



**Note:** *The draft you are looking for begins on the next page.*

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Most forms and publications have a page on IRS.gov: [IRS.gov/Form1040](https://www.irs.gov/Form1040) for Form 1040; [IRS.gov/Pub501](https://www.irs.gov/Pub501) for Pub. 501; [IRS.gov/W4](https://www.irs.gov/W4) for Form W-4; and [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA) for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

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2025



# Instructions for Form 8814

## Parents' Election To Report Child's Interest and Dividends

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

### Future Developments

For the latest information about developments related to Form 8814 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form8814](https://www.irs.gov/Form8814).

## General Instructions

### Purpose of Form

Use this form if you elect to report your child's income on your return. If you do, your child will not have to file a return. You can make this election if your child meets all of the following conditions.

- The child was under age 19 (or under age 24 if a full-time student) at the end of 2025. [Full-time student](#) is defined below.
- The child's only income was from interest and dividends, including capital gain distributions and Alaska Permanent Fund dividends.
- The child's gross income for 2025 was less than \$13,500.
- The child is required to file a 2025 return.
- The child does not file a joint return for 2025.
- There were no estimated tax payments for the child for 2025 (including any overpayment of tax from his or her 2024 return applied to 2025 estimated tax).
- There was no federal income tax withheld from the child's income.

You must also qualify. See [Parents who qualify to make the election](#), below.

**Note:** The amounts at \$1,350 and below are not taxed when using this election. See [Rate may be higher](#) for more information.

**Full-time student.** A full-time student is your child who for some part of each of 5 calendar months during 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.

**Certain January 1 birthdays.** A child born on January 1, 2007, is considered to be age 19 at the end of 2025. You cannot make this election for such a child unless the child was a full-time student.

A child born on January 1, 2002, is considered to be age 24 at the end of 2025. You cannot make this election for such a child.

**How to make the election.** To make the election, complete and attach Form(s) 8814 to your tax return and file your return by the due date (including extensions). A separate Form 8814 must be filed for each child whose income you choose to report on your return. You can make the election for one or more children and not for others.

**Parents who qualify to make the election.** You qualify to make this election if you file Form 1040, 1040-SR, or 1040-NR and any of the following apply.

- You are filing a joint return for 2025 with the child's other parent.
- You and the child's other parent were married to each other but file separate returns for 2025 and you had the higher taxable income.
- You were unmarried, treated as unmarried for federal income tax purposes, or separated from the child's other parent by a divorce or separate maintenance decree. The child must have lived with you for most of the year (you were the custodial parent). If you were the custodial parent and you remarried, you can make the election on a joint return with your new spouse. But if you and your new spouse don't file a joint return, you qualify to make the election only if you had higher taxable income than your new spouse.

See [Which Parent's Return To Use](#) below for more information about which parent's return to use.

**Note:** If you and the child's other parent were not married but lived together during the year with the child, you qualify to make the election only if you are the parent with the higher taxable income.

### 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 when electing to report the child's interest and dividend income on their return. For other situations when the parents do not file a joint return, see [Parents Who Don't File a Joint Return](#), next.

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

For parents who don't file a joint return and are electing to report the child's interest and dividend income on their 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 earlier under [Parents who qualify to make the election](#).

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

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

For an explanation of when a married person living apart from his or her spouse is considered unmarried, see *Head of Household* in Pub. 501.

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

**Custodial parent remarried.** If the custodial parent has remarried, the stepparent (rather than the noncustodial parent) is treated as the child's other parent. Therefore, if the custodial parent and the stepparent file a joint return, use that joint return. Don't use the return of the noncustodial parent.

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

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

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

**Tax benefits you cannot take.** If you elect to report your child's income on your return, you cannot take certain deductions that your child could take on his or her own return such as:

- Additional standard deduction of \$2,000 if the child is blind,
- Penalty on early withdrawal of child's savings, and
- Itemized deductions such as the child's charitable contributions.

**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 IRA.
- Deduction for student loan interest.
- Deduction for qualified tips.
- Deduction for qualified overtime compensation.
- Deduction for seniors.
- Deduction for qualified passenger vehicle loan interest.
- Itemized deductions for medical expenses, state and local taxes, and casualty and theft losses.
- 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 2025 and didn't 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 2026, you may need to increase your federal income tax withholding or your estimated tax payments to avoid the penalty. See Pub. 505, Tax Withholding and Estimated Tax, for more information.

**Rate may be higher.** If your child received qualified dividends or capital gain distributions, you may pay up to \$135 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 \$1,350 and \$2,700 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% because of the preferential tax rates for qualified dividends and capital gain distributions.

To figure the most beneficial tax on your child's income, first figure the tax on your child's income as if they are filing a return. Next, figure the tax as if you are electing to report your child's income on your return. Then, compare the methods to determine which results in the lower tax.

**Alternative minimum tax (AMT).** If your child received tax-exempt interest (or exempt-interest dividends paid by a regulated investment company) from certain private activity bonds, you must take this into account in determining if you owe the AMT. This type of interest should be shown in box 9 of Form

1099-INT. See Form 6251, Alternative Minimum Tax—Individuals, and its instructions for details.

**Net Investment Income Tax (NIIT).** For purposes of figuring any NIIT liability of the parents on Form 8960, the following rules apply.

1. All income reported on line 12 is included in the parents' modified adjusted gross income.
2. All net investment income included on line 12 (except for Alaska Permanent Fund dividends) is included in the parents' net investment income.

For more information on NIIT, go to [IRS.gov/NIIT](https://www.irs.gov/NIIT).

**Investment interest expense.** Your child's income (other than qualified dividends, Alaska Permanent Fund dividends, and capital gain distributions) that you report on your return is considered to be your investment income for purposes of figuring your investment interest expense deduction. If your child received qualified dividends, Alaska Permanent Fund dividends, or capital gain distributions, see Pub. 550, Investment Income and Expenses, to figure the amount you can treat as your investment income.

**Foreign accounts and trusts.** You must complete Schedule B (Form 1040), Part III, and file it with your tax return if your child:

1. Had a foreign financial account; or
2. Received a distribution from, or was the grantor of, or transferor to, a foreign trust.

Enter "Form 8814" on the dotted line next to line 7a or line 8, whichever applies. Complete line 7b if applicable.

**Note:** If you file Form 8814 with your income tax return to report your child's foreign financial account, you have an interest in the assets from that account and may be required to file Form 8938, Statement of Specified Foreign Financial Assets. See the Form 8938 instructions for details.

**Change of address.** If your child filed a return for a previous year and the address shown on the last return filed is not your child's current address, be sure to notify the IRS, in writing, of the new address. To do this, use Form 8822, Change of Address.

## Specific Instructions

**Name and social security number (SSN).** If you are filing a joint return, enter both names but enter the SSN of the person whose name is shown first on the return.

## Taxable and Tax-Exempt Interest

**Line 1a.** Enter all taxable interest income your child received in 2025. Do not include tax-exempt interest in the total for line 1a, but be sure to include it on line 1b.

If your child received, as a nominee, interest that actually belongs to another person, enter the amount and "ND" (nominee distribution) on the dotted line next to line 1a. Do not include amounts received as a nominee in the total for line 1a.

If your child had accrued interest that was paid to the seller of a bond, amortizable bond premium (ABP) allowed as a reduction to interest income, or if any original issue discount (OID) is less than the amount shown on your child's Form 1099-OID, enter the nontaxable amount on the dotted line next to line 1a and "Accrued interest," "ABP adjustment," or "OID adjustment," whichever applies. Do not include any nontaxable amounts in the total for line 1a.

**Line 1b.** If your child received any tax-exempt interest income, such as from certain state and municipal bonds, report it on line 1b. Tax-exempt interest, including any exempt-interest

dividends your child received as a shareholder in a mutual fund or other regulated investment company, should be shown in box 8 of Form 1099-DIV.

**Note:** If line 1b includes tax-exempt interest or exempt-interest dividends paid by a regulated investment company from private activity bonds, see [Alternative minimum tax](#), earlier.

## Ordinary Dividends

**Line 2a.** Enter the ordinary dividends your child received in 2025. Ordinary dividends should be shown in box 1a of Form 1099-DIV. Also include ordinary dividends your child received through a partnership, an S corporation, or an estate or trust.

**Ordinary dividends received as nominee.** If your child received, as a nominee, ordinary dividends that actually belong to another person, enter the amount and "ND" on the dotted line next to line 2a. Do not include amounts received as a nominee in the total for line 2a.

## Qualified Dividends

**Line 2b.** Enter all qualified dividends your child received in 2025. Qualified dividends are those dividends normally reported on Form 1040, 1040-SR, or 1040-NR, line 3a. They are the ordinary dividends that are eligible for the same lower tax rate as a net capital gain. Qualified dividends should be shown in box 1b of Form 1099-DIV. For detailed information about qualified dividends, see Pub. 550.

Enter the child's qualified dividends on Form 8814, line 2b. But don't include this amount on the parent's Form 1040, 1040-SR, or 1040-NR, line 3a. Instead, include the amount from Form 8814, line 9, on Form 1040, 1040-SR, or 1040-NR, line 3a. (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 \$2,700 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.)

**Note:** Don't include these dividends on Form 8814, line 12; or Schedule 1 (Form 1040), line 8z.

## Capital Gain Distributions

**Line 3.** Enter the capital gain distributions your child received in 2025. Capital gain distributions should be shown in box 2a of Form 1099-DIV.

The amount of these distributions that is added to your income must be reported on Schedule D (Form 1040), Capital Gains and Losses, line 13, or, if you aren't required to file Schedule D, on Form 1040, 1040-SR, or 1040-NR, line 7a, whichever applies.

This is the amount on Form 8814, line 10. (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 \$2,700 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.)

**Note:** Don't include these dividends on Form 8814, line 12; or Schedule 1 (Form 1040), line 8z.

**Types of capital gain distributions.** Capital gain distributions are organized into the following three subcategories.

- Collectibles (28% rate) gain distributions.
- Unrecaptured section 1250 gain distributions.
- Section 1202 gain distributions.

**Collectibles (28% rate) gain distributions.** 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 distributions.** 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 distributions.** 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 Pub. 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.)

**Capital gain distributions received as nominee.** If your child received, as a nominee, capital gain distributions that actually belong to another person, enter the amount and "ND" on the dotted line next to line 3. Do not include amounts received as a nominee in the total for line 3.

**Example.** Fred is 6 years old. In 2025, he received dividend income of \$2,800, which included \$2,190 of ordinary dividends and a \$610 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 isn't subject to backup withholding. No estimated tax payments were made under his name and SSN.

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 3a and 3b, and the amount to report on their Schedule D, line 13, as follows.

They leave lines 1a and 1b of Form 8814 blank because Fred doesn't have any interest income. They enter his ordinary dividends of \$2,190 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, \$610, on line 3. Next, they add the amounts on lines 1a, 2a, and 3 and enter the result, \$2,800, on line 4.

They subtract the base amount on line 5, \$2,700, from the amount on line 4, \$2,800, 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, \$2,190, by the amount on line 4, \$2,800. They enter the result, 0.78, on line 7.
- They divide the amount on line 3, \$610, by the amount on line 4, \$2,800. They enter the result, 0.22, on line 8.



- They multiply the amount on line 6, \$100, by the decimal on line 7, 0.78, and enter the result, \$78, on line 9.
- They multiply the amount on line 6, \$100, by the decimal on line 8, 0.22, and enter the result, \$22, on line 10.
- They include the amount from line 9, \$78, on lines 3a and 3b of their Form 1040 and enter "Form 8814 — \$78" on the dotted lines next to lines 3a and 3b. They include the amount from line 10, \$22, on line 13 of their Schedule D (Form 1040) and enter "Form 8814 — \$22" on the dotted line next to Schedule D, line 13.

## Additional Instructions

**Line 9.** Include this amount on Form 1040, 1040-SR, or 1040-NR, lines 3a and 3b. Enter "Form 8814" and this amount on the dotted line next to those lines unless you file Schedule B (Form 1040).

If you file Schedule B, include this amount on line 5 and identify it as from "Form 8814." Complete Schedule B as instructed. Also include this amount on Form 1040, 1040-SR, or 1040-NR, line 3a.

You must file Schedule B if this amount plus the parents' dividends is more than \$1,500.

**Line 10.** Include this amount on Schedule D (Form 1040), line 13; or Form 1040, 1040-SR, or 1040-NR, line 7a. Enter "Form 8814" and this amount on the dotted line next to line 13 of Schedule D or in the space to the left of line 7a of Form 1040, 1040-SR, or 1040-NR. Check the box on line 7b, "Schedule D not required", if applicable.

If any of the child's capital gain distributions were reported on Form 1099-DIV as unrecaptured section 1250 gain, section 1202 gain, or collectibles (28% rate) gain, see [Types of capital gain distributions](#), earlier, to locate the instructions for the type(s) of capital gain distributions your child has and for details on the amount(s) to report on Schedule D.

**Line 12.** If you checked the box on line C, add the amounts from line 12 of all your Forms 8814. Include the result on Schedule 1 (Form 1040), line 8z. Enter "Form 8814" and the total of the line 12 amounts in the space on that line.

**Line 15.** If you checked the box on line C, add the amounts from line 15 of all your Forms 8814. Include the total on Form 1040, 1040-SR, or 1040-NR, line 16. Be sure to check box 1 on Form 1040, 1040-SR, or 1040-NR, line 16.

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