

# When is a Form 8615 out of scope?

Tax for Certain Children Who Have Unearned Income aka Kiddie Tax

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| Form <b>8615</b><br>Department of the Treasury<br>Internal Revenue Service (99)   | <b>Tax for Certain Children Who Have Unearned Income</b><br>▶ Attach only to the child's Form 1040, Form 1040A, or Form 1040NR.<br>▶ Go to <a href="http://www.irs.gov/Form8615">www.irs.gov/Form8615</a> for instructions and the latest information. | OMB No. 1545-0074                                |
|   |  | <b>2017</b><br>Attachment Sequence No. <b>33</b> |
| Child's name shown on return  |  | Child's social security number                   |
| <b>Before you begin:</b> 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 <b>Pub. 929</b> , Tax Rules for Children and Dependents. It explains how to figure the child's tax using the <b>Schedule D Tax Worksheet</b> or <b>Schedule J</b> (Form 1040). |  |  |
| <b>A</b> Parent's name (first, initial, and last). <b>Caution:</b> See instructions before completing.  |  | <b>B</b> Parent's social security number         |
| <b>C</b> Parent's filing status (check one):<br><input type="checkbox"/> Single <input type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately <input type="checkbox"/> Head of household <input type="checkbox"/> Qualifying widow(er)   |  |  |

**RULE for 2018: we can now prepare returns requiring Form 8615 when all unearned income is from taxable scholarships ONLY.**

**For prior years, returns requiring Form 8615 are out of scope for VITA.**

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Follow these steps to help determine whether the return is out of scope.

## Step 1: Is Form 8615 required?

Answer these two questions:

1. Does the dependent have over \$2,100 in unearned income (including taxable scholarship income)?
2. Will the dependent file a tax return? (This can be because of a filing requirement or just to get federal withholding back.)

*Single dependents not age 65 or blind must file a return if any of the following apply:*

- *Your unearned income was more than \$1,050 (not including taxable scholarships)*
- *Your earned income was more than \$12,000 (including taxable scholarships)*
- *Your gross income was more than the larger of \$1,050 or your earned income (up to \$12,000) plus \$350*

If you **did not** answer yes to both questions, stop here. Form 8615 is not required.

If you **did** answer yes to both questions, proceed to step 2. Form 8615 is required.

***For prior years:*** if the dependent has over \$2,100 in unearned income and files a return- check the filing threshold for that year- the return is out of scope for VITA. Out-of-Scope can still prepare it!

## Step 2: Is the return out of scope?

Is all of the unearned income from taxable scholarships ONLY?

If yes, the return is in scope.

If no, the return is out of scope. Note: the Out-of-Scope program can still prepare these returns!