

DECISION TREE

IS YOUR CHILD REQUIRED TO FILE A TAX RETURN?

UNEARNED INCOME EXAMPLES

Taxable interest, dividends, capital gains, and unearned income received as the beneficiary of a trust. **

EARNED INCOME EXAMPLES

Wages, tips, other payments for personal services performed, and taxable distributions from qualified trusts.

Is your child single, under age 65, and not blind?*

YES

Do any of the following apply to your child?

1. His or her *unearned* income was over \$1,100.
2. His or her *earned* income was over \$12,400***.
3. His or her *gross* income (earned and unearned income) was more than the larger of:
\$1,100, or
his or her earned income (up to \$12,050) plus \$350.
See example below.

NO

YES

Your child is required to file a tax return.

Your child is not required to file a tax return.

EXAMPLE:

Kendra received \$200 of taxable interest income and earned \$2,750 from a part-time job in 2020. Therefore, her gross income is \$2,950. Because she received both unearned and earned income, she uses the worksheet to determine her tax return filing requirement. By using the worksheet, she has determined that she is not required to file a tax return.

Gross Income Worksheet For Receipt of Both Unearned and Earned Income

1 Enter child's earned income plus \$350	\$3,100
2 Minimum amount (\$1,100)	\$1,100
3 Enter the larger of Line 1 or Line 2	\$3,100
4 Maximum Amount (\$12,400)	\$12,400
5 Enter the smaller of Line 3 or Line 4	\$3,100
6 Enter the child's gross income	\$2,950
7 Is Line 6 more than Line 5?	NO

If yes, the child is required to file a tax return.

- * See Publication 929 for thresholds for married dependents, dependents over age 65, and blind dependents.
- ** Unearned income also includes rents, royalties, taxable Social Security benefits, pension and annuity income, taxable scholarship and fellowship grants not reported on Form W-2, unemployment compensation, and alimony.
- *** \$12,400 is the 2020 standard deduction