

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.
- Determine whether there is a line 8 capital gain excess as follows.
 - a. Add the amounts on line 2 of all Foreign Earned Income Tax Worksheets completed by the parent or any child for whom Form 8615 is filed. (But for each child do not 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, line 43; Form 1040A, line 27; or Form 1040NR, line 41.)
 - 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.
 - 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, 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, 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 12(c), and refigure the amount on line 11 of this Schedule D Tax Worksheet.

13. Complete lines 12 through 45 following the worksheet instructions. Use the parent's filing status to complete lines 15, 42, and 44.

Enter the amount from line 45 of this Schedule D Tax Worksheet on Form 8615, line 9, and check the box on that line. Do not attach this worksheet to the child's return.

Figuring 28% rate gain (line 11). If the child, 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)

1.	Enter the amount, if any, from the child's Schedule D, line 18
	If line 1 is zero or blank, skip lines 2 through 4, enter -0- on line 5, and go to line 6.
2.	Enter the amount from the last line of the child's completed Line 5 Worksheet in the instructions for Form 8615, line 8
3.	Enter the amount from line 2 of the child's completed Line 5 Worksheet
4.	Divide line 2 by line 3. Enter the result as a decimal
5.	Multiply line 1 by line 4
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
7.	Enter the amount, if any, from line 18 of the parent's Schedule D
8.	Add lines 5, 6, and 7. Also include this amount on the Schedule D Tax Worksheet, line 11

Figuring unrecaptured section 1250 gain (line 11). If the child, 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 line 8 of Form 8615 using the following worksheet.

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

1.	Enter the amount, if any, from the 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.
2.	Enter the amount, if any, from the last line of the child's completed Line 5 Worksheet in the instructions for Form 8615, line 8
3.	Enter the amount from line 2 of the child's completed Line 5 Worksheet
4.	Divide line 2 by line 3. Enter the result as a decimal
5.	Multiply line 1 by line 4
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
7.	Enter the amount, if any, from line 19 of the parent's Schedule D
8.	Add lines 5, 6, and 7. Also include this amount on the Schedule D Tax Worksheet, line 11

Using Schedule J (Form 1040), for line 9 tax. Use Schedule J, Income Averaging for Farmers and Fishermen, 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. (Do not attach this worksheet to the child's return.)

Complete this worksheet Schedule J as follows.

- 1. On line 1, enter the amount from Form 8615, line 8.
- 2. On lines 2a, 2b, and 2c, enter the amounts from the parent's Schedule J, lines 2a, 2b, and 2c.
- 3. Complete line 3 following the Schedule J instructions.
- 4. 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 the instructions for Form 8615, line 9, but use the amount on line 3 of this worksheet Schedule J, (instead of the amount on Form 8615, line 8) in step (1) of Using the Qualified Dividends and Capital Gain Tax Worksheet for line 9 tax. However, if the child, parent, or any other child has 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).
- 5. 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 instructions.
- 7. 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 (Parent's Tax)

Enter on line 10 the amount from the parent's Form 1040, line 44; Form 1040A, line 28 (minus any alternative minimum tax); Form 1040EZ, line 10; Form 1040NR, line 42; or Form 1040NR-EZ, line 15. Do not include the tax, if any, from Form 4972 or Form 8814 or any tax from recapture of an education credit.

If the parent files Form 2555 or 2555-EZ, enter the amount from line 4 of the parent's Foreign Earned Income Tax Worksheet (in the Form 1040 instructions), instead of the parent's tax from Form 1040, line 44.

Line 11 (Tentative Tax)

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 (Dividing the Tentative Tax)

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 <u>Line 7 (Net Unearned Income of Other Children)</u>, Sharon's Form 8615 shows \$1,600 on line 7. The amount entered on line 12a is \$2,400, the total of the amounts on lines 5 and 7 (\$800 + \$1,600). The decimal on line 12b is .333, figured as follows and rounded to three places.

$$\frac{\$800}{\$2,400} = .333$$

Line 13 (Child's Share of Tentative Tax)

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.

Step 3. Figuring the Child's Tax (Form 8615, Part III)

The final step in figuring a child's tax using Form 8615 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
 - The tax on the child's taxable income in excess of net unearned income, figured at the child's tax rate, or
- 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 (Child's Taxable Income in Excess of Net Unearned Income)

If lines 4 and 5 of Form 8615 are the same, the child's taxable income is not 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 are not 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 does not 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 for line 8 of Form 8615.)

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 of Form 8615.)

Line 15 (Tax on Child's Taxable Income in Excess of Net Unearned Income)

Figure the tax on the amount on line 14 using the Tax Table, the Tax Computation Worksheet, the Qualified Dividends and Capital Gain Tax Worksheet, the Schedule D Tax Worksheet, or Schedule J (Form 1040), as follows.

 If line 14 does not include any net capital gain or qualified dividends, use the Tax Table or Tax Computation Worksheet (or Schedule J, if applicable) to figure this tax. If line 14 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 15. However, if the child has 28% rate gain or unrecaptured section 1250 gain, use the Schedule D Tax Worksheet. (But use Schedule J instead, if it applies.)

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, use *Using the Schedule D Tax Worksheet for line 15 tax*, next, 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 on Form 8615 if the child has unrecaptured section 1250 gain or 28% rate gain. Do not 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 for 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 for line 14.)
- 6. Skip line 8.
- 7. Enter the amount from line 7 on line 9.
- 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 <u>Using the Schedule D Tax Worksheet for line 9 tax</u>, 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 is not filing Form 2555 or 2555-EZ, skip steps 11, 12, and 13 below, and go to step 14. If the child is filing Form 2555 or 2555-EZ, go to step 11.
- Determine whether there is a line 14 capital gain excess as follows.
 - a. Subtract from line 2 of the child's 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, line 43; Form 1040A, line 27; or Form 1040NR, line 41.

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- 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 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 45 following the worksheet instructions. Use the child's filing status to complete lines 15, 42, and 44.

Enter the amount from line 45 of this Schedule D Tax Worksheet on Form 8615, line 15, and check the box on that line. Do not attach this worksheet to the child's return.

Using Schedule J 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. Do not attach this worksheet to the child's return.

Line 16 (Combined Tax)

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

Line 17 (Tax at Child's Rate)

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 it is from the Qualified Dividends and Capital Gain Tax Worksheet, the Schedule D Tax Worksheet, or Schedule J, check the box on that line.

Child files Form 2555 or 2555-EZ. If the child files Form 2555 or 2555-EZ 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 Form 1040 instructions).

Line 18 (Tax)

Enter on line 18 the larger of line 16 or line 17. Also enter this amount on the child's Form 1040, line 44; Form 1040A, line 28; or Form 1040NR, line 42. This is the child's tax.

Child files Form 2555 or 2555-EZ. 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. Then complete the rest of the Foreign Earned Income Tax Worksheet (in the Form 1040 instructions) to figure the child's tax.

Alternative Minimum Tax

A child may be subject to alternative minimum tax (AMT) if he or she 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 the child has passive activity losses or certain distributions from estates or trusts.

For more information on who is liable for AMT and how to figure it, see Form 6251.

Limit on exemption amount (AMT). Ordinarily, single individuals can subtract a \$51,900 exemption amount from their AMT taxable income. However, a child who files Form 8615 has a limited exemption amount. The child's exemption amount for 2013 is limited to the child's earned income plus \$7,150. Figure the child's allowable exemption amount on the worksheet in the instructions for Form 6251, line 29.

Illustrated Example

This example shows how to fill out Forms 8615 and 1040A for Joshua Blake. It also shows how to use the Qualified Dividends and Capital Gain Tax Worksheet in the Form 1040A instructions to figure Joshua's tax.

Bob and Laura Blake have one child, Joshua. He is 13 and has \$1,050 taxable interest, \$1,050 qualified dividend income, \$700 capital gain distributions, and \$1,550 earned income. He does not itemize deductions. Bob and

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Laura file a joint return with Bob's name and social security number listed first. They claim three exemptions, including an exemption for Joshua, on their return.

Because he is under age 18 and has more than \$2,000 unearned income, part of his income may be subject to tax at his parents' rate. A completed Form 8615 must be attached to his return.

Joshua's father, Bob, fills out Joshua's return. He completes Joshua's Form 1040A through line 27, then begins completing Joshua's Form 8615.

Bob enters his name and social security number on Joshua's Form 8615 because his name and number are listed first on the joint return he and Laura are filing. He checks the box for married filing jointly.

He enters Joshua's unearned income, \$2,800, on line 1. Joshua does not itemize deductions, so Bob enters \$2,000 on line 2. He enters \$800 (\$2,800 - \$2,000) on line 3.

Joshua's taxable income, as shown on his Form 1040A, line 27, is \$2,450. This is his total income (\$4,350) minus his standard deduction (\$1,900). His standard deduction is limited to the amount of his earned income plus \$350. Bob enters \$2,450 on line 4.

Bob compares lines 3 and 4 and enters the smaller amount, \$800, on line 5.

Bob enters \$48,000 on line 6. This is the taxable income from line 43 of Bob and Laura's joint Form 1040 return. Joshua is an only child, so line 7 is blank. He adds line 5 (\$800), line 6 (\$48,000), and line 7 (blank) and enters \$48,800 on line 8.

Because Joshua's capital gain distributions and qualified dividends are included on line 5, Bob uses Line 5 Worksheet #1 (in the instructions for Form 8615) to figure out that \$200 net capital gain and \$300 qualified dividends are included on line 5. He completes that worksheet as follows.

Line 5 Worksheet #1

1.	Enter the child's qualified dividends	\$1,050
2.	Enter the child's net capital gain	700
3.	Enter the amount from the child's Form 8615, line 1	2,800
4.	Divide line 1 by line 3. Enter the result as a decimal (rounded to at least 3 places). Do not enter more than 1.000	.375
5.	Divide line 2 by line 3. Enter the result as a decimal (rounded to at least 3 places). Do not enter more than 1.000	.250
6.	Multiply \$2,000 by line 4	750
7.	Multiply \$2,000 by line 5	500
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)	300
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)	200

Joshua's parents do not have a net capital gain or any qualified dividends, so no net capital gain or qualified dividends are on line 6 of Joshua's Form 8615. Therefore, the amount of net capital gain on line 8 of Joshua's Form 8615 is \$200, and the amount of qualified dividends on that line is \$300. Bob uses the Qualified Dividends and Capital Gain Tax Worksheet (in the Form 1040A instructions) and follows the instructions under *Using the Qualified Dividends and Capital Gain Tax Worksheet for line 9 tax* in the Form 8615 instructions to figure the tax to enter on Joshua's Form 8615, line 9.

Bob enters \$300 on line 2 of the Qualified Dividends and Capital Gain Tax Worksheet, and \$200 on line 3 of that worksheet. That completed worksheet is shown later as Filled-in Qualified Dividends and Capital Gain Tax Worksheet #1. Bob enters the tax of \$6,356 on Joshua's Form 8615, line 9.

He enters the tax from his and Laura's Form 1040 (\$6,311) on Joshua's Form 8615, line 10, then subtracts that amount from the \$6,356 on line 9, and enters the \$45 remainder on line 11. Because line 7 is blank, Bob skips lines 12a and 12b and enters \$45 on line 13.

Bob subtracts line 5 (\$800) from line 4 (\$2,450) and enters the result, \$1,650, on line 14. Using the instructions for line 14 earlier, Bob subtracts the net capital gain included on line 5 (\$200) from Joshua's net capital gain (\$700) to figure the \$500 net capital gain included on line 14. He also subtracts the qualified dividends included on line 5 (\$300) from Joshua's qualified dividends (\$1,050) to figure the \$750 qualified dividends included on line 14. He uses a second Qualified Dividends and Capital Gain Tax Worksheet and follows the instructions under *Using the Qualified Dividends and Capital Gain Tax Worksheet for line 15 tax,* in the Form 8615 instructions, to figure the \$41 tax to enter on Form 8615, line 15. That completed worksheet is shown later as Filled-in Qualified Dividends and Capital Gain Tax Worksheet #2.

Bob adds lines 13 and 15 of Form 8615, and enters the sum, \$86, on line 16. Then he uses a third Qualified Dividends and Capital Gain Tax Worksheet to figure the \$71 tax on Joshua's \$2,450 taxable income to enter on Form 8615, line 17. That completed worksheet is shown later as Filled-in Qualified Dividends and Capital Gain Tax Worksheet #3.

Finally, Bob compares lines 16 and 17 and enters the larger amount, \$86, on line 18 of Joshua's Form 8615. He also enters that amount on Joshua's Form 1040A, line 28.

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	15	Add lines 7 thro	ougn 14b (ta	ir right colur	nn). This	is yo	ur totai	inco	ome.		15	4,350	
Adjusted	16	Educator exper	neae leaa in:	etructions)		1	6						
gross	17	IRA deduction (1				_			
income	18	Student loan int			tructions		8						
				,									
	19	Tuition and fees					9						
	20	Add lines 16 th	rough 19. T	hese are you	ır total a	adjust	ments.				20		
	21	Subtract line 20) from line 1	5. This is yo	ur adius	stad a	roce in	com			21	4,350	
For Disclosure F		Subtract line 20											(2013)

Form 1040A (2	2013)								F	Page 2
Tax, credits,	22	Enter the amount from line 21	(adjusted	d gross inco	ome).			22	4,350	\Box
and	23a	Check You were born before			3lind η	Total b	oxes			
payments		if: Spouse was born befor	e January	2, 1949, 🔲 E	3lind J	checke	ed ▶ 23a			
paymonto	b	If you are married filing separa	tely and	your spous	e item	izes				
Standard		deductions, check here					▶ 23b			
Deduction for—	24	Enter your standard deductio						24	1,900	
People who	25	Subtract line 24 from line 22. If	line 24	is more tha	n line :	22, ent	er -0	25	2,450	
check any box on line	26	Exemptions. Multiply \$3,900 b	by the nu	ımber on lir	ne 6d.			26		
23a or 23b or who can be	27	Subtract line 26 from line 25. If	line 26	is more tha	n line :	25, ent	er -0			
claimed as a		This is your taxable income.						▶ 27	2,450	
dependent, see	28	Tax, including any alternative r	ninimum	n tax (see in	struct	ions).		28	86	
instructions. • All others:	29	Credit for child and dependent	care ex	penses. Att	ach					
Single or		Form 2441.				29				
Married filing separately,	30	Credit for the elderly or the dis	abled. A	ttach						
\$6,100		Schedule R.				30				
Married filing jointly or	31	Education credits from Form 8				31				
Qualifying	32	Retirement savings contribution	ns credi	t. Attach						
widow(er), \$12,200		Form 8880.				32				
Head of household,	33	Child tax credit. Attach Schedu				33				,
\$8,950	34	Add lines 29 through 33. These						34		\perp
	35	Subtract line 34 from line 28. If	line 34	is more tha	n line	28, ent	er -0 This			
		your total tax.						35	86	
	36	Federal income tax withheld fr	om Form	ns W-2 and						
		1099.				36	155			
If you have	37	2013 estimated tax payments	and amo	ount applied	1					
a qualifying		from 2012 return.				37	100			
child, attach Schedule	38a	· · · · · · · · · · · · · · · · · · ·				38a				
EIC.	b	Nontaxable combat pay	0.01							
		election.	38b	1 1 0010						
	39	Additional child tax credit. Atta			0	39				
	40	American opportunity credit fro				40		11	255	
	41	Add lines 36, 37, 38a, 39, and If line 41 is more than line 35, s					nts.	▶ 41		+
Refund	42			III e 33 II 011	1 11116 2	+1.		42	160	
5	43a	This is the amount you overpa Amount of line 42 you want refund		u If Form 88	99 ic a	ttachad	L chock horo		169 169	+
Direct deposit?	40a		ieu to yo	u. II I OIIII 00	100 IS a	ittaciieu	i, Check here	43a	109	
See	▶ b	Routing 0900000	0	c Type:	Che	cking	Savings			
instructions and fill in										
43b, 43c,	▶ d	Account 1 2 3 4 5 6 7 8	9							
and 43d or Form 8888.	44	Amount of line 42 you want ap	nlied to	vour						
		2014 estimated tax.	p	,		44				
A	45	Amount you owe. Subtract lin	e 41 froi	m line 35. F	or det		how to pay			
Amount		see instructions.						▶ 45		
you owe	46	Estimated tax penalty (see inst	ructions).		46				
Third party	Do	you want to allow another person to di			e IRS (se	ee instru	ctions)? Ve	s. Complete t	he following.	No
	_	signee's		Phone	,			al identification		
designee	nai			no. ▶ (8	00)8	29-104	40 numbe		▶ 567	8 9
Sign	Un	der penalties of perjury, I declare that I have defined belief, they are true, correct, and accurately	examined th	nis return and ac	compan	ying sche	dules and statem	ents, and to the	e best of my know	owledge er (other
Sign	tha	n the taxpayer) is based on all information of	which the p	reparer has any	knowled	lge.	erved during the	ian year. Decia	ation of prepare	ei (otilei
here	Yo	ur signature		Date	Your o	ccupation		Daytime ph	one number	
Joint return? See instructions.		Joshua A. Blake		2-15-14	Stua	dent		(800)	829-1040	1
Кеер а сору	Sp	ouse's signature. If a joint return, both must s	ign.	Date	Spouse	e's occup	ation		you an Identity Pro	otection
for your records.	7							PIN, enter it here (see inst.)		
Paid	Pri	nt/type preparer's name	Preparer's	signature			Date	Check ▶ ☐ if	PTIN	_
preparer								self-employed		
use only	Fire	m's name ▶						Firm's EIN ▶		
use offiny	Fire	n's address ▶						Phone no.		
									Earm 1040A	(2012)

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8615

Tax for Certain Children Who **Have Unearned Income**

► Attach only to the child's Form 1040, Form 1040A, or Form 1040NR.

OMB No. 1545-0074 2013 Attachment

Internal Revenue Service (99)

▶ Information about Form 8615 and its separate instructions is at www.irs.gov/form8615.

Sequence No. 33 Child's social security number Child's name shown on return Joshua A. Blake 111-00-1111 Before you begin: If the child, the parent, or any of the parent's other children for whom Form 8615 must be filed must use the Schedule D Tax Worksheet or has income from farming or fishing, see Pub. 929, Tax Rules for Children and Dependents. It explains how to figure the child's tax using the Schedule D Tax Worksheet or Schedule J (Form 1040). B Parent's social security number A Parent's name (first, initial, and last), Caution; See instructions before completing. Bob Blake 000-00-0001 C Parent's filing status (check one): Single ✓ Married filing jointly Married filing separately Head of household Qualifying widow(er) Child's Net Unearned Income Part I 1 2,800 Enter the child's unearned income (see instructions) If the child did not itemize deductions on Schedule A (Form 1040 or Form 1040NR), enter 2 2,000 Subtract line 2 from line 1. If zero or less, stop; do not complete the rest of this form but do 3 800 Enter the child's taxable income from Form 1040, line 43; Form 1040A, line 27; or Form 1040NR, line 41. If the child files Form 2555 or 2555-EZ, see the instructions 2,450 Enter the smaller of line 3 or line 4. If zero, stop; do not complete the rest of this form but do attach it to the child's return 800 Part II **Tentative Tax Based on the Tax Rate of the Parent** Enter the parent's taxable income from Form 1040, line 43; Form 1040A, line 27; Form 1040EZ, line 6; Form 1040NR, line 41; or Form 1040NR-EZ, line 14. If zero or less, enter -0-. If the parent 6 48,000 Enter the total, if any, from Forms 8615, line 5, of all other children of the parent named above. Add lines 5, 6, and 7 (see instructions) 8 48,800 Enter the tax on the amount on line 8 based on the parent's filing status above (see instructions). If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) is used to figure the tax, check here 9 6,356 Enter the parent's tax from Form 1040, line 44; Form 1040A, line 28, minus any alternative minimum tax; Form 1040EZ, line 10; Form 1040NR, line 42; or Form 1040NR-EZ, line 15. Do not include any tax from Form 4972 or 8814 or any tax from recapture of an education credit. If the parent files Form 2555 or 2555-EZ, see the instructions. If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) was used to figure 6.311 10 Subtract line 10 from line 9 and enter the result. If line 7 is blank, also enter this amount on line 11 45 12a Divide line 5 by line 12a. Enter the result as a decimal (rounded to at least three places) . 12b Multiply line 11 by line 12b 45 Child's Tax-If lines 4 and 5 above are the same, enter -0- on line 15 and go to line 16. Part III 14 Subtract line 5 from line 4 Enter the tax on the amount on line 14 based on the child's filing status (see instructions). If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) is used to figure the tax, check here 15 41 86 Enter the tax on the amount on line 4 based on the child's filing status (see instructions). If the Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, or Schedule J (Form 1040) is used to figure the tax, check here 17 Enter the larger of line 16 or line 17 here and on the child's Form 1040, line 44; Form 1040A line 28; or Form 1040NR, line 42. If the child files Form 2555 or 2555-EZ, see the instructions a 18

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat No. 64113U

Form 8615 (2013)

Filled-in Qualified Dividends and Capital Gain Tax Worksheet #1

Before you begin: ✓ Be sure you do not have to file Form 1040 (see the instructions for Form 1040A, line 10)		
1. Enter the amount from Form 1040A, line 27 1. 48,800*		
2. Enter the amount from Form 1040A, line 9b		
3. Enter the amount from Form 1040A, line 10		
4. Add lines 2 and 3 4		
5. Subtract line 4 from line 1. If zero or less, enter -0		
6. Enter the smaller of:		
The amount on line 1, or		
\$36,250 if single or married filing separately,		
\$72,500 if married filing jointly or qualifying widow(er), or 6. 48,800*	_	
\$48,600 if head of household.		
7. Enter the smaller of line 5 or line 6		
8. Subtract line 7 from line 6. This amount is taxed at 0%	-	
9. Enter the smaller of line 1 or line 4	-	
10. Enter the amount from line 8	-	
11. Subtract line 10 from line 9	-	
12. Multiply line 11 by 15% (.15)	12.	-0-
13. Use the Tax Table to figure the tax on the amount on line 5. Enter the tax here	13.	6,356
14. Add lines 12 and 13	14.	6,356
15. Use the Tax Table to figure the tax on the amount on line 1. Enter the tax here		6,431
16. Tax on all taxable income. Enter the smaller of line 14 or line 15 here and on Form 1040A, line 28	16.	6,356
	10.	

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^{*}See the instructions under *Using the Qualified Dividends and Capital Gain Tax Worksheet for line 9 tax* in the Form 8615 instructions.

Filled-in Qualified Dividends and Capital Gain Tax Worksheet #2

Befo	pre you begin: Be sure you do not have to file Form 1040 (see the instructions for Form 1040A, line 10)		
1.	Enter the amount from Form 1040A, line 27		
2.	Enter the amount from Form 1040A, line 9b 2		
3.	Enter the amount from Form 1040A, line 10 3		
4.	Add lines 2 and 3 41,250		
5.	Subtract line 4 from line 1. If zero or less, enter -0- 5.		
6.	Enter the smaller of:		
	The amount on line 1, or		
	\$36,250 if single or married filing separately,		
	\$72,500 if married filing jointly or qualifying		
	\$48,600 if head of household.		
7.	Enter the smaller of line 5 or line 6		
8.	Subtract line 7 from line 6. This amount is taxed at 0%		
9.	Enter the smaller of line 1 or line 4		
10.	Enter the amount from line 8		
11.	Subtract line 10 from line 9		
12.	Multiply line 11 by 15% (.15)	12.	-0-
13.	Use the Tax Table to figure the tax on the amount on line 5. Enter the tax here	13.	41*
14.	Add lines 12 and 13	14.	41
15.	Use the Tax Table to figure the tax on the amount on line 1. Enter the tax here	15.	166*
16.	Tax on all taxable income. Enter the smaller of line 14 or line 15 here and on Form 1040A, line 28	16.	41

^{*}See the instructions under *Using the Qualified Dividends and Capital Gain Tax Worksheet for line 15 tax* in the Form 8615 instructions.

Filled-in Qualified Dividends and Capital Gain Tax Worksheet #3

Before you begin: ✓ Be sure you do not have to file Form 1040 (see the instructions for F	Form 1040A, line 10)	
1. Enter the amount from Form 1040A, line 27	1. 2,450	
2. Enter the amount from Form 1040A, line 9b 21,050		
3. Enter the amount from Form 1040A, line 10		
4. Add lines 2 and 3	1,750	
5. Subtract line 4 from line 1. If zero or less, enter -0 5	5	
6. Enter the smaller of:		
The amount on line 1, or		
\$36,250 if single or married filing separately,		
\$72,500 if married filing jointly or qualifying widow(er), or	32,450	
\$48,600 if head of household.		
7. Enter the smaller of line 5 or line 6	7	
8. Subtract line 7 from line 6. This amount is taxed at 0%	1,750	
9. Enter the smaller of line 1 or line 4	9 1,750	
10. Enter the amount from line 8	1 ,750	
11. Subtract line 10 from line 9	1	
12. Multiply line 11 by 15% (.15)		12
13. Use the Tax Table to figure the tax on the amount on line 5. Enter the tax here		13
14. Add lines 12 and 13		14
15. Use the Tax Table to figure the tax on the amount on line 1. Enter the tax here		15246
16. Tax on all taxable income. Enter the smaller of line 14 or line 15 here and on Form 1040A	A, line 28	16

Glossary

Adjusted gross income. Gross income (defined later) minus adjustments to income (defined next).

Adjustments to income. Deductions that are subtracted from gross income in figuring adjusted gross income. They include deductions for moving expenses, alimony paid, a penalty on early withdrawal of savings, and contributions to an individual retirement arrangement (IRA). Adjustments to income can be taken even if itemized deductions (defined later) are not claimed.

Alternative minimum tax. A tax designed to collect at least a minimum amount of tax from taxpayers who

benefit from the tax laws that give special treatment to certain kinds of income and allow deductions and credits for certain kinds of expenses.

Capital gain distribution. An allocated amount paid to, or treated as paid to, a shareholder by a mutual fund, regulated investment company, or real estate investment trust from its net realized long-term capital gains. This amount is in addition to any ordinary dividend paid to the shareholder. You will receive a statement from the payer if this applies to you.

Dependent. A person, other than the taxpayer or the taxpayer's spouse, for whom an exemption (defined later) can be claimed. To be your dependent, a person must be your qualifying child or qualifying relative (both

defined later). For more information, see *Exemptions for Dependents* in Publication 501.

Earned income. Salaries, wages, tips, professional fees, and other amounts received as pay for work actually performed.

For purposes of determining a dependent's standard deduction, earned income also includes any part of a scholarship or fellowship grant that the dependent must include in his or her gross income.

For purposes of completing Form 8615, earned income also includes a taxable distribution from a qualified disability trust. It does not include unearned income as defined earlier, under *Line 1 (Unearned Income)*.

Exemption. An amount (\$3,900 for 2013) that can be subtracted from income in figuring how much income will be taxed. Exemptions generally are allowed for the taxpayer, the taxpayer's spouse, and dependents.

Full-time student. A full-time student is a child who during some part of each of any 5 calendar months of the year was enrolled as a full-time student at a school, or took a full-time on-farm training course given by a school or a state, county, or local government agency. A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

Gross income. All income from all sources that is not exempt from tax and must be included on your tax return. Gross income is the total of your earned and unearned income.

For purposes of determining whether you must file a return, gross income includes gain from the sale of your main home (even if you can exclude part or all of it) and includes income earned outside the United States (even if you can exclude part or all of it).

Itemized deductions. Deductions allowed on Schedule A (Form 1040) for medical and dental expenses, taxes, home mortgage interest and investment interest, charitable contributions, casualty and theft losses, and miscellaneous deductions. They are subtracted from adjusted gross income in figuring taxable income. Itemized deductions cannot be claimed if the standard deduction is chosen.

Net capital gain. The excess of net long-term capital gain over any net short-term capital loss. For 2013, this is the smaller of the gain on line 15 or the gain on line 16 of Schedule D (Form 1040). If Schedule D (Form 1040) is not required, net capital gain is the amount of capital gain distributions on Form 1040, line 13; Form 1040A, line 10; or Form 1040NR, line 14.

Net unearned income. The total of all unearned income (other than

tax-exempt income) reduced by the sum of:

- Any adjustments to income (defined earlier) that are related to the unearned income, plus
- 2. The larger of:
 - a. \$1,000 plus the portion of the child's itemized deductions on Schedule A (Form 1040), line 29 (or Schedule A (Form 1040NR), line 15), that are directly connected with producing the unearned income, or
 - b. \$2.000.

Qualified dividends. Dividends eligible for the lower tax rates that apply to a net capital gain. They are reported to you in box 1b of Form 1099-DIV. You report them on Form 1040 or Form 1040A, line 9b, or Form 1040NR, line 10b. For more information, see Publication 550.

Qualifying child. To be your dependent (defined earlier), a person must be either your qualifying child or your qualifying relative (defined next). Generally, a person is your qualifying child if that person:

- Is your child, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them,
- Lived with you for more than half of the year,
- Did not provide more than half of his or her own support for the year,
- Was under age 19 at the end of the year and younger than you (or your spouse if filing jointly) (or was under age 24 at the end of the year, a student, and younger than you (or your spouse if filing jointly), or was any age and permanently and totally disabled), and
- Did not file a joint return with his or her spouse.

For details, see *Exemptions for Dependents* in Publication 501.

Qualifying relative. To be your dependent (defined earlier), a person must be either your qualifying child (defined earlier) or your qualifying relative. Generally, a person is your qualifying relative if that person:

- Lives with or is related to you,
- Does not have \$3,900 or more of gross (total) income,
- Is supported (generally more than 50%) by you, and
- Is neither your qualifying child nor the qualifying child of anyone else.

For details, see *Exemptions for Dependents* in Publication 501.

Standard deduction. An amount that can be subtracted from adjusted gross income in figuring taxable income. The standard deduction is not used if itemized deductions are claimed.

Support. 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. See Publication 501 for details.

Tax year. The time period covered by a tax return. Usually this is January 1 to December 31, a calendar year, but taxpayers can elect a fiscal tax year with different beginning and ending dates.

Taxable income. Gross income minus any adjustments to income, any allowable exemptions, and either itemized deductions or the standard deduction.

Unearned income. Income other than earned income. This is investment-type income and includes interest, dividends, and capital gains (including capital gain distributions), rents, royalties, etc. Distributions of interest, dividends, capital gains, and other unearned income from a trust are also unearned income to a beneficiary of the trust. However, for purposes of completing Form 8615, a taxable distribution from a qualified disability trust is considered earned income.

Unrecaptured section 1250 gain. Generally, any part of your net capital gain from selling section 1250 property (real property) that is due to depreciation. For details, see Publication 550.

28% rate gain. Gain from the sale of collectibles and, generally, the taxable part of your gain from the sale of qualified small business stock held more than 5 years. For details, see the instructions for Schedule D (Form 1040).

How To Get Tax Help

Whether it's help with a tax issue, preparing your tax return or a need for a free publication or form, get the help you need the way you want it: online, use a smart phone, call or walk in to an IRS office or volunteer site near you.

Free help with your tax return. You can get free help preparing your return nationwide from IRS-certified volunteers. The Volunteer Income Tax As-(VITA) program sistance low-to-moderate income, elderly, people with disabilities, and limited English proficient taxpayers. The Tax Counseling for the Elderly (TCE) program helps taxpayers age 60 and older with their tax returns. Most VITA and TCE sites offer free electronic filing and all volunteers will let you know about credits and deductions you may be entitled to claim. In addition, some VITA and TCE sites provide taxpavers the opportunity to prepare their own return with help from an IRS-certified volunteer. To find the nearest VITA or TCE site, you can use the VITA Locator Tool on IRS.gov, download the IRS2Go app, or call 1-800-906-9887.

As part of the TCE program, AARP offers the Tax-Aide counseling program. To find the nearest AARP Tax-Aide site, visit AARP's website at www.aarp.org/money/taxaide or call 1-888-227-7669. For more information on these programs, go to IRS.gov and enter "VITA" in the search box.

Internet. IRS.gov and IRS2Go are ready when you are —24 hours a day, 7 days a week.

 Download the free IRS2Go app from the iTunes app store or from Google Play. Use it to check your refund status, order transcripts of your tax returns or tax account, watch the IRS YouTube channel,

- get IRS news as soon as it's released to the public, subscribe to filing season updates or daily tax tips, and follow the IRS Twitter news feed, @IRSnews, to get the latest federal tax news, including information about tax law changes and important IRS programs.
- Check the status of your 2013 refund with the Where's My Refund? application on IRS.gov or download the IRS2Go app and select the Refund Status option. The IRS issues more than 9 out of 10 refunds in less than 21 days. Using these applications, you can start checking on the status of your return within 24 hours after we receive your e-filed return or 4 weeks after you mail a paper return. You will also be given a personalized refund date as soon as the IRS processes your tax return and approves your refund. The IRS updates Where's My Refund? every 24 hours, usually overnight, so you only need to check once a day.
- Use the Interactive Tax Assistant (ITA) to research your tax guestions. No need to wait on the phone or stand in line. The ITA is available 24 hours a day, 7 days a week, and provides you with a variety of tax information related to general filing topics, deductions, credits, and income. When you reach the response screen, you can print the entire interview and the final response for your records. New subject areas are added on a regular basis. Answers not provided through ITA may be found in *Tax Trails*, one of the Tax Topics on IRS.gov which contain general individual and business tax information or by

- searching the *IRS Tax Map*, which includes an **international subject index**. You can use the **IRS Tax Map**, to search publications and instructions by topic or keyword. The IRS Tax Map integrates forms and publications into one research tool and provides single-point access to tax law information by subject. When the user searches the IRS Tax Map, they will be provided with links to related content in existing IRS publications, forms and instructions, questions and answers, and Tax Topics.
- Coming this filing season, you can immediately view and print for free all 5 types of individual federal tax transcripts (tax returns, tax account, record of account, wage and income statement, and certification of non-filing) using Get Transcript. You can also ask the IRS to mail a return or an account transcript to you. Only the mail option is available by choosing the Tax Records option on the IRS2Go app by selecting Mail Transcript on IRS.gov or by calling 1-800-908-9946. Tax return and tax account transcripts are generally available for the current year and the past three years.
- Determine if you are eligible for the EITC and estimate the amount of the credit with the <u>Earned</u> <u>Income Tax Credit (EITC)</u> <u>Assistant.</u>
- Visit <u>Understanding Your IRS</u>
 <u>Notice or Letter</u> to get answers to
 questions about a notice or letter
 you received from the IRS.
- If you received the First Time Homebuyer Credit, you can use the <u>First Time Homebuyer Credit</u> <u>Account Look-up</u> tool for

- information on your repayments and account balance.
- Check the status of your amended return using Where's My Amended Return? Go to IRS.gov and enter Where's My Amended Return? in the search box. You can generally expect your amended return to be processed up to 12 weeks from the date we receive it. It can take up to 3 weeks from the date you mailed it to show up in our system.
- Make a payment using one of several safe and convenient electronic payment options available on IRS.gov. Select the Payment tab on the front page of IRS.gov for more information.
- Determine if you are eligible and apply for an <u>online payment</u> <u>agreement</u>, if you owe more tax than you can pay today.
- Figure your income tax withholding with the <u>IRS Withholding</u>
 <u>Calculator</u> on IRS.gov. Use it if you've had too much or too little withheld, your personal situation has changed, you're starting a new job or you just want to see if you're having the right amount withheld.
- Determine if you might be subject to the Alternative Minimum Tax by using the <u>Alternative Minimum Tax</u> <u>Assistant</u> on IRS.gov.
- Request an Electronic Filing PIN by going to IRS.gov and entering Electronic Filing PIN in the search box.
- Download forms, instructions and publications, including accessible versions for people with disabilities.
- Locate the nearest Taxpayer Assistance Center (TAC) using the Office Locator tool on IRS.gov, or choose the Contact Us option on the IRS2Go app and search Local Offices. An employee can answer questions about your tax account or help you set up a payment plan. Before you visit, check the Office Locator on IRS.gov, or Local Offices under Contact Us on IRS2Go to confirm the address, phone number, days and hours of operation, and the services provided. If

- you have a special need, such as a disability, you can request an appointment. Call the local number listed in the Office Locator, or look in the phone book under United States Government, Internal Revenue Service.
- Apply for an Employer Identification Number (EIN). Go to IRS.gov and enter Apply for an EIN in the search box.
- Read the Internal Revenue Code, regulations, or other official guidance.
- Read Internal Revenue Bulletins.
- Sign up to receive local and national tax news and more by email.
 Just click on "subscriptions" above the search box on IRS.gov and choose from a variety of options.

Phone. You can call the IRS, or you can carry it in your pocket with the IRS2Go app on your smart phone or tablet. Download the free IRS2Go app from the iTunes app store or from Google Play.

- · Call to locate the nearest volunteer help site, 1-800-906-9887 or you can use the VITA Locator Tool on IRS.gov, or download the IRS2Go app. Low-to-moderate income, elderly, people with disabilities, and limited English proficient taxpayers can get free help with their tax return from the nationwide Volunteer Income Tax Assistance (VITA) program. The Tax Counseling for the Elderly (TCE) program helps taxpayers age 60 and older with their tax returns. Most VITA and TCE sites offer free electronic filing. Some VITA and TCE sites provide IRS-certified volunteers who can help prepare your tax return. Through the TCE program, AARP offers the Tax-Aide counseling program; call 1-888-227-7669 to find the nearest Tax-Aide location.
- Call the automated Where's My Refund? information hotline to check the status of your 2013 refund 24 hours a day, 7 days a week at 1-800-829-1954. If you e-file, you can start checking on the status of your return within 24 hours after the IRS receives your tax return or 4 weeks after you've

- mailed a paper return. The IRS issues more than 9 out of 10 refunds in less than 21 days. Where's My Refund? will give you a personalized refund date as soon as the IRS processes your tax return and approves your refund. Before you call this automated hotline, have your 2013 tax return handy so you can enter your social security number, your filing status, and the exact whole dollar amount of your refund. The IRS updates Where's My Refund? every 24 hours, usually overnight, so you only need to check once a day. Note, the above information is for our automated hotline. Our live phone and walk-in assistors can research the status of your refund only if it's been 21 days or more since you filed electronically or more than 6 weeks since you mailed your paper return.
- Call the Amended Return Hotline, 1-866-464-2050, to check the status of your amended return. You can generally expect your amended return to be processed up to 12 weeks from the date we receive it. It can take up to 3 weeks from the date you mailed it to show up in our system.
- Call 1-800-TAX-FORM
 (1-800-829-3676) to order current-year forms, instructions, publications, and prior-year forms and instructions (limited to 5 years).
 You should receive your order within 10 business days.
- Call TeleTax, 1-800-829-4477, to listen to pre-recorded messages covering general and business tax information. If, between January and April 15, you still have questions about the Form 1040, 1040A, or 1040EZ (like filing requirements, dependents, credits, Schedule D, pensions and IRAs or self-employment taxes), call 1-800-829-1040.
- Call using TTY/TDD equipment, 1-800-829-4059 to ask tax questions or order forms and publications. The TTY/TDD telephone number is for people who are deaf, hard of hearing, or have a speech disability. These individuals can also contact the IRS

through relay services such as the *Federal Relay Service*.

Walk-in. You can find a selection of forms, publications and services — in-person.

- Products. You can walk in to some post offices, libraries, and IRS offices to pick up certain forms, instructions, and publications. Some IRS offices, libraries, and city and county government offices have a collection of products available to photocopy from reproducible proofs.
- Services. You can walk in to your local TAC for face-to-face tax help. An employee can answer questions about your tax account or help you set up a payment plan. Before visiting, use the Office Locator tool on IRS.gov, or choose the Contact Us option on the IRS2Go app and search Local Offices for days and hours of operation, and services provided.

Mail. You can send your order for forms, instructions, and publications to the address below. You should receive a response within 10 business days after your request is received.

Internal Revenue Service 1201 N. Mitsubishi Motorway Bloomington, IL 61705-6613

The Taxpayer Advocate Service Is Here to Help You. The Taxpayer Ad-

vocate Service (TAS) is your voice at the IRS. Our job is to ensure that every taxpayer is treated fairly and that you know and understand your rights.

What can TAS do for you? We can offer you free help with IRS problems that you can't resolve on your own. We know this process can be confusing, but the worst thing you can do is nothing at all! TAS can help if you can't resolve your tax problem and:

- Your problem is causing financial difficulties for you, your family, or your business.
- You face (or your business is facing) an immediate threat of adverse action.
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

If you qualify for our help, you'll be assigned to one advocate who'll be with you at every turn and will do everything possible to resolve your problem. Here's why we can help:

- TAS is an independent organization within the IRS.
- Our advocates know how to work with the IRS.
- Our services are free and tailored to meet your needs.

 We have offices in every state, the District of Columbia, and Puerto Rico.

How can you reach us? If you think TAS can help you, call your local advocate, whose number is in your local directory and at *Taxpayer Advocate*, or call us toll-free at 1-877-777-4778.

How else does TAS help taxpayers?

TAS also works to resolve large-scale, systemic problems that affect many taxpayers. If you know of one of these broad issues, please report it to us through our <u>Systemic Advocacy Management System</u>.

Low Income Taxpayer Clinics

Low Income Taxpayer Clinics (LITCs) serve individuals whose income is below a certain level and need to resolve tax problems such as audits, appeals and tax collection disputes. Some clinics can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Visit <u>Taxpayer Advocate</u> or see IRS Publication 4134, Low Income Taxpayer Clinic List.

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To help us develop a more useful index, please let us know if you have ideas for index entries. See "Comments and Suggestions" in the "Introduction" for the ways you can reach us.

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