Your Federal Income Tax

For Individuals

Publication 17

For use in preparing

2025 Returns

TAX GUIDE 2025



FOR INDIVIDUALS

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Jan 13, 2026

Publication 17 (2025) Catalog Number 10311G
Department of the Treasury **Internal Revenue Service** www.irs.gov

Your Federal Income Tax

For Individuals

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All material in this publication may be reprinted freely. A citation to Your Federal Income Tax (2025) *would be appropriate.*

The explanations and examples in this publication reflect the interpretation by the Internal Revenue Service (IRS) of:

- Tax laws enacted by Congress,
- Treasury regulations, and
- Court decisions.

However, the information given does not cover every situation and is not intended to replace the law or change its meaning.

This publication covers some subjects on which a court may have made a decision more favorable to taxpayers than the interpretation by the IRS. Until these differing interpretations are resolved by higher court decisions or in some other way, this publication will continue to present the interpretations by the IRS.

All taxpayers have important rights when working with the IRS. These rights are described under *Your Rights as a Taxpayer* in the back of this publication.

What's New

This section summarizes important tax changes that took effect in 2025. Most of these changes are discussed in more detail throughout this publication.

Future developments. For the latest information about the tax law topics covered in this publication, such as legislation enacted after it was published, go to *IRS.gov/Pub17*.

Who must file. Generally, the amount of income you can receive before you must file a return has been increased. For more information, see chapter 1, later.

Due date of return. File Form 1040 or 1040-SR by April 15, 2026. See chapter 1, later.

Trump account and new Form 4547. Recent legislation allows parents, guardians, and other authorized individuals to elect to establish a new type of individual retirement account, called a Trump account, for the exclusive benefit of certain children. If the child was born after 2024 and before 2029, is a U.S. citizen, and meets certain other requirements, the authorized individual may also elect to receive a $1,000 pilot program contribution to the child's Trump account. Both elections can be made on Form 4547, which can be filed at the same time as the authorized individual's 2025 income tax return. For more information on Trump accounts, and to learn how to make these elections, see Form 4547 and its instructions.

Standard deduction amount increased. For 2025, the standard deduction amount has been increased for all filers. The amounts are:

- Single or Married filing separately—$15,750;
- Married filing jointly or Qualifying surviving spouse—$31,500; and
- Head of household—$23,625.

See chapter 10, later.

Higher catch-up contribution limit for ages 60 to 63. If, at the end of 2025, you were at least age 60, but younger than age 64, and you participated in a deferred compensation plan (including most 401(k), 403(b), and governmental 457 plans, and the governmental Thrift Savings Plan), a higher catch-up contribution limit may apply to you. For 2025, this higher catch-up contribution limit is $11,250. For more information, contact your plan administrator and see Pub. 590-A.

Main home was in the United States. If your main home (and spouse if filing a joint return) was in the United States for over half of 2025, check the box on the front of Form 1040 or 1040-SR. Providing this information will help the IRS determine your eligibility for certain tax benefits, including the earned income credit.

Changes to the Dependents section. The Dependents section now has numbered rows and asks for more information about you and your dependents. This new information is being asked to help the IRS determine your eligibility for certain tax benefits, including the child tax credit, the credit for other dependents, and the earned income credit.

Write-in information. Beginning in 2025, most of the words, codes, and/or dollar amounts that are used to explain an item of income or deduction, and that you previously had to enter next to specific lines, now have a dedicated checkbox or entry space.

Death of a taxpayer. If you need to file a return for someone who died before filing a 2025 return, check the "Deceased" box at the top of Form 1040 or 1040-SR and enter the date of death. For more information, see *Death of a Taxpayer* in the Instructions for Form 1040.

Contributions to a governmental paid family leave program. Beginning in 2025, if you made contributions to a governmental paid family leave program, you will now include the full amount of those contributions in your income. If you itemize your deductions on Schedule A (Form 1040), you can include the amounts contributed as part of the state and local taxes that you paid.

Form 1099-DA. If, in 2025, you used a broker to effect the sale of a digital asset, your broker should send you a Form 1099-DA that reports information regarding the transaction. In 2025, your broker has the option to report your basis in the digital asset on Form 1099-DA but is not required to do so. Even if you receive a Form 1099-DA, you must still answer the digital assets question on page 1 of Form 1040 or 1040-SR. For more information, see the Instructions for Form 1099-DA.

Electronic payments and direct deposit. If you have access to U.S. banking services or electronic payment systems, you should use direct deposit for any refunds. The IRS recommends paying electronically whenever possible. Options to pay electronically include using your bank account with *Direct Pay*, your debit or credit card, your digital wallet, or your online account. Go to *IRS.gov/Payments* to see all your payment options. Also, see *ModernPayments*.

New deductions for itemizers and non-itemizers. Recent legislation provided for four new deductions that take effect beginning in 2025. If you are eligible, you can claim these deductions if you take the standard deduction or if you itemize on Schedule A (Form 1040). For more information on these deductions, see the instructions for Schedule 1-A (Form 1040). The new deductions are as follows.

- **No tax on tips.** You may be eligible to take a deduction for qualified tips paid to you in 2025. You can't deduct more than $25,000 of those tips. Your deduction will be limited if your modified adjusted gross income is more than $150,000 ($300,000 if married filing jointly). To be eligible, you and/or your spouse who received the tips must have a valid social security number (SSN). If you are married, you must file a joint return.
- **No tax on overtime.** If you earned qualified overtime, you may be eligible to deduct up to $12,500 ($25,000 if married filing jointly) of your qualified overtime compensation. Your deduction will be limited if your modified adjusted gross income is more than $150,000 ($300,000 if married filing jointly). To be eligible, you and/or your spouse who received the overtime must have a valid SSN. If you are married, you must file a joint return.
- **No tax on car loan interest.** If you paid or accrued qualified passenger vehicle loan interest on a vehicle you purchased in 2025 for personal use, you may be eligible to deduct up to $10,000 of that interest. Your deduction will be limited if your modified adjusted gross income is more than $100,000 ($200,000 if married filing jointly).
- **Enhanced deduction for seniors.** If you were born before January 2, 1961, you may be eligible for an enhanced senior deduction. Your deduction will be limited if your modified adjusted gross income is more than $75,000 ($150,000 if married filing jointly). To be eligible, you and/or your spouse must have a valid SSN. If you are married, you must file a joint return. The maximum amount of the deduction is $6,000 ($12,000 if both spouses are eligible).

Deferral of gain invested in a qualified opportunity fund (QOF). Taxpayers who made a deferral election in a QOF that meets the 7-year holding period threshold may be eligible for a basis adjustment. See the Instructions for Schedule D (Form 1040); and Form 8997, Initial and Annual Statement of Qualified Opportunity Fund (QOF) Investments, and its instructions for additional information regarding QOFs.

Deferred compensation contribution limit increased. If you participate in a 401(k) plan, 403(b) plan, or the federal government's Thrift Savings Plan, the total annual amount you can contribute for 2025 is increased to:

- $23,500;
- $31,000 if age 50 or older; or
- $37,750 if age 60, 61, 62, or 63 at the end of 2025.

This also applies to most section 457 plans.

New Schedule 1-A. A new schedule to Form 1040, Schedule 1-A, has been created for taxpayers to claim a deduction for the recently enacted deductions for no tax on tips, no tax on overtime, no tax on car loan interest, and the enhanced senior deduction. For more information, see the instructions for Schedule 1-A in the Instructions for Form 1040.

State and local tax deduction limit increased. The overall limit on the deduction for state and local income, sales, and property taxes has increased to $40,000 ($20,000 if married filing separately). The overall limit is reduced if your modified adjusted gross income is more than $500,000 ($250,000 if married filing separately) but will not be reduced below $10,000 ($5,000 if married filing separately). For more information, see the Instructions for Schedule A (Form 1040).

SSN or individual taxpayer identification number (ITIN) needed

to claim the credit for other dependents. Beginning in 2025, to be eligible to claim the credit for other dependents, you, or your spouse if filing jointly, must have a valid SSN or ITIN issued on or before the due date of your return (including extensions).

Changes to the adoption credit. Recent legislation made changes to the adoption credit. Beginning in 2025, the following changes apply.

- **Up to $5,000 of adoption credit is refundable.** Up to $5,000 of your adoption credit may be refundable. The amount of the refundable portion is determined separately for each eligible child.
- **Parity for Indian Tribal governments.** Tribal governments now have parity for special needs adoption determinations. This means that state government and Indian Tribal government determinations of special needs are both recognized for purposes of the adoption credit. For more information, see Form 8839, Qualified Adoption Expenses, and its instructions.

The adoption credit and the exclusion for employer-provided adoption benefits are both $17,280 per eligible child in 2025. The amount begins to phase out if you have modified AGI in excess of $259,190 and is completely phased out if your modified AGI is $299,190 or more.

Election to pay tax on farmland sale or exchange in installments. If your tax year began after July 4, 2025, and you sold or exchanged qualified farmland to a qualified farmer after that date, you can elect to pay the net income tax liability on the sale or exchange in four equal installments. For more information, see the instructions for Schedule 2 (Form 1040) and Schedule 3 (Form 1040). Also, see Form 1062, Deferral of Tax on Gain From the Sale or Exchange of Qualified Farmland Property to Qualified Farmers, and its instructions.

Domestic research and experimental expenditures. Beginning in 2025, taxpayers are allowed to deduct domestic research and experimental expenditures. Alternatively, taxpayers may elect to charge their domestic research and experimental expenditures to a capital account and deduct them ratably over a period of not less than 60 months (beginning with the month in which the taxpayers first realize the benefits from such expenditures).

Health flexible spending arrangements (health FSAs) under cafeteria plans. For tax years beginning in 2025, the dollar limitation under section 1251(i) on voluntary employee salary reductions for contributions to health FSAs is $3,300.

Delayed refund for returns claiming the ACTC. The IRS cannot issue refunds before mid-February 2026 for returns that properly claim the ACTC. This time frame applies to the entire refund, not just the portion associated with the ACTC.

Standard mileage rate. The 2025 rate for business use of a vehicle is 70 cents a mile. The 2025 rate for use of your vehicle to do volunteer work for certain charitable organizations is 14 cents a mile. The 2025 rate for operating expenses for a car when you use it for medical reasons is 21 cents a mile.

Modified adjusted gross income (AGI) limit for traditional IRA contributions. For 2025, if you are covered by a retirement plan at work, your deduction for contributions to a traditional IRA is reduced (phased out) if your modified AGI is:

- More than $126,000 but less than $146,000 for a married couple filing a joint return or a qualifying surviving spouse,
- More than $79,000 but less than $89,000 for a single individual or head of household, or
- Less than $10,000 for a married individual filing a separate return.

If you either live with your spouse or file a joint return, and your spouse is covered by a retirement plan at work but you aren't, your deduction is phased out if your modified AGI is more than $236,000 but less than $246,000. If your modified AGI is $246,000 or more, you can't take a deduction for contributions to a traditional IRA. See *How Much Can You Deduct* in chapter 9, later.

Modified AGI limit for Roth IRA contributions. For 2025, your Roth IRA contribution limit is reduced (phased out) in the following situations.

- Your filing status is married filing jointly or qualifying surviving spouse and your modified AGI is at least $236,000. You can't make a Roth IRA contribution if your modified AGI is $246,000 or more.
- Your filing status is single, head of household, or married filing separately and you didn't live with your spouse at any time in 2025 and your modified AGI is at least $150,000. You can't make a Roth IRA contribution if your modified AGI is $165,000 or more.
- Your filing status is married filing separately, you lived with your spouse at any time during the year, and your modified AGI is more than zero. You can't make a Roth IRA contribution if your modified AGI is $10,000 or more. See *Can You Contribute to a Roth IRA* in chapter 9, later.

2026 modified AGI limits. You can find information about the 2026 contribution and modified AGI limits in Pub. 590-A.

Tax law changes for 2026. When you figure how much income tax you want withheld from your pay and when you figure your estimated tax, consider tax law changes effective in 2026. For more information, see Pub. 505.

Alternative minimum tax (AMT) exemption amount increased. The AMT exemption amount is increased to $88,100 ($137,000 if married filing jointly or qualifying surviving spouse; $68,500 if married filing separately). The income levels at which the AMT exemption begins to phase out have increased to $626,350 ($1,252,700 if married filing jointly or qualifying surviving spouse).

Updated reporting requirements for Form 1099-K. Payment card companies, payment apps, and online marketplaces will be required to send you a Form 1099-K only if the amount of your business transactions during the year is more than $20,000 and the total number of your transactions is more than 200.

New option for scheduled appointments at Taxpayer Assistance Centers (TACs). Beginning in 2025, taxpayers with scheduled appointments at TACs may choose to receive appointment confirmations, reminders, and cancellation notices directly via text message on their mobile devices.

Reminders

Listed below are important reminders and other items that may help you file your 2025 tax return. Many of these items are explained in more detail later in this publication.

Secure your tax records from identity theft. Identity theft occurs when someone uses your personal information, such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund. For more information about identity theft and how to reduce your risk from it, see chapter 1, later.

Taxpayer identification numbers (TINs). You must provide the TIN for each person for whom you claim certain tax benefits. This applies even if the person was born in 2025. Generally, this number is the person's SSN. See chapter 1, later.

Additional child tax credit (ACTC) amount. The maximum ACTC amount is $1,700 for each qualifying child.

Premium tax credit (PTC). The ARP expanded the PTC by eliminating the limitation that a taxpayer's household income may not exceed 400% of the federal poverty line and generally increases the credit amounts. For more information, see Pub. 974 and Form 8962 and its instructions.

Identity verification. The IRS launched an improved identity verification and sign-in process that enables more people to securely access and use IRS online tools and applications. To provide verification services, the IRS is using ID.me, a trusted technology provider. The new process is one more step the IRS is taking to ensure that taxpayer information is provided only to the person who legally has a right to the data. Taxpayers using the new mobile-friendly verification procedure can gain entry to existing IRS online services such as the *Child Tax Credit Update Portal*, *Online Account*, *Get Transcript Online*, *Get an Identity Protection PIN (IP PIN)*, and *Online Payment Agreement*. Additional IRS applications will transition to the new method over the next year. Each online service will also provide information that will instruct taxpayers on the steps they need to follow for access to

the service. You can also see IR-2021-228 for more information.

ACTC and bona fide residents of Puerto Rico. Bona fide residents of Puerto Rico are no longer required to have three or more qualifying children to be eligible to claim the ACTC. Bona fide residents of Puerto Rico may be eligible to claim the ACTC if they have one or more qualifying children.

Foreign-source income. If you are a U.S. citizen with income from sources outside the United States (foreign income), you must report all such income on your tax return unless it is exempt by law or a tax treaty. This is true whether you live inside or outside the United States and whether or not you receive a Form W-2 or Form 1099 from the foreign payer. This applies to earned income (such as wages and tips) as well as unearned income (such as interest, dividends, capital gains, pensions, rents, and royalties).

If you live outside the United States, you may be able to exclude part or all of your foreign earned income. For details, see Pub. 54.

Foreign financial assets. If you had foreign financial assets in 2025, you may have to file Form 8938 with your return. See Form 8938 and its instructions or go to *IRS.gov/Form8938* for details.

Automatic 6-month extension to file tax return. You can get an automatic 6-month extension of time to file your tax return. See chapter 1, later.

Payment of taxes. You can pay your taxes by making electronic payments online; from a mobile device using the IRS2Go app; or in cash, or by check or money order. Paying electronically is quick, easy, and faster than mailing in a check or money order. See chapter 1, later.

Faster ways to file your return. The IRS offers fast, accurate ways to file your tax return information without filing a paper tax return. You can use IRS *e-file* (electronic filing). See chapter 1, later.

Free electronic filing. You may be able to file your 2025 taxes online for free. See chapter 1, later.

Change of address. If you change your address, notify the IRS. See chapter 1, later.

Refund on a late-filed return. If you were due a refund but you did not file a return, you must generally file your return within 3 years from the date the return was due (including extensions) to get that refund. See chapter 1, later.

Frivolous tax returns. The IRS has published a list of positions that are identified as frivolous. The penalty for filing a frivolous tax return is $5,000. See chapter 1, later.

Filing erroneous claim for refund or credit. You may have to pay a penalty if you file an erroneous claim for refund or credit. See chapter 1, later.

Access your online account. You must authenticate your identity. To securely log into your federal tax account, go to *IRS.gov/Account*. View the amount you owe, review your last 5 years of payment history, access online payment options, and create or modify an online payment agreement. You can also access your tax records online.

Health care coverage. If you need health care coverage, go to *HealthCare.gov* to learn about health insurance options for you and your family, how to buy health insurance, and how you might qualify to get financial assistance to buy health insurance.

Disclosure, Privacy Act, and Paperwork Reduction Act information. The IRS Restructuring and Reform Act of 1998, the Privacy Act of 1974, and the Paperwork Reduction Act of 1980 require that when we ask you for information, we must first tell you what our legal right is to ask for the information; why we are asking for it; how it will be used; what could happen if we do not receive it; and whether your response is voluntary, required to obtain a benefit, or mandatory under the law. A complete statement on this subject can be found in your tax form instructions.

Preparer *e-file* mandate. Most paid preparers must *e-file* returns they prepare and file. Your preparer may make you aware of this requirement and the options available to you.

Treasury Inspector General for Tax Administration. If you want to confidentially report misconduct, waste, fraud, or abuse by an IRS employee, you can call 800-366-4484 (call 800-877-8339 if you are deaf, hard of hearing, or have a speech disability, and are using TTY/TDD equipment). You can remain anonymous.

Photographs of missing children. The IRS is a proud partner with the *National Center for Missing & Exploited Children® (NCMEC)*. 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

This publication covers the general rules for filing a federal income tax return. It supplements the information contained in your tax form instructions. It explains the tax law to make sure you pay only the tax you owe and no more.

How this publication is arranged. Pub. 17 closely follows Form 1040, U.S. Individual Income Tax Return, and Form 1040-SR, U.S. Tax Return for Seniors, and their three Schedules 1 through 3. Pub. 17 is divided into four parts. Each part is further divided into chapters, most of which generally discuss one line of the form or one line of one of the three schedules. The introduction at the beginning of each part lists the schedule(s) discussed in that part.

The table of contents inside the front cover, the introduction to each part, and the index in the back of the publication are useful tools to help you find the information you need.

What is in this publication. This publication begins with the rules for filing a tax return. It explains:

1. Who must file a return,
2. When the return is due,
3. How to *e-file* your return, and
4. Other general information.

It will help you identify which filing status you qualify for, whether you can claim any dependents, and whether the income you receive is taxable. The publication goes on to explain the standard deduction, the kinds of expenses you may be able to deduct, and the various kinds of credits you may be able to take to reduce your tax.

Throughout this publication are examples showing how the tax law applies in typical situations. Also throughout this publication are flowcharts and tables that present tax information in an easy-to-understand manner.

Many of the subjects discussed in this publication are discussed in greater detail in other IRS publications. References to those other publications are provided for your information.

Icons. Small graphic symbols, or icons, are used to draw your attention to special information. See Table 1 for an explanation of each icon used in this publication.

What is not covered in this publication. Some material that you may find helpful is not included in this publication but can be found in your tax form instructions booklet. This includes lists of:

- Where to report certain items shown on information documents, and
- Tax Topics you can read at *IRS.gov/TaxTopics*.

If you operate your own business or have other self-employment income, such as from babysitting or selling crafts, see the following publications for more information.

- Pub. 334, Tax Guide for Small Business.
- Pub. 225, Farmer's Tax Guide.
- Pub. 587, Business Use of Your Home.

Help from the IRS. There are many ways you can get help from the IRS. These are explained under *How To Get Tax Help* at the end of this publication.

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

You can send us comments through *IRS.gov/FormComments*. Or you can write to the Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224.

Although we can't respond individually to each comment received, we do appreciate your feedback and will consider your comments and suggestions as we revise our tax forms, instructions, and publications. **Don't** send tax questions, tax returns, or payments to the above address.

Getting answers to your tax questions. If you have a tax question not answered by this publication or the *How To Get Tax Help* section at the end of this

publication, go to the IRS Interactive Tax Assistant page at IRS.gov/Help/ITA where you can find topics by using the search feature or viewing the categories listed.

Getting tax forms, instructions, and publications. Go to IRS.gov/Forms to download current and prior-year forms, instructions, and publications.

Ordering tax forms, instructions, and publications. Go to IRS.gov/OrderForms to order current forms, instructions, and publications; call 800-829-3676 to order prior-year forms and instructions. The IRS will process your order for forms and publications as soon as possible. **Don't** resubmit requests you've already sent us. You can get forms and publications faster online.

IRS mission. Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

Publication 17 Changes

Note: This publication does not cover the topics listed in the following table. Please see the primary publication.

Chapter removed	Title of chapter	Primary source
6	Tip Income	Pub. 531, Reporting Tip Income
8	Dividends and Other Distributions	Pub. 550, Investment Income and Expenses
9	Rental Income and Expenses	Pub. 527, Residential Rental Property (Including Rental of Vacation Homes)
10	Retirement Plans, Pensions, and Annuities	Pub. 575, Pension and Annuity Income
13	Basis of Property	Pub. 551, Basis of Assets
14	Sale of Property	Pub. 550
15	Selling Your Home	Pub. 523, Selling Your Home
16	Reporting Gains and Losses	Pub. 550
18	Alimony	Pub. 504, Divorced or Separated Individuals
19	Education-Related Adjustments	Pub. 970, Tax Benefits for Education
20	Other Adjustments to Income	Pub. 463, Travel, Gift, and Car Expenses
22	Medical and Dental Expenses	Pub. 502, Medical and Dental Expenses
24	Interest Expense	Pub. 550 Pub. 936, Home Mortgage Interest Deduction
25	Charitable Contributions	Pub. 561, Determining the Value of Donated Property Pub. 526, Charitable Contributions
26	Nonbusiness Casualty and Theft Losses	Pub. 547, Casualties, Disasters, and Thefts
29	Tax on Unearned Income of Certain Minor Children	Form 8615, Tax for Certain Children Who Have Unearned Income
30	Child and Dependent Care Credit	Pub. 503, Child and Dependent Care Expenses
31	Credit for the Elderly or the Disabled	Schedule R (Form 1040), Credit for the Elderly or the Disabled
33	Education Credits	Pub. 970
34	Earned Income Credit (EIC)	Pub. 596, Earned Income Credit (EIC)
35	Premium Tax Credit	Pub. 974, Premium Tax Credit (PTC)
36	Other Credits	

Table 1. **Legend of Icons**

Icon	Explanation
	Items that may cause you particular problems, or an alert about pending legislation that may be enacted after this publication goes to print.
	An Internet site or an email address.
	An address you may need.
	Items you should keep in your personal records.
	Items you may need to figure or a worksheet you may need to complete and keep for your records.
	An important phone number.
	Helpful information you may need.

Part One.

The Income Tax Return

The four chapters in this part provide basic information on the tax system. They take you through the first steps of filling out a tax return. They also provide information about dependents, and discuss recordkeeping requirements, IRS e-file *(electronic filing), certain penalties, and the two methods used to pay tax during the year: withholding and estimated tax.*

The Form 1040 and 1040-SR schedules that are discussed in these chapters are:

- *Schedule 1, Additional Income and Adjustments to Income; and*
- *Schedule 3, Part II, Other Payments and Refundable Credits.*

1. Filing Information

What's New

Due date of return. File Form 1040 or 1040-SR by April 15, 2026.

Who must file. Generally, the amount of income you can receive before you must file a return has been increased. See Table 1-1, Table 1-2, and Table 1-3 for the specific amounts.

Trump accounts and new Form 4547. Recent legislation allows parents, guardians, and other authorized individuals to elect to establish a new type of individual retirement account, called a Trump account, for the exclusive benefit of certain children. If the child was born after 2024 and before 2029, is a U.S. citizen, and meets certain other requirements, the authorized individual may also elect to receive a $1,000 pilot program contribution to the child's Trump account. Both elections can be made on Form 4547, which can be filed at the same time as the authorized individual's 2025 income tax return. For more information on Trump accounts, and to learn how to make these elections, see Form 4547 and its instructions.

Reminders

File online. *E-filing* is safe and secure and you may be able to *e-file* for free. For more information, see *File Electronically*, later.

Access your online account (individual taxpayers only). Go to *IRS.gov/Account* to securely access information about your federal tax account.

- View the amount you owe and a breakdown by tax year.
- See payment plan details or apply for a new payment plan.
- Make a payment, view 5 years of payment history and any pending or scheduled payments.
- Access your tax records, including key data from your most recent tax return, your economic impact payment amounts, and transcripts.
- View digital copies of select notices from the IRS.
- Approve or reject authorization requests from tax professionals.
- View your address on file or manage your communication preferences.
- Go to *IRS.gov/SecureAccess* to view the required identity authentication process.

Change of address. If you change your address, you should notify the IRS. You can use Form 8822 to notify the IRS of the change. See *Change of Address*, later, under *What Happens After I File*.

Enter your social security number. You must enter your social security number (SSN) in the spaces provided on your tax return. If you file a joint return, enter the SSNs in the same order as the names.

Direct deposit of refund. Have your refund deposited directly into your account at a bank or other financial institution. See *Direct Deposit* under *Refunds*, later. If you choose direct deposit of your refund, you may be able to split the refund among two or three accounts.

Pay online or by phone. If you owe additional tax, you may be able to pay online or by phone. See *How To Pay*, later.

Installment agreement. If you can't pay the full amount due with your return, you may ask to make monthly installment payments. See *Installment Agreement*, later, under *Amount You Owe*. You may be able to apply online for a payment agreement if you owe federal tax, interest, and penalties.

Automatic 6-month extension. You can get an automatic 6-month extension to file your tax return if, no later than the date your return is due, you request an extension. See *Automatic Extension*, later.

Service in combat zone. You are allowed extra time to take care of your tax matters if you are a member of the Armed Forces who served in a combat zone, or if you served in a combat zone in support of the Armed Forces. See *Individuals Serving in Combat Zone*, later, under *When Do I Have To File*.

Adoption taxpayer identification number. If a child has been placed in your home for purposes of legal adoption and you won't be able to get a social security number for the child in time to file your return, you may be able to get an adoption taxpayer identification number (ATIN). For more information, see *Social Security Number (SSN)*, later.

Taxpayer identification number for aliens. If you or your dependent is a nonresident or resident alien who doesn't have and isn't eligible to get a social security number, file Form W-7, Application for IRS Individual Taxpayer Identification Number, with the IRS. For more information, see *Social Security Number (SSN)*, later.

Individual taxpayer identification number (ITIN) renewal. Some ITINs must be renewed. If you haven't used your ITIN on a U.S. tax return at least once for tax years 2022, 2023, or 2024, it has expired and must be renewed if you need to file a U.S. federal tax return. You don't need to renew your ITIN if you don't need to file a federal tax return. You can find more information at *IRS.gov/ITIN*.

Frivolous tax submissions. The IRS has published a list of positions that are identified as frivolous. The penalty for filing a frivolous tax return is $5,000. Also, the $5,000 penalty will apply to other specified frivolous submissions. For more information, see *Civil Penalties*, later.

Introduction

This chapter discusses the following topics.

- Whether you have to file a return.
- How to file electronically.
- How to file for free.
- When, how, and where to file your return.
- What happens if you pay too little or too much tax.
- What records you should keep and how long you should keep them.
- How you can change a return you have already filed.

Do I Have To File a Return?

You must file a federal income tax return if you are a citizen or resident of the United States or a resident of Puerto Rico and you meet the filing requirements for any of the following categories that apply to you.

1. Individuals in general. (There are special rules for individuals whose spouse has died, executors, administrators, legal representatives, U.S. citizens and residents living outside the United States, residents of Puerto Rico, and individuals with income from U.S. territories.)
2. Dependents.
3. Certain children under age 19 or full-time students.
4. Self-employed persons.
5. Aliens.

The filing requirements for each category are explained in this chapter.

The filing requirements apply even if you don't owe tax.

TIP *Even if you don't have to file a return, it may be to your advantage to do so. See* Who Should File*, later.*

CAUTION *File only one federal income tax return for the year regardless of how many jobs you had, how many Forms W-2 you received, or how many states you lived in during the year. Don't file more than one original return for the same year, even if you haven't received your refund or haven't heard from the IRS since you filed.*

Individuals—In General

If you are a U.S. citizen or resident, whether you must file a return depends on three factors.

1. Your gross income.
2. Your filing status.
3. Your age.

To find out whether you must file, see Table 1-1, Table 1-2, and Table 1-3. Even if no table shows that you must file, you may need to file to get money back. See *Who Should File*, later.

Gross income. This includes all income you receive in the form of money, goods, property, and services that isn't exempt from tax. It also includes income from sources outside the United States or from the sale of your main home (even if you can exclude all or part of it). Include part of your social security benefits if:

1. You were married, filing a separate return, and you lived with your spouse at any time during 2025; or
2. Half of your social security benefits plus your other gross income and any tax-exempt interest is more than $25,000 ($32,000 if married filing jointly).

Table 1-1. **2025 Filing Requirements for Most Taxpayers**

IF your filing status is...	AND at the end of 2025 you were...*	THEN file a return if your gross income was at least...**
Single	under 65	$15,750
	65 or older	$17,750
Married filing jointly***	under 65 (both spouses)	$31,500
	65 or older (one spouse)	$33,100
	65 or older (both spouses)	$34,700
Married filing separately	any age	$5
Head of household	under 65	$23,625
	65 or older	$25,625
Qualifying surviving spouse	under 65	$31,500
	65 or older	$33,100

* If you were born on January 1, 1961, you are considered to be age 65 at the end of 2025. (If your spouse died in 2025 or if you are preparing a return for someone who died in 2025, see Pub. 501.)

** Gross income means all income you received in the form of money, goods, property, and services that isn't exempt from tax, including any income from sources outside the United States or from the sale of your main home (even if you can exclude part or all of it). Don't include any social security benefits unless (a) you are married filing a separate return and you lived with your spouse at any time during 2025, or (b) one-half of your social security benefits plus your other gross income and any tax-exempt interest is more than $25,000 ($32,000 if married filing jointly). If (a) or (b) applies, see the Instructions for Form 1040 or Pub. 915 to figure the taxable part of social security benefits you must include in gross income. Gross income includes gains, but not losses, reported on Form 8949 or Schedule D. Gross income from a business means, for example, the amount on Schedule C, line 7, or Schedule F, line 9. But, in figuring gross income, don't reduce your income by any losses, including any loss on Schedule C, line 7, or Schedule F, line 9.

*** If you didn't live with your spouse at the end of 2025 (or on the date your spouse died) and your gross income was at least $5, you must file a return regardless of your age.

If either (1) or (2) applies, see the Instructions for Form 1040 or Pub. 915 to figure the social security benefits you must include in gross income.

Common types of income are discussed in *Part Two* of this publication.

Community property states. Community property states include Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. If you and your spouse lived in a community property state, you must usually follow state law to determine what is community property and what is separate income. For details, see Form 8958 and Pub. 555.

Nevada, Washington, and California domestic partners. A registered domestic partner in Nevada, Washington, or California must generally report half the combined community income of the individual and their domestic partner. See Pub. 555.

Self-employed individuals. If you are self-employed, your gross income includes the amount on line 7 of Schedule C (Form 1040), Profit or Loss From Business; and line 9 of Schedule F (Form 1040), Profit or Loss From Farming. See *Self-Employed Persons*, later, for more information about your filing requirements.

CAUTION *If you don't report all of your self-employment income, your social security benefits may be lower when you retire.*

Filing status. Your filing status depends on whether you are single or married and on your family situation. Your filing status is determined on the last day of your tax year, which is December 31 for most taxpayers. See chapter 2 for an explanation of each filing status.

Age. If you are 65 or older at the end of the year, you can generally have a higher amount of gross income than other taxpayers before you must file. See Table 1-1. You are considered 65 on the day before your 65th birthday. For example, if your 65th birthday is on January 1, 2026, you are considered 65 for 2025.

Surviving Spouses, Executors, Administrators, and Legal Representatives

You must file a final return for a decedent (a person who died) if both of the following are true.

- Your spouse died in 2025 or you are the executor, administrator, or legal representative.
- The decedent met the filing requirements at the date of death.

For more information on rules for filing a decedent's final return, see Pub. 559.

U.S. Citizens and Resident Aliens Living Abroad

To determine whether you must file a return, include in your gross income any income you received abroad, including any income you can exclude under the foreign earned income exclusion. For information on special tax rules that

may apply to you, see Pub. 54. It is available online and at most U.S. embassies and consulates. See *How To Get Tax Help* in the back of this publication.

Residents of Puerto Rico

If you are a U.S. citizen and also a bona fide resident of Puerto Rico, you must generally file a U.S. income tax return for any year in which you meet the income requirements. This is in addition to any legal requirement you may have to file an income tax return with Puerto Rico.

If you are a bona fide resident of Puerto Rico for the entire year, your U.S. gross income doesn't include income from sources within Puerto Rico. It does, however, include any income you received for your services as an employee of the United States or a U.S. agency. If you receive income from Puerto Rican sources that isn't subject to U.S. tax, you must reduce your standard deduction. As a result, the amount of income you must have before you are required to file a U.S. income tax return is lower than the applicable amount in Table 1-1 or Table 1-2. For more information, see Pub. 570.

Individuals With Income From U.S. Territories

If you had income from Guam, the Commonwealth of the Northern Mariana Islands, American Samoa, or the U.S. Virgin Islands, special rules may apply when determining whether you must file a U.S. federal income tax return. In addition, you may have to file a return with the individual island government. See Pub. 570 for more information.

Dependents

If you are a dependent (one who meets the dependency tests in chapter 3), see Table 1-2 to find out whether you must file a return. You must also file if your situation is described in Table 1-3.

Responsibility of parent. Generally, a child is responsible for filing their own tax return and for paying any tax on the return. If a dependent child must file an income tax return but can't file due to age or any other reason, then a parent, guardian, or other legally responsible person must file it for the child. If the child can't sign the return, the parent or guardian must sign the child's name followed by the words "By (your signature), parent for minor child."

Child's earnings. Amounts a child earns by performing services are included in the child's gross income and not the gross income of the parent. This is true even if under local law the child's parent has the right to the earnings and may actually have received them. But if the child doesn't pay the tax due on this income, the parent is liable for the tax.

Certain Children Under Age 19 or Full-Time Students

If a child's only income is interest and dividends (including capital gain distributions and Alaska Permanent Fund dividends), the child was under age 19 at the end of 2025 or was a full-time student under age 24 at the end of 2025, and certain other conditions are met, a parent can elect to include the child's income on the parent's return. If this election is made, the child doesn't have to file a return. See Instructions for Form 8814, Parents' Election To Report Child's Interest and Dividends.

Self-Employed Persons

You are self-employed if you:

- Carry on a trade or business as a sole proprietor,
- Are an independent contractor,
- Are a member of a partnership, or
- Are in business for yourself in any other way.

Self-employment can include work in addition to your regular full-time business activities, such as certain part-time work you do at home or in addition to your regular job.

You must file a return if your gross income is at least as much as the filing requirement amount for your filing status and age (shown in Table 1-1). Also, you must file Form 1040 or 1040-SR and Schedule SE (Form 1040), Self-Employment Tax, if:

1. Your net earnings from self-employment (excluding church employee income) were $400 or more, or
2. You had church employee income of $108.28 or more. (See Table 1-3.)

Use Schedule SE (Form 1040) to figure your self-employment tax. Self-employment tax is comparable to the social security and Medicare tax withheld from an employee's wages. For more information about this tax, see Pub. 334.

Employees of foreign governments or international organizations. If you are a U.S. citizen who works in the United States for an international organization, a foreign government, or a wholly owned instrumentality of a foreign government, and your employer isn't required to withhold social security and Medicare taxes from your wages, you must include your earnings from services performed in the United States when figuring your net earnings from self-employment.

Ministers. You must include income from services you performed as a minister when figuring your net earnings from self-employment, unless you have an exemption from self-employment tax. This also applies to Christian Science practitioners and members of a religious order who have not taken a vow of poverty. For more information, see Pub. 517.

Aliens

Your status as an alien (resident, nonresident, or dual-status) determines whether and how you must file an income tax return.

The rules used to determine your alien status are discussed in Pub. 519.

Resident alien. If you are a resident alien for the entire year, you must file a tax return following the same rules that apply to U.S. citizens. Use the forms discussed in this publication.

Nonresident alien. If you are a nonresident alien, the rules and tax forms that apply to you are different from those that apply to U.S. citizens and resident aliens. See Pub. 519 to find out if U.S. income tax laws apply to you and which forms you should file.

Dual-status taxpayer. If you are a resident alien for part of the tax year and a nonresident alien for the rest of the year, you are a dual-status taxpayer. Different rules apply for each part of the year. For information on dual-status taxpayers, see Pub. 519.

Who Should File

Even if you don't have to file, you should file a federal income tax return to get money back if any of the following conditions apply.

1. You had federal income tax withheld or made estimated tax payments.
2. You qualify for the earned income credit. See Pub. 596 for more information.
3. You qualify for the additional child tax credit. See chapter 14 for more information.
4. You qualify for the premium tax credit. See Pub. 974 for more information.
5. You qualify for the American opportunity credit. See Pub. 970 for more information.
6. You qualify for the refundable adoption credit. See Form 8839 and its instructions for more information.

See chapter 13 for more information.

Form 1040 or 1040-SR

Use Form 1040 or 1040-SR to file your return. (But also see *File Electronically*, later.)

You can use Form 1040 or 1040-SR to report all types of income, deductions, and credits.

File Electronically

Electronic Filing

If your adjusted gross income (AGI) is less than a certain amount, you are eligible for *Free File*, a free tax software service offered by IRS partners, to prepare and *e-file* your return for free. If your income is over the amount, you are still eligible for Free File Fillable Forms, an electronic version of IRS paper forms. Table 1-4 lists the free ways to electronically file your return.

Free File and Free Fillable Forms provide eligible taxpayers the ability to e-file their taxes for free. See *IRS.gov/FreeFile* for details and to see if you are eligible.

E-file. IRS *e-file* uses automation to replace most of the manual steps needed to process paper returns. As a result, the processing of *e-file* returns is faster and more accurate than the processing of paper returns. However, as with a paper return, you are responsible for

Table 1-2. **2025 Filing Requirements for Dependents**

See chapter 3 to find out if someone can claim you as a dependent.

If your parents (or someone else) can claim you as a dependent, use this table to see if you must file a return. (See Table 1-3 for other situations when you must file.)

In this table, unearned income includes taxable interest, ordinary dividends, and capital gain distributions. It also includes unemployment compensation, taxable social security benefits, pensions, annuities, and distributions of unearned income from a trust. Earned income includes salaries, wages, tips, professional fees, and taxable scholarship and fellowship grants. (See *Scholarships and fellowships* in chapter 8.) Gross income is the total of your earned and unearned income.

Single 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 more than $1,350.
- Your earned income was more than $15,750.
- Your gross income was more than the **larger** of:
  - $1,350, or
  - Your earned income (up to $15,300) plus $450.

☐ **Yes.** You must file a return if **any** of the following apply.
- Your unearned income was more than $3,350 ($5,350 if 65 or older **and** blind).
- Your earned income was more than $17,750 ($19,750 if 65 or older **and** blind).
- Your gross income was more than the **larger** of:
  - $3,350 ($5,350 if 65 or older **and** blind), or
  - Your earned income (up to $15,300) plus $2,450 ($4,450 if 65 or older **and** blind).

Married 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 more than $1,350.
- Your earned income was more than $15,750.
- Your gross income was at least $5 and your spouse files a separate return and itemizes deductions.
- Your gross income was more than the **larger** of:
  - $1,350, or
  - Your earned income (up to $15,300) plus $450.

☐ **Yes.** You must file a return if **any** of the following apply.
- Your unearned income was more than $2,950 ($4,550 if 65 or older **and** blind).
- Your earned income was more than $17,350 ($18,950 if 65 or older **and** blind).
- Your gross income was at least $5 and your spouse files a separate return and itemizes deductions.
- Your gross income was more than the **larger** of:
  - $2,950 ($4,550 if 65 or older **and** blind), or
  - Your earned income (up to $15,300) plus $2,050 ($3,650 if 65 or older **and** blind).

making sure your return contains accurate information and is filed on time. If your return is filed with IRS *e-file*, you will receive an acknowledgment that your return was received and accepted. If you owe tax, you can *e-file* and pay electronically. The IRS has processed more than one billion *e-filed* returns safely and securely. Using *e-file* doesn't affect your chances of an IRS examination of your return.

Requirements for an electronic return. The requirements for signing an electronic return will be different depending on whether you use tax software or a tax practitioner. To file your return electronically, you must sign the return electronically using a personal identification number (PIN) and provide the information described below. If you are filing online using software, you must use a Self-Select PIN. If you are filing electronically using a tax practitioner, you can use a Self-Select PIN or a Practitioner PIN.

If we issued you an identity protection personal identification number (IP PIN) (as described in more detail next), all six digits of your IP PIN must appear in the IP PIN spaces provided next to the space for your occupation for your electronic signature to be complete. Failure to include an issued IP PIN on the electronic return will result in an invalid signature and a rejected return. If you are filing a joint return and both taxpayers were issued IP PINs, enter both IP PINs in the spaces provided.

Self-Select PIN. The Self-Select PIN method allows you to create your own PIN. If you are married filing jointly, you and your spouse will each need to create a PIN and enter these PINs as your electronic signatures.

A PIN is any combination of five digits you choose except five zeros. If you use a PIN, there is nothing to sign and nothing to mail—not even your Forms W-2.

Your electronic return signed with a Self-Select PIN is considered a validly signed return only when it includes your PIN; last name; date of birth; IP PIN, if applicable; and your adjusted gross income (AGI) from your originally filed 2024 federal income tax return, if applicable. If you're filing jointly, your electronic return must also include your spouse's PIN; last name; date of birth; IP PIN, if applicable; and AGI, if applicable, in order to be considered validly signed. (You, and your spouse if filing jointly, may each use your own prior-year pin to verify your identity if you filed electronically last year. If you use your prior-year PIN or enter your IP PIN, you are not required to enter your prior-year AGI. The prior-year PIN is the five-digit PIN you used to electronically sign your 2024 return.)

If you need your AGI from your originally filed 2024 federal income tax return, and you don't have your 2024 income tax return, you can access your transcript through your online account at *IRS.gov/Account*. You can also go to *IRS.gov/Transcript* or call the IRS at 800-908-9946 to get a free transcript of your return. Don't use your AGI from an amended return (Form 1040-X) or a math error correction made by the IRS. AGI is the amount shown on your 2024 Form 1040 or 1040-SR, line 11.

For more information, go to *IRS.gov/Efile*.



You can't use the Self-Select PIN method if you are a first-time filer under age 16 at the end of 2025.

Practitioner PIN. The Practitioner PIN method allows you to authorize your tax practitioner to enter or generate your PIN. Your electronic return is considered a validly signed return only when it includes your PIN; last name; date of birth; and IP PIN, if applicable. If you're filing jointly, your electronic return must also include your spouse's PIN; last name; date of birth; and IP PIN, if applicable, in order to be considered a validly signed return. The practitioner can provide you with details.

Form 8453. You must send in a paper Form 8453 if you have to attach certain forms or other documents that can't be electronically filed. See Form 8453.

Identity Protection PIN (IP PIN). If the IRS gave you an IP PIN, enter it in the spaces provided on your tax form. If the IRS hasn't given you this type of number, leave these spaces blank. For more information, see the Instructions for Form 1040.



All taxpayers are now eligible for an IP PIN. For more information, see Pub. 5477. To apply for an IP PIN, go to IRS.gov/IPPIN and use the Get an IP PIN tool.

Power of attorney. If an agent is signing your return for you, a power of attorney (POA) must be filed. Attach the POA to Form 8453 and file it using that form's instructions. See *Signatures*, later, for more information on POAs.

Refunds. Starting in October 2025, the IRS will generally stop issuing paper checks for federal disbursements, including tax refunds, unless an exception applies. For more information, go *IRS.gov/ModernPayments*.

You may not get all of your refund if you owe certain past-due amounts, such as federal tax,

Table 1-3. **Other Situations When You Must File a 2025 Return**

You must file a return if any of the following apply for 2025.	
1.	You owe any special taxes, including any of the following (see the instructions for Schedule 2 (Form 1040)). **a.** Alternative minimum tax. **b.** Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. **c.** Household employment taxes. **d.** Social security and Medicare tax on tips you didn't report to your employer or on wages you received from an employer who didn't withhold these taxes. **e.** Uncollected social security and Medicare or RRTA tax on tips you reported to your employer or on group-term life insurance and additional taxes on health savings accounts. **f.** Recapture taxes.
2.	You (or your spouse, if filing jointly) received health savings account, Archer MSA, or Medicare Advantage MSA distributions.
3.	You had net earnings from self-employment of at least $400.
4.	You 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.
5.	Advance payments of the premium tax credit were made for you, your spouse, or a dependent who enrolled in coverage through the Marketplace. You or whoever enrolled you should have received Form(s) 1095-A showing the amount of the advance payments.
6.	You are required to include amounts in income under section 965 or you have a net tax liability under section 965 that you are paying in installments under section 965(h) or deferred by making an election under section 965(i).
7.	You purchased a new or used clean vehicle from a registered dealer and reduced the amount you paid at the time of sale by transferring the credit to the dealer. See Form 8936 and Schedule A (Form 8936).

state income tax, state unemployment compensation debts, child support, spousal support, or certain other federal nontax debts, such as student loans. See *Offset against debts* under *Refunds*, later.

Refund inquiries. Information about your return will generally be available within 24 hours after the IRS receives your e-filed return. See *Refund Information*, later.

Amount you owe. To avoid late-payment penalties and interest, pay your taxes in full by April 15, 2026 (for most people). See *How To Pay*, later, for information on how to pay the amount you owe.

Using Your Personal Computer

You can file your tax return in a fast, easy, and convenient way using your personal computer. A computer with Internet access and tax preparation software are all you need. Best of all, you can *e-file* from the comfort of your home 24 hours a day, 7 days a week.

IRS-approved tax preparation software is available online and in retail stores. For information, visit *IRS.gov/efile*.

Free Help With Your Return

The Volunteer Income Tax Assistance (VITA) program offers free tax help to people who generally have $69,000 or less in adjusted gross income, persons with disabilities, and limited-English-speaking taxpayers who need help preparing their own tax returns. The Tax Counseling for the Elderly (TCE) program offers free tax help for all taxpayers, particularly those who are 60 years of age and older. TCE volunteers specialize in answering questions about pensions and retirement-related issues unique to seniors.

You can go to IRS.gov to see your options for preparing and filing your return, which include the following.

- **Free File.** Go to *IRS.gov/FreeFile*. See if you qualify to use brand-name software to prepare and *e-file* your federal tax return for free.
- **VITA.** Go to *IRS.gov/VITA*, download the free IRS2Go app, or call 800-906-9887 to find the nearest VITA location for free tax return preparation.
- **TCE.** Go to *IRS.gov/TCE*, download the free IRS2Go app, or call 888-227-7669 to find the nearest TCE location for free tax return preparation.

Table 1-4. **Free Ways To *e-file***

Use Free File for free tax software and free *e-file*.

- IRS partners offer name-brand products for free.
- Many taxpayers are eligible for Free File software.
- Everyone is eligible for Free File Fillable Forms, an electronic version of IRS paper forms.
- Free File software and Free File Fillable Forms are available only at *IRS.gov/FreeFile*.

Use VITA/TCE for free tax help from volunteers and free *e-file*.

- Volunteers prepare your return and *e-file* it for free.
- Some sites also offer do-it-yourself software.
- You are eligible based either on your income or age.
- Sites are located nationwide. Find one near you by visiting *IRS.gov/VITA*.

Using a Tax Professional

Many tax professionals electronically file tax returns for their clients. You may personally enter your PIN or complete Form 8879, IRS *e-file* Signature Authorization, to authorize the tax professional to enter your PIN on your return.

Note: Tax professionals may charge a fee for IRS *e-file*. Fees can vary depending on the professional and the specific services rendered.

When Do I Have To File?

April 15, 2026, is the due date for filing your 2025 income tax return if you use the calendar year. For a quick view of due dates for filing a return with or without an extension of time to file (discussed later), see Table 1-5.

If you use a fiscal year (a year ending on the last day of any month except December, or a 52-53-week year), your income tax return is due by the 15th day of the 4th month after the close of your fiscal year.

When the due date for doing any act for tax purposes—filing a return, paying taxes, etc.—falls on a Saturday, Sunday, or legal holiday, the due date is delayed until the next business day.

Filing paper returns on time. Your paper return is filed on time if it is mailed in an envelope that is properly addressed, has enough postage, and is postmarked by the due date. If you send your return by registered mail, the date of the registration is the postmark date. The registration is evidence that the return was delivered. If you send a return by certified mail and have your receipt postmarked by a postal employee, the date on the receipt is the postmark date. The postmarked certified mail receipt is evidence that the return was delivered.

Private delivery services. If you choose to mail your return, you can use certain private delivery services designated by the IRS to meet the "timely mailing treated as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following.

- DHL Express 9:00, DHL Express 10:30, DHL Express 12:00, DHL Express Worldwide, DHL Express Envelope, DHL Import Express 10:30, DHL Import Express 12:00, and DHL Import Express Worldwide.
- UPS Next Day Air Early A.M., UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.
- FedEx First Overnight, FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2 Day, FedEx International Next Flight Out, FedEx International Priority, FedEx International First, and FedEx International Economy.

To check for any updates to the list of designated private delivery services, go to *IRS.gov/PDS*. For the IRS mailing addresses to use if you're using a private delivery service, go to *IRS.gov/PDSStreetAddresses*.

The private delivery service can tell you how to get written proof of the mailing date.

CAUTION *Only the U.S. Postal Service can deliver to P.O. boxes. You can't use a private delivery service to make tax payments required to be sent to a P.O. box.*

Filing electronic returns on time. If you use IRS *e-file*, your return is considered filed on time if the authorized electronic return transmitter postmarks the transmission by the due date. An authorized electronic return transmitter is a participant in the IRS *e-file* program that transmits electronic tax return information directly to the IRS.

The electronic postmark is a record of when the authorized electronic return transmitter received the transmission of your electronically filed return on its host system. The date and time in your time zone controls whether your electronically filed return is timely.

Table 1-5. **When To File Your 2025 Return**

For U.S. citizens and residents who file returns on a calendar year basis.

	For Most Taxpayers	For Certain Taxpayers Outside the United States
No extension requested	April 15, 2026	June 15, 2026
Automatic extension	October 15, 2026	October 15, 2026

Filing late. If you don't file your return by the due date, you may have to pay a failure-to-file penalty and interest. For more information, see *Penalties*, later. Also see *Interest* under *Amount You Owe*, later.

If you were due a refund but you didn't file a return, you must generally file within 3 years from the date the return was due (including extensions) to get that refund.

Nonresident alien. If you are a nonresident alien and earn wages subject to U.S. income tax withholding, your 2025 U.S. income tax return (Form 1040-NR) is due by:

- April 15, 2026, if you use a calendar year; or
- The 15th day of the 4th month after the end of your fiscal year, if you use a fiscal year.

If you don't earn wages subject to U.S. income tax withholding, your return is due by:

- June 15, 2026, if you use a calendar year; or
- The 15th day of the 6th month after the end of your fiscal year, if you use a fiscal year.

See Pub. 519 for more filing information.

Filing for a decedent. If you must file a final income tax return for a taxpayer who died during the year (a decedent), the return is due by the 15th day of the 4th month after the end of the decedent's normal tax year. See Pub. 559.

Extensions of Time To File

You may be able to get an extension of time to file your return. There are three types of situations where you may qualify for an extension.

- Automatic extensions.
- You are outside the United States.
- You are serving in a combat zone.

Automatic Extension

If you can't file your 2025 return by the due date, you may be able to get an automatic 6-month extension of time to file.

Example. If your return is due on April 15, 2026, you will have until October 15, 2026, to file.

CAUTION *If you don't pay the tax due by the regular due date (April 15 for most taxpayers), you will owe interest. You may also be charged penalties, discussed later.*

How to get the automatic extension. You can get the automatic extension by:

1. Using IRS *e-file* (electronic filing), or
2. Filing a paper form.

***E-file* options.** There are two ways you can use *e-file* to get an extension of time to file. Complete Form 4868 to use as a worksheet. If you think you may owe tax when you file your return, use *Part II* of the form to estimate your balance due. If you *e-file* Form 4868 to the IRS, don't send a paper Form 4868.

E-file using your personal computer or a tax professional. You can use a tax software package with your personal computer or a tax professional to file Form 4868 electronically. Free File and Free File Fillable Forms, both available at IRS.gov, allow you to prepare and *e-file* Form 4868 for free. You will need to provide certain information from your 2024 tax return. If you wish to make a payment by direct transfer from your bank account, see *Pay online* under *How To Pay*, later, in this chapter.

E-file and pay by credit or debit card or by direct transfer from your bank account. You can get an extension by paying part or all of your estimate of tax due by using a credit or debit card or by direct transfer from your bank account. You can do this by phone or over the Internet. You don't file Form 4868. See *Pay online* under *How To Pay*, later, in this chapter.

Filing a paper Form 4868. You can get an extension of time to file by filing a paper Form 4868. If you are a fiscal year taxpayer, you must file a paper Form 4868. Mail it to the address shown in the form instructions. For more information, see Form 4868.

When to file. You must request the automatic extension by the due date for your return. You can file your return any time before the 6-month extension period ends.

When you file your return. Enter any payment you made related to the extension of time to file on Schedule 3 (Form 1040), line 10.

Individuals Outside the United States

You are allowed an automatic 2-month extension, without filing Form 4868 (until June 15, 2026, if you use the calendar year), to file your 2025 return and pay any federal income tax due if:

1. You are a U.S. citizen or resident; and
2. On the due date of your return:
   a. You are living outside the United States and Puerto Rico, and your main place of business or post of duty

is outside the United States and Puerto Rico; or

b. You are in military or naval service on duty outside the United States and Puerto Rico.

However, if you pay the tax due after the regular due date (April 15 for most taxpayers), interest will be charged from that date until the date the tax is paid.

If you served in a combat zone or qualified hazardous duty area, you may be eligible for a longer extension of time to file. See *Individuals Serving in Combat Zone*, later, for special rules that apply to you.

Married taxpayers. If you file a joint return, only one spouse has to qualify for this automatic extension. If you and your spouse file separate returns, the automatic extension applies only to the spouse who qualifies.

How to get the extension. To use this automatic extension, you must attach a statement to your return explaining what situation qualified you for the extension. (See the situations listed under (2), earlier.)

Extensions beyond 2 months. If you can't file your return within the automatic 2-month extension period, you may be able to get an additional 4-month extension, for a total of 6 months. File Form 4868 and check the box on line 8.

No further extension. An extension of more than 6 months will generally not be granted. However, if you are outside the United States and meet certain tests, you may be granted a longer extension. For more information, see *Filing and Payment Due Dates* in Pub. 54.

Individuals Serving in Combat Zone

The deadline for filing your tax return, paying any tax you may owe, and filing a claim for refund is automatically extended if you serve in a combat zone. This applies to members of the Armed Forces, as well as merchant marines serving aboard vessels under the operational control of the Department of Defense, Red Cross personnel, accredited correspondents, and civilians under the direction of the Armed Forces in support of the Armed Forces.

Combat zone. A combat zone is any area the President of the United States designates by executive order as an area in which the U.S. Armed Forces are engaging or have engaged in combat. An area usually becomes a combat zone and ceases to be a combat zone on the dates the President designates by executive order. For purposes of the automatic extension, the term "combat zone" includes the following areas.

1. The Arabian peninsula area, effective January 17, 1991.
2. The Kosovo area, effective March 24, 1999.
3. The Afghanistan area, effective September 19, 2001.

See Pub. 3 for more detailed information on the locations comprising each combat zone. Pub. 3 also has information about other tax benefits available to military personnel serving in a combat zone.

Extension period. The deadline for filing your return, paying any tax due, filing a claim for refund, and taking other actions with the IRS is extended in two steps. First, your deadline is extended for 180 days after the later of:

1. The last day you are in a combat zone or the last day the area qualifies as a combat zone, or
2. The last day of any continuous qualified hospitalization (defined later) for injury from service in the combat zone.

Second, in addition to the 180 days, your deadline is also extended by the number of days you had left to take action with the IRS when you entered the combat zone. For example, you have 3 1/2 months (January 1–April 15) to file your tax return. Any days left in this period when you entered the combat zone (or the entire 3 1/2 months if you entered it before the beginning of the year) are added to the 180 days. See *How Much Extra Time Do These Extensions Give Me?* in Pub. 3 for more information.

The rules on the extension for filing your return also apply when you are deployed outside the United States (away from your permanent duty station) while participating in a designated contingency operation.

Qualified hospitalization. The hospitalization must be the result of an injury received while serving in a combat zone or a contingency operation. Qualified hospitalization means:

- Any hospitalization outside the United States, and
- Up to 5 years of hospitalization in the United States.

See Pub. 3 for more information on qualified hospitalizations.

How Do I Prepare My Return?

This section explains how to get ready to complete your tax return and when to report your income and expenses. It also explains how to complete certain sections of the form.

Electronic returns. For information you may find useful in preparing an electronic return, see *File Electronically*, earlier.

Substitute tax forms. You can't use your own version of a tax form unless it meets the requirements explained in Pub. 1167.

Form W-2. If you were an employee, you should receive Form W-2 from your employer. You will need the information from this form to prepare your return. See *Form W-2* under *Credit for Withholding and Estimated Tax for 2025* in chapter 4.

Your employer is required to provide or send Form W-2 to you no later than February 2, 2026. If it is mailed, you should allow adequate time to receive it before contacting your employer. If you still don't get the form by early February, the IRS can help you by requesting the form from your employer. When you request IRS help, be prepared to provide the following information.

- Your name, address (including ZIP code), and phone number.
- Your SSN.
- Your dates of employment.
- Your employer's name, address (including ZIP code), and phone number.

Form 1099. If you received certain types of income, you may receive a Form 1099. For example, if you received taxable interest of $10 or more, the payer is required to provide or send Form 1099 to you no later than February 2, 2026 (or by February 17, 2026, if furnished by a broker). If it is mailed, you should allow adequate time to receive it before contacting the payer. If you still don't get the form by February 17 (or by March 2, 2026, if furnished by a broker), call the IRS for help.

When Do I Report My Income and Expenses?

You must figure your taxable income on the basis of a tax year. A "tax year" is an annual accounting period used for keeping records and reporting income and expenses. You must account for your income and expenses in a way that clearly shows your taxable income. The way you do this is called an accounting method. This section explains which accounting periods and methods you can use.

Accounting Periods

Most individual tax returns cover a calendar year—the 12 months from January 1 through December 31. If you don't use a calendar year, your accounting period is a fiscal year. A regular fiscal year is a 12-month period that ends on the last day of any month except December. A 52-53-week fiscal year varies from 52 to 53 weeks and always ends on the same day of the week.

You choose your accounting period (tax year) when you file your first income tax return. It can't be longer than 12 months.

More information. For more information on accounting periods, including how to change your accounting period, see Pub. 538.

Accounting Methods

Your accounting method is the way you account for your income and expenses. Most taxpayers use either the cash method or an accrual method. You choose a method when you file your first income tax return. If you want to change your accounting method after that, you must generally get IRS approval. Use Form 3115 to request an accounting method change.

Cash method. If you use this method, report all items of income in the year in which you actually or constructively receive them. Generally, you deduct all expenses in the year you actually pay them. This is the method most individual taxpayers use.

Constructive receipt. Generally, you constructively receive income when it is credited to your account or set apart in any way that makes

it available to you. You don't need to have physical possession of it. For example, interest credited to your bank account on December 31, 2025, is taxable income to you in 2025 if you could have withdrawn it in 2025 (even if the amount isn't entered in your records or withdrawn until 2026).

Garnished wages. If your employer uses your wages to pay your debts, or if your wages are attached or garnished, the full amount is constructively received by you. You must include these wages in income for the year you would have received them.

Debts paid for you. If another person cancels or pays your debts (but not as a gift or loan), you have constructively received the amount and must generally include it in your gross income for the year. See *Canceled Debts* in chapter 8 for more information.

Payment to third party. If a third party is paid income from property you own, you have constructively received the income. It is the same as if you had actually received the income and paid it to the third party.

Payment to an agent. Income an agent receives for you is income you constructively received in the year the agent receives it. If you indicate in a contract that your income is to be paid to another person, you must include the amount in your gross income when the other person receives it.

Check received or available. A valid check that was made available to you before the end of the tax year is constructively received by you in that year. A check that was "made available to you" includes a check you have already received, but not cashed or deposited. It also includes, for example, your last paycheck of the year that your employer made available for you to pick up at the office before the end of the year. It is constructively received by you in that year whether or not you pick it up before the end of the year or wait to receive it by mail after the end of the year.

No constructive receipt. There may be facts to show that you didn't constructively receive income.

Example. Lennon, a teacher, agreed to the school board's condition that, in Lennon's absence, Lennon would receive only the difference between Lennon's regular salary and the salary of a substitute teacher hired by the school board. Therefore, Lennon didn't constructively receive the amount by which Lennon's salary was reduced to pay the substitute teacher.

Accrual method. If you use an accrual method, you generally report income when you earn it, rather than when you receive it. You generally deduct your expenses when you incur them, rather than when you pay them.

Income paid in advance. An advance payment of income is generally included in gross income in the year you receive it. Your method of accounting doesn't matter as long as the income is available to you. An advance payment may include rent or interest you receive in advance and pay for services you will perform later.

A limited deferral until the next tax year may be allowed for certain advance payments. See Pub. 538 for specific information.

Additional information. For more information on accounting methods, including how to change your accounting method, see Pub. 538.

Social Security Number (SSN)

You must enter your SSN on your return. If you are married, enter the SSNs for both you and your spouse, whether you file jointly or separately.

If you are filing a joint return, include the SSNs in the same order as the names. Use this same order in submitting other forms and documents to the IRS.



If you, or your spouse if filing jointly, don't have an SSN (or ITIN) issued either on or on or before the due date of your 2025 return (including extensions), you can't claim certain tax benefits on your original or an amended 2025 return.

Once you are issued an SSN, use it to file your tax return. Use your SSN to file your tax return even if your SSN does not authorize employment or if you have been issued an SSN that authorizes employment and you lose your employment authorization. An ITIN will not be issued to you once you have been issued an SSN. If you received your SSN after previously using an ITIN, stop using your ITIN. Use your SSN instead.

Check that both the name and SSN on your Form 1040 or 1040-SR, W-2, and 1099 agree with your social security card. If they don't, certain deductions and credits on your Form 1040 or 1040-SR may be reduced or disallowed and you may not receive credit for your social security earnings. If your Form W-2 shows an incorrect SSN or name, notify your employer or the form-issuing agent as soon as possible to make sure your earnings are credited to your social security record. If the name or SSN on your social security card is incorrect, call the Social Security Administration (SSA) at 800-772-1213.

Name change. If you changed your name because of marriage, divorce, etc., be sure to report the change to your local SSA office before filing your return. This prevents delays in processing your return and issuing refunds. It also safeguards your future social security benefits.

Dependent's SSN. You must provide the SSN of each dependent you claim, regardless of the dependent's age. This requirement applies to all dependents (not just your children) claimed on your tax return.



Your child must have an SSN valid for employment issued before the due date of your 2025 return (including extensions) to be considered a qualifying child for certain tax benefits on your original or amended 2025 return. See chapter 14.

Exception. If your child was born and died in 2025 and didn't have an SSN, enter "DIED" on row (3) of the *Dependents* section of Form 1040 or 1040-SR and include a copy of the child's birth certificate, death certificate, or hospital records. The document must show that the child was born alive.

No SSN. File Form SS-5, Application for a Social Security Card, with your local SSA office to get an SSN for yourself or your dependent. It usually takes about 2 weeks to get an SSN. If you or your dependent isn't eligible for an SSN, see *Individual taxpayer identification number (ITIN)*, later.

If you are a U.S. citizen or resident alien, you must show proof of age, identity, and citizenship or alien status with your Form SS-5. If you are 12 or older and have never been assigned an SSN, you must appear in person with this proof at an SSA office.

Form SS-5 is available at any SSA office, on the Internet at *SSA.gov/forms/ss-5.pdf*, or by calling 800-772-1213. If you have any questions about which documents you can use as proof of age, identity, or citizenship, contact your SSA office.

If your dependent doesn't have an SSN by the time your return is due, you may want to ask for an extension of time to file, as explained earlier under *When Do I Have To File*.

If you don't provide a required SSN or if you provide an incorrect SSN, your tax may be increased and any refund may be reduced.

Adoption taxpayer identification number (ATIN). If you are in the process of adopting a child who is a U.S. citizen or resident and can't get an SSN for the child until the adoption is final, you can apply for an ATIN to use instead of an SSN.

File Form W-7A, Application for Taxpayer Identification Number for Pending U.S. Adoptions, with the IRS to get an ATIN if all of the following are true.

- You have a child living with you who was placed in your home for legal adoption.
- You can't get the child's existing SSN even though you have made a reasonable attempt to get it from the birth parents, the placement agency, and other persons.
- You can't get an SSN for the child from the SSA because, for example, the adoption isn't final.
- You are eligible to claim the child as a dependent on your tax return.

After the adoption is final, you must apply for an SSN for the child. You can't continue using the ATIN.

See Form W-7A for more information.

Nonresident alien spouse. If your spouse is a nonresident alien, your spouse must have either an SSN or an ITIN if:

- You file a joint return, or
- Your spouse is filing a separate return.

If your spouse isn't eligible for an SSN, see the following discussion on ITINs.

Individual taxpayer identification number (ITIN). The IRS will issue you an ITIN if you are a nonresident or resident alien and you don't have and aren't eligible to get an SSN. This also applies to an alien spouse or dependent. To apply for an ITIN, file Form W-7 with the IRS. It

usually takes about 7 weeks to get an ITIN. Enter the ITIN on your tax return wherever an SSN is requested.

Make sure your ITIN hasn't expired. See *Individual taxpayer identification number (ITIN) renewal*, earlier, for more information on expiration and renewal of ITINs. You can also find more information at *IRS.gov/ITIN*.

TIP *If you are applying for an ITIN for yourself, your spouse, or a dependent in order to file your tax return, attach your completed tax return to your Form W-7. See the Form W-7 instructions for how and where to file.*

CAUTION *You can't* e-file *a return using an ITIN in the calendar year the ITIN is issued; however, you can* e-file *returns in the following years.*

ITIN for tax use only. An ITIN is for federal tax use only. It doesn't entitle you to social security benefits or change your employment or immigration status under U.S. law.

Penalty for not providing social security number. If you don't include your SSN or the SSN of your spouse or dependent as required, you may have to pay a penalty. See the discussion on *Penalties*, later, for more information.

SSN on correspondence. If you write to the IRS about your tax account, be sure to include your SSN (and the name and SSN of your spouse, if you filed a joint return) in your correspondence. Because your SSN is used to identify your account, this helps the IRS respond to your correspondence promptly.

Presidential Election Campaign Fund

This fund helps pay for Presidential election campaigns. The fund also helps pay for pediatric medical research. If you want $3 to go to this fund, check the box. If you are filing a joint return, your spouse can also have $3 go to the fund. If you check the box, your tax or refund won't change.

Computations

The following information may be useful in making the return easier to complete.

Rounding off dollars. You can round off cents to whole dollars on your return and schedules. If you do round to whole dollars, you must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, $1.39 becomes $1 and $2.50 becomes $3.

If you have to add two or more amounts to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

If you are entering amounts that include cents, make sure to include the decimal point. There is no cents column on Form 1040 or 1040-SR.

Equal amounts. If you are asked to enter the smaller or larger of two equal amounts, enter that amount.

Negative amounts. If you file a paper return and you need to enter a negative amount, put the amount in parentheses rather than using a minus sign. To combine positive and negative amounts, add all the positive amounts together and then subtract the negative amounts.

Attachments

Depending on the form you file and the items reported on your return, you may have to complete additional schedules and forms and attach them to your paper return.

TIP *You may be able to file a paperless return using IRS* e-file. *There's nothing to attach or mail, not even your Forms W-2. See* File Electronically, *earlier.*

Form W-2. Form W-2 is a statement from your employer of wages and other compensation paid to you and taxes withheld from your pay. You should have a Form W-2 from each employer. If you file a paper return, be sure to attach a copy of Form W-2 in the place indicated on your return. For more information, see *Form W-2* in chapter 4.

Form 1099-R. If you received a Form 1099-R showing federal income tax withheld, and you file a paper return, attach a copy of that form in the place indicated on your return.

Form 1040 or 1040-SR. If you file a paper return, attach any forms and schedules behind Form 1040 or 1040-SR in order of the "Attachment Sequence No." shown in the upper right corner of the form or schedule. Then, arrange all other statements or attachments in the same order as the forms and schedules they relate to and attach them last. Don't attach items unless required to do so.

Third Party Designee

If you want to allow your preparer, a friend, a family member, or any other person you choose to discuss your 2025 tax return with the IRS, check the "Yes" box in the "Third Party Designee" area of your return. Also, enter the designee's name, phone number, and any five digits the designee chooses as their personal identification number (PIN).

If you check the "Yes" box, you, and your spouse if filing a joint return, are authorizing the IRS to call the designee to answer any questions that arise during the processing of your return. You are also authorizing the designee to:

- Give information that is missing from your return to the IRS;
- Call the IRS for information about the processing of your return or the status of your refund or payments;
- Receive copies of notices or transcripts related to your return, upon request; and
- Respond to certain IRS notices about math errors, offsets (see *Refunds*, later), and return preparation.

You aren't authorizing the designee to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the IRS. If you want to expand the designee's authorization, see Pub. 947.

The authorization will automatically end no later than the due date (without any extensions) for filing your 2026 tax return. This is April 15, 2027, for most people.

See your form instructions for more information.

Signatures

You must sign and date your return. If you file a joint return, both you and your spouse must sign the return, even if only one of you had income.

CAUTION *If you file a joint return, both spouses are generally liable for the tax, and the entire tax liability may be assessed against either spouse. See* chapter 2.

Your return isn't considered a valid return unless you sign it in accordance with the requirements in the instructions for your return.

You must handwrite your signature on your return if you file it on paper. Digital, electronic, or typed-font signatures are not valid signatures for Forms 1040 or 1040-SR filed on paper.

If you electronically file your return, you can use an electronic signature to sign your return in accordance with the requirements contained in the instructions for your return.

Failure to sign your return in accordance with these requirements may prevent you from obtaining a refund.

Enter your occupation. If you file a joint return, enter both your occupation and your spouse's occupation.

When someone can sign for you. You can appoint an agent to sign your return if you are:

1. Unable to sign the return because of disease or injury,
2. Absent from the United States for a continuous period of at least 60 days before the due date for filing your return, or
3. Given permission to do so by the IRS office in your area.

Power of attorney. A return signed by an agent in any of these cases must have a power of attorney (POA) attached that authorizes the agent to sign for you. You can use a POA that states that the agent is granted authority to sign the return, or you can use Form 2848. Part I of Form 2848 must state that the agent is granted authority to sign the return.

Court-appointed conservator, guardian, or other fiduciary. If you are a court-appointed conservator, guardian, or other fiduciary for a mentally or physically incompetent individual who has to file a tax return, sign your name for the individual. File Form 56.

Unable to sign. If the taxpayer is mentally competent but physically unable to sign the return or POA, a valid "signature" is defined under state law. It can be anything that clearly indicates the taxpayer's intent to sign. For example, the taxpayer's "X" with the signatures of two witnesses might be considered a valid signature under a state's law.

Spouse unable to sign. If your spouse is unable to sign for any reason, see *Signing a joint return* in chapter 2.

Child's return. If a child has to file a tax return but can't sign the return, the child's parent, guardian, or another legally responsible person must sign the child's name, followed by the words "By (your signature), parent for minor child."

Paid Preparer

Generally, anyone you pay to prepare, assist in preparing, or review your tax return must sign it and fill in the other blanks, including their Preparer Tax Identification Number (PTIN), in the paid preparer's area of your return.

Many preparers are required to *e-file* the tax returns they prepare. They sign these *e-filed* returns using their tax preparation software. However, you can choose to have your return completed on paper if you prefer. In that case, the paid preparer can sign the paper return manually or use a rubber stamp or mechanical device. The preparer is personally responsible for affixing their signature to the return.

If the preparer is self-employed (that is, not employed by any person or business to prepare the return), the preparer should check the self-employed box in the "Paid Preparer Use Only" space on the return.

The preparer must give you a copy of your return in addition to the copy filed with the IRS.

If you prepare your own return, leave this area blank. If another person prepares your return and doesn't charge you, that person shouldn't sign your return.

If you have questions about whether a preparer must sign your return, contact any IRS office.

Refunds

When you complete your return, you will determine if you paid more income tax than you owed. If so, you can get a refund of the amount you overpaid or you can choose to apply all or part of the overpayment to your next year's (2026) estimated tax.

CAUTION *If you choose to have a 2025 overpayment applied to your 2026 estimated tax, you can't change your mind and have any of it refunded to you after the due date (without extensions) of your 2025 return.*

Follow the Instructions for Form 1040 to complete the entries to claim your refund and/or to apply your overpayment to your 2026 estimated tax.

TIP *If your refund for 2025 is large, you may want to decrease the amount of income tax withheld from your pay in 2026. See chapter 4 for more information.*

DIRECT DEPOSIT *Simple. Safe. Secure.* Have your refund deposited directly into your checking, savings, health savings, brokerage, or other similar account, including an individual retirement arrangement (IRA). Follow the Instructions for Form 1040 to request direct deposit.

Starting in October 2025, the IRS will generally stop issuing paper checks for federal disbursements, including tax refunds, unless an exception applies. For more information, go to *IRS.gov/ModernPayments*.

Don't request a deposit of any part of your refund to an account that isn't in your name. Don't allow your tax preparer to deposit any part of your refund into the preparer's account. The number of direct deposits to a single account or prepaid debit card is limited to three refunds a year. Learn more at *IRS.gov/DepositLimit*.

IRA. You can have your refund (or part of it) directly deposited to a traditional IRA or Roth IRA, but not a SIMPLE IRA. You must establish the IRA at a bank or financial institution before you request direct deposit.

Split refunds. If you choose direct deposit, you may be able to split the refund and have it deposited into more than one account. Complete Form 8888 and attach it to your return.

Overpayment less than one dollar. If your overpayment is less than $1, you won't get a refund unless you ask for it in writing.

Refund more or less than expected. If you receive a refund you aren't entitled to, or for an overpayment that should have been credited to estimated tax, hold the refund in your account. Check your online account at *IRS.gov/Account* or contact the IRS.

If you receive more than the refund you claimed, hold the refund in your account until you receive a notice explaining the difference.

If your refund is for less than you claimed, it should be accompanied by a notice explaining the difference.

If you didn't receive a notice and you have any questions about the amount of your refund, you should wait 2 weeks. If you still haven't received a notice, check your online account at *IRS.gov/Account* or contact the IRS.

Offset against debts. If you are due a refund but haven't paid certain amounts you owe, all or part of your refund may be used to pay all or part of the past-due amount. This includes past-due federal income tax, other federal debts (such as student loans), state income tax, child and spousal support payments, and state unemployment compensation debt. You will be notified if the refund you claimed has been offset against your debts.

Joint return and injured spouse. When a joint return is filed and only one spouse owes a past-due amount, the other spouse can be considered an injured spouse. An injured spouse should file Form 8379, Injured Spouse Allocation, if both of the following apply and the spouse wants a refund of their share of the overpayment shown on the joint return.

1. You aren't legally obligated to pay the past-due amount.
2. You made and reported tax payments (such as federal income tax withheld from your wages or estimated tax payments), or claimed a refundable tax credit (see the credits listed under *Who Should File*, earlier).

Note: If the injured spouse's residence was in a community property state at any time during the tax year, special rules may apply. See the Instructions for Form 8379.

If you haven't filed your joint return and you know that your joint refund will be offset, file Form 8379 with your return. You should receive your refund within 14 weeks from the date the paper return is filed or within 11 weeks from the date the return is filed electronically.

If you filed your joint return and your joint refund was offset, file Form 8379 by itself. When filed after offset, it can take up to 8 weeks to receive your refund. Don't attach the previously filed tax return, but do include copies of all Forms W-2 and W-2G for both spouses and any Forms 1099 that show income tax withheld. The processing of Form 8379 may be delayed if these forms aren't attached, or if the form is incomplete when filed.

A separate Form 8379 must be filed for each tax year to be considered.

CAUTION *An injured spouse claim is different from an innocent spouse relief request. An injured spouse uses Form 8379 to request the division of the tax overpayment attributed to each spouse. An innocent spouse uses Form 8857, Request for Innocent Spouse Relief, to request relief from joint liability for tax, interest, and penalties on a joint return for items of the other spouse (or former spouse) that were incorrectly reported on the joint return. For information on innocent spouses, see* Relief from joint responsibility *under* Filing a Joint Return *in chapter 2.*

Amount You Owe

When you complete your return, you will determine if you have paid the full amount of tax that you owe. If you owe additional tax, you should pay it with your return.

TIP *You don't have to pay if the amount you owe is under $1.*

If the IRS figures your tax for you, you will receive a bill for any tax that is due. You should pay this bill within 30 days (or by the due date of your return, if later). See *Tax Figured by IRS* in chapter 13.

CAUTION *If you don't pay your tax when due, you may have to pay a failure-to-pay penalty. See* Penalties, *later. For more information about your balance due, see Pub. 594.*

TIP *If the amount you owe for 2025 is large, you may want to increase the amount of income tax withheld from your pay or make estimated tax payments for 2026. See* chapter 4 *for more information.*

How To Pay

You can pay online, by phone, by mobile device, in cash, or by check or money order. Don't include any estimated tax payment for 2026 in this payment. Instead, make the estimated tax payment separately.

Insufficient funds. The penalty for making a payment to the IRS that was dishonored is $25 or 2% of the dishonored payment amount, whichever is more. However, if the dishonored payment amount is less than $25, the penalty equals the amount paid. This penalty applies to all acceptable forms of payment if the IRS doesn't receive the funds.

Pay online. Paying online is convenient and secure and helps make sure we get your payments on time.

You can pay online with a direct transfer from your bank account using IRS Direct Pay or the Electronic Federal Tax Payment System (EFTPS), or by debit or credit card.

To pay your taxes online or for more information, go to *IRS.gov/Payments*.

Pay by phone. Paying by phone is another safe and secure method of paying online. Use one of the following methods.

- EFTPS.
- Debit or credit card.

To get more information about EFTPS or to enroll in EFTPS, visit *EFTPS.gov* or call 800-555-4477. To contact EFTPS using Telecommunications Relay Services (TRS) for people who are deaf, hard of hearing, or have a speech disability, dial 711 and then provide the TRS assistant the 800-555-4477 number or 800-733-4829. Additional information about EFTPS is also available in Pub. 966.

To pay using a debit or credit card, you can call one of the following service providers. There is a convenience fee charged by these providers that varies by provider, card type, and payment amount.

Link2Gov Corporation
888-PAY-1040™ (888-729-1040)
PAY1040.com

ACI Payments, Inc.
888-UPAY-TAX™ (888-872-9829)
fed.acipayonline.com

For the latest details on how to pay by phone, go to *IRS.gov/Payments*.

Pay by cash. You can pay your taxes in cash. To find out about the different cash payment methods, go to *IRS.gov/PayCash*. Don't send cash payments through the mail.

Pay by check or money order. Before submitting a payment through the mail, please consider alternative methods. One of our safe, quick, and easy electronic payment options might be right for you. If you choose to mail a tax payment, attach Form 1040-V. For the most up-to-date information on Form 1040-V, go to *IRS.gov/Form1040V*.

Estimated tax payments. Don't include any 2026 estimated tax payment in the payment for your 2025 income tax return. See chapter 4 for information on how to pay estimated tax.

Interest

Interest is charged on tax you don't pay by the due date of your return. Interest is charged even if you get an extension of time for filing.

TIP *If the IRS figures your tax for you, to avoid interest for late payment, you must pay the bill by the date specified on the bill or by the due date of your return, whichever is later. For information, see* Tax Figured by IRS *in chapter 13.*

Interest on penalties. Interest is charged on the failure-to-file penalty, the accuracy-related penalty, and the fraud penalty from the due date of the return (including extensions) to the date of payment. Interest on other penalties starts on the date of notice and demand, but isn't charged on penalties paid within 21 calendar days from the date of the notice (or within 10 business days if the notice is for $100,000 or more).

Interest due to IRS error or delay. All or part of any interest you were charged can be forgiven if the interest is due to an unreasonable error or delay by an officer or employee of the IRS in performing a ministerial or managerial act.

A ministerial act is a procedural or mechanical act that occurs during the processing of your case. A managerial act includes personnel transfers and extended personnel training. A decision concerning the proper application of federal tax law isn't a ministerial or managerial act.

The interest can be forgiven only if you aren't responsible in any important way for the error or delay and the IRS has notified you in writing of the deficiency or payment. For more information, see Pub. 556.

Interest and certain penalties may also be suspended for a limited period if you filed your return by the due date (including extensions) and the IRS doesn't provide you with a notice specifically stating your liability and the basis for it before the close of the 36-month period beginning on the later of:

- The date the return is filed, or
- The due date of the return without regard to extensions.

For more information, see Pub. 556.

Installment Agreement

If you can't pay the full amount due with your return, you can ask to make monthly installment payments for the full or a partial amount. However, you will be charged interest and may be charged a late payment penalty on the tax not paid by the date your return is due, even if your request to pay in installments is granted. If your request is granted, you must also pay a fee. To limit the interest and penalty charges, pay as much of the tax as possible with your return. But before requesting an installment agreement, you should consider other less costly alternatives, such as a bank loan or credit card payment.

To apply for an installment agreement online, go to *IRS.gov/OPA*. You can also use Form 9465.

In addition to paying by check or money order, you can use a credit or debit card or direct payment from your bank account to make installment agreement payments. See *How To Pay*, earlier.

Gift To Reduce Debt Held by the Public

You can make a contribution (gift) to reduce debt held by the public. If you wish to do so, go to *Pay.gov* and make a contribution by credit card, debit card, PayPal, checking account, or savings account.

Don't add this gift to any tax you owe.

For information on making this type of gift online, go to *TreasururyDirect.gov/Help-Center/Public-Debt-FAQs/#DebtFinance* and see the information under "How do you make a contribution to reduce the debt?"

You may be able to deduct this gift as a charitable contribution on next year's tax return if you itemize your deductions on Schedule A (Form 1040).

Name and Address

Fill in your name and address in the appropriate area of Form 1040 or 1040-SR. If you are married filing a separate return, enter your spouse's name in the entry space below the filing status checkboxes instead of below your name. If you are currently incarcerated, enter your inmate identifying number near your last name.

CAUTION *You must include your SSN in the correct place on your tax return.*

P.O. box. If your post office doesn't deliver mail to your street address and you have a P.O. box, enter your P.O. box number on the line for your present home address instead of your street address.

Foreign address. If you have foreign address, enter the city name on the appropriate line. Don't enter any other information on that line, but do complete the spaces below that line (Foreign country name, Foreign province/state/county, and Foreign postal code).

Don't abbreviate the country name.

Where Do I File?

After you complete your return, you must send it to the IRS. If you must mail your return, mail it to the address shown in the Instructions for Form 1040. See *File Electronically*, earlier.

What Happens After I File?

After you send your return to the IRS, you may have some questions. This section discusses concerns you may have about recordkeeping, your refund, and what to do if you move.

What Records Should I Keep?

This part discusses why you should keep records, what kinds of records you should keep, and how long you should keep them.



You must keep records so that you can prepare a complete and accurate income tax return. The law doesn't require any special form of records. However, you should keep all receipts, canceled checks or other proof of payment, and any other records to support any deductions or credits you claim.

If you file a claim for refund, you must be able to prove by your records that you have overpaid your tax.

This part doesn't discuss the records you should keep when operating a business. For information on business records, see Pub. 583.

Why Keep Records?

Good records help you:

- **Identify sources of income.** Your records can identify the sources of your income to help you separate business from nonbusiness income and taxable from nontaxable income.
- **Keep track of expenses.** You can use your records to identify expenses for which you can claim a deduction. This helps you determine if you can itemize deductions on your tax return.
- **Keep track of the basis of property.** You need to keep records that show the basis of your property. This includes the original cost or other basis of the property and any improvements you made.
- **Prepare tax returns.** You need records to prepare your tax return.
- **Support items reported on tax returns.** The IRS may question an item on your return. Your records will help you explain any item and arrive at the correct tax. If you can't produce the correct documents, you may have to pay additional tax and be subject to penalties.

Kinds of Records To Keep

The IRS doesn't require you to keep your records in a particular way. Keep them in a manner that allows you and the IRS to determine your correct tax.

You can use your checkbook to keep a record of your income and expenses. You also need to keep documents, such as receipts and sales slips, that can help prove a deduction.

In this section, you will find guidance about basic records that everyone should keep. The section also provides guidance about specific records you should keep for certain items.

Electronic records. All requirements that apply to hard copy books and records also apply to electronic storage systems that maintain tax books and records. When you replace hard copy books and records, you must maintain the electronic storage systems for as long as they are material to the administration of tax law.

For details on electronic storage system requirements, see Revenue Procedure 97-22, which is on page 9 of Internal Revenue Bulletin 1997-13 at *IRS.gov/pub/irs-irbs/irb97-13.pdf*.

Copies of tax returns. You should keep copies of your tax returns as part of your tax records. They can help you prepare future tax returns, and you will need them if you file an amended return or are audited. Copies of your returns and other records can be helpful to your survivor or the executor or administrator of your estate.

You can get a transcript, review your most recently filed tax return, and get your adjusted gross income from your online account. To create or access your online account go to *IRS.gov/Account*.

If necessary, you can request a copy of a return and all attachments (including Form W-2) from the IRS by using Form 4506. There is a charge for a copy of a return. For information on the cost and where to file, see the Instructions for Form 4506.

If you just need information from your return, you can order a transcript in one of the following ways.

- Access your online account at *IRS.gov/Account*.
- Go to *IRS.gov/Transcript*.
- Use Form 4506-T or Form 4506T-EZ.
- Call 800-908-9946.

There is no fee for a transcript. For more information, see Form 4506-T.

Basic Records

Basic records are documents that everybody should keep. These are the records that prove your income and expenses. If you own a home or investments, your basic records should contain documents related to those items.

Income. Your basic records prove the amounts you report as income on your tax return. Your income may include wages, dividends, interest, and partnership or S corporation distributions. Your records can also prove that certain amounts aren't taxable, such as tax-exempt interest.

Note: If you receive a Form W-2, keep Copy C until you begin receiving social security benefits. This will help protect your benefits in case there is a question about your work record or earnings in a particular year.

Expenses. Your basic records prove the expenses for which you claim a deduction (or credit) on your tax return. Your deductions may include alimony, charitable contributions, mortgage interest, and real estate taxes. You may also have childcare expenses for which you can claim a credit.

Home. Your basic records should enable you to determine the basis or adjusted basis of your home. You need this information to determine if you have a gain or loss when you sell your home or to figure depreciation if you use part of your home for business purposes or for rent. Your records should show the purchase price, settlement or closing costs, and the cost of any improvements. They may also show any casualty losses deducted and insurance reimbursements for casualty losses.

For detailed information on basis, including which settlement or closing costs are included in the basis of your home, see Pub. 551.

When you sell your home, your records should show the sales price and any selling expenses, such as commissions. For information on selling your home, see Pub. 523.

Investments. Your basic records should enable you to determine your basis in an investment and whether you have a gain or loss when you sell it. Investments include stocks, bonds, and mutual funds. Your records should show the purchase price, sales price, and commissions. They may also show any reinvested dividends, stock splits and dividends, load charges, and original issue discount (OID).

For information on stocks, bonds, and mutual funds, see Pub. 550 and Pub. 551.

Proof of Payment

One of your basic records is proof of payment. You should keep these records to support certain amounts shown on your tax return. Proof of payment alone isn't proof that the item claimed on your return is allowable. You should also keep other documents that will help prove that the item is allowable.

Generally, you prove payment with a cash receipt, financial account statement, credit card statement, canceled check, or substitute check. If you make payments in cash, you should get a dated and signed receipt showing the amount and the reason for the payment.

If you make payments using your bank account, you may be able to prove payment with an account statement.

Account statements. You may be able to prove payment with a legible financial account statement prepared by your bank or other financial institution.

Pay statements. You may have deductible expenses withheld from your paycheck, such as medical insurance premiums. You should keep your year-end or final pay statements as proof of payment of these expenses.

How Long To Keep Records

You must keep your records as long as they may be needed for the administration of any provision of the Internal Revenue Code. Generally, this means you must keep records that support items shown on your return until the period of limitations for that return runs out.

The period of limitations is the period of time in which you can amend your return to claim a credit or refund or the IRS can assess additional tax. Table 1-6 contains the periods of limitations that apply to income tax returns. Unless otherwise stated, the years refer to the period beginning after the return was filed. Returns filed before the due date are treated as being filed on the due date.

Table 1-6. **Period of Limitations**

IF you...	THEN the period is...
1 File a return and (2), (3), and (4) don't apply to you,	3 years.

2	Don't report income that you should and it is more than 25% of the gross income shown on your return,	6 years.
3	File a fraudulent return,	No limit.
4	Don't file a return,	No limit.
5	File a claim for credit or refund after you filed your return,	The later of 3 years or 2 years after tax was paid.
6	File a claim for a loss from worthless securities or bad debt deduction,	7 years.

Property. Keep records relating to property until the period of limitations expires for the year in which you dispose of the property in a taxable disposition. You must keep these records to figure your basis for computing gain or loss when you sell or otherwise dispose of the property.

Generally, if you received property in a nontaxable exchange, your basis in that property is the same as the basis of the property you gave up. You must keep the records on the old property, as well as the new property, until the period of limitations expires for the year in which you dispose of the new property in a taxable disposition.

Refund Information

You can go online to check the status of your 2025 refund 24 hours after the IRS receives your e-filed return, or 4 weeks after you mail a paper return. If you filed Form 8379 with your return, allow 14 weeks (11 weeks if you filed electronically) before checking your refund status. Be sure to have a copy of your 2025 tax return available because you will need to know the filing status, the first SSN shown on the return, and the exact whole-dollar amount of the refund. To check on your refund, do one of the following.

- Go to *IRS.gov/Refunds*.
- Download the free IRS2Go app to your smart phone and use it to check your refund status.
- Call the automated refund hotline at 800-829-1954.

Interest on Refunds

If you are due a refund, you may get interest on it. The interest rates are adjusted quarterly.

If the refund is made within 45 days after the due date of your return, no interest will be paid. If you file your return after the due date (including extensions), no interest will be paid if the refund is made within 45 days after the date you filed. If the refund isn't made within this 45-day period, interest will be paid from the due date of the return or from the date you filed, whichever is later.

Accepting a refund doesn't change your right to claim an additional refund and interest. File your claim within the period of time that applies. See *Amended Returns and Claims for Refund*, later. If you don't accept a refund, no more interest will be paid on the overpayment included in the payment amount.

Interest on erroneous refund. All or part of any interest you were charged on an erroneous refund will generally be forgiven. Any interest charged for the period before demand for repayment was made will be forgiven unless:

1. You, or a person related to you, caused the erroneous refund in any way; or
2. The refund is more than $50,000.

For example, if you claimed a refund of $100 on your return, but the IRS made an error and sent you $1,000, you wouldn't be charged interest for the time you held the $900 difference. You must, however, repay the $900 when the IRS asks.

Change of Address

If you have moved, file your return using your new address.

If you move after you filed your return, you should give the IRS clear and concise notification of your change of address. The notification may be written, electronic, or oral. Send written notification to the Internal Revenue Service Center serving your old address. You can use Form 8822, Change of Address. If you are expecting a refund, also notify the post office serving your old address. This will help in forwarding your check to your new address (unless you chose direct deposit of your refund). For more information, see Revenue Procedure 2010-16, 2010-19 I.R.B. 664, available at *IRS.gov/irb/2010-19_IRB/ar07.html*.

Be sure to include your SSN (and the name and SSN of your spouse if you filed a joint return) in any correspondence with the IRS.

What if I Made a Mistake?

Errors may delay your refund or result in notices being sent to you. If you discover an error, you can file an amended return or claim for refund.

Amended Returns and Claims for Refund

You should correct your return if, after you have filed it, you find that:

1. You didn't report some income,
2. You claimed deductions or credits you shouldn't have claimed,
3. You didn't claim deductions or credits you could have claimed, or
4. You should have claimed a different filing status. (Once you file a joint return, you can't choose to file separate returns for that year after the due date of the return. However, an executor may be able to make this change for a deceased spouse.)

If you need a copy of your return, see *Copies of tax returns* under *Kinds of Records To Keep*, earlier, in this chapter.

Form 1040-X. Use Form 1040-X to correct a return you have already filed.

Completing Form 1040-X. On Form 1040-X, enter your income, deductions, and credits as you originally reported them on your return; the changes you are making; and the corrected amounts. Then, figure the tax on the corrected amount of taxable income and the amount you owe or your refund.

If you owe tax, the IRS offers several payment options. See *How To Pay*, earlier. The tax owed won't be subtracted from any amount you had credited to your estimated tax.

If you can't pay the full amount due with your return, you can ask to make monthly installment payments. See *Installment Agreement*, earlier.

If you overpaid tax, you can have all or part of the overpayment refunded to you, or you can apply all or part of it to your estimated tax. If you choose to get a refund, it will be sent separately from any refund shown on your original return.

Filing Form 1040-X. When completing Form 1040-X, don't forget to show the year of your original return and explain all changes you made. Be sure to attach any forms or schedules needed to explain your changes.

File a separate form for each tax year involved.

You can file Form 1040-X electronically to amend Form 1040 and 1040-SR for the current year or the two prior tax periods. For more information, see Instructions for Form 1040-X.

If you must mail your Form 1040-X, mail it to the Internal Revenue Service Center serving the area where you now live (as shown in the Instructions for Form 1040-X). However, if you are filing Form 1040-X in response to a notice you received from the IRS, mail it to the address shown on the notice.

Time for filing a claim for refund. Generally, you must file your claim for a credit or refund within 3 years after the date you filed your original return or within 2 years after the date you paid the tax, whichever is later. Returns filed before the due date (without regard to extensions) are considered filed on the due date (even if the due date was a Saturday, Sunday, or legal holiday). These time periods are suspended while you are financially disabled, discussed later.

If the last day for claiming a credit or refund is a Saturday, Sunday, or legal holiday, you can file the claim on the next business day.

If you don't file a claim within this period, you may not be entitled to a credit or a refund.

Federally declared disaster. If you were affected by a federally declared disaster, you may have additional time to file your amended return. See Pub. 556 for details.

Protective claim for refund. Generally, a protective claim is a formal claim or amended return for credit or refund normally based on current litigation or expected changes in tax law or other legislation. You file a protective claim when your right to a refund is contingent on future events and may not be determinable until after the statute of limitations expires. A valid protective claim doesn't have to list a particular

dollar amount or demand an immediate refund. However, a valid protective claim must:

- Be in writing and signed;
- Include your name, address, SSN or ITIN, and other contact information;
- Identify and describe the contingencies affecting the claim;
- Clearly alert the IRS to the essential nature of the claim; and
- Identify the specific year(s) for which a refund is sought.

Mail your protective claim for refund to the address listed in the Instructions for Form 1040-X under *Where To File.*

Generally, the IRS will delay action on the protective claim until the contingency is resolved.

Limit on amount of refund. If you file your claim within 3 years after the date you filed your return, the credit or refund can't be more than the part of the tax paid within the 3-year period (plus any extension of time for filing your return) immediately before you filed the claim. This time period is suspended while you are financially disabled, discussed later.

Tax paid. Payments, including estimated tax payments, made before the due date (without regard to extensions) of the original return are considered paid on the due date. For example, income tax withheld during the year is considered paid on the due date of the return, which is April 15 for most taxpayers.

Example 1. You made estimated tax payments of $500 and got an automatic extension of time to October 15, 2022, to file your 2021 income tax return. When you filed your return on that date, you paid an additional $200 tax. On October 15, 2025, you filed an amended return and claimed a refund of $700. Because you filed your claim within 3 years after you filed your original return, you can get a refund of up to $700, the tax paid within the 3 years plus the 6-month extension period immediately before you filed the claim.

Example 2. The situation is the same as in *Example 1*, except you filed your return on October 30, 2022, 2 weeks after the extension period ended. You paid an additional $200 on that date. On October 30, 2025, you filed an amended return and claimed a refund of $700. Although you filed your claim within 3 years from the date you filed your original return, the refund was limited to $200, the tax paid within the 3 years plus the 6-month extension period immediately before you filed the claim. The estimated tax of $500 paid before that period can't be refunded or credited.

If you file a claim more than 3 years after you file your return, the credit or refund can't be more than the tax you paid within the 2 years immediately before you file the claim.

Example. You filed your 2021 tax return on April 15, 2022. You paid taxes of $500. On November 5, 2023, after an examination of your 2021 return, you had to pay an additional tax of $200. On May 12, 2025, you file a claim for a refund of $300. However, because you filed your claim more than 3 years after you filed your return, your refund will be limited to the $200 you paid during the 2 years immediately before you filed your claim.

Financially disabled. The time periods for claiming a refund are suspended for the period in which you are financially disabled. For a joint income tax return, only one spouse has to be financially disabled for the time period to be suspended. You are financially disabled if you are unable to manage your financial affairs because of a medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months. However, you aren't treated as financially disabled during any period your spouse or any other person is authorized to act on your behalf in financial matters.

To claim that you are financially disabled, you must send in the following written statements with your claim for refund.

1. A statement from your qualified physician that includes:
   a. The name and a description of your physical or mental impairment;
   b. The physician's medical opinion that the impairment prevented you from managing your financial affairs;
   c. The physician's medical opinion that the impairment was or can be expected to result in death, or that its duration has lasted, or can be expected to last, at least 12 months;
   d. The specific time period (to the best of the physician's knowledge); and
   e. The following certification signed by the physician: "I hereby certify that, to the best of my knowledge and belief, the above representations are true, correct, and complete."
2. A statement made by the person signing the claim for credit or refund that no person, including your spouse, was authorized to act on your behalf in financial matters during the period of disability (or the exact dates that a person was authorized to act for you).

Exceptions for special types of refunds. If you file a claim for one of the items in the following list, the dates and limits discussed earlier may not apply. These items, and where to get more information, are as follows.

- Bad debt. See Pub. 550.
- Worthless security. See Pub. 550.
- Foreign tax paid or accrued. See Pub. 514.
- Net operating loss carryback. See Form 172 and the Instructions for Form 172.
- Carryback of certain business tax credits. See Form 3800.
- Claim based on an agreement with the IRS extending the period for assessment of tax.

Processing claims for refund. Claims are usually processed 8–12 weeks after they are filed. Your claim may be accepted as filed, disallowed, or subject to examination. If a claim is examined, the procedures are the same as in the examination of a tax return.

If your claim is disallowed, you will receive an explanation of why it was disallowed.

Taking your claim to court. You can sue for a refund in court, but you must first file a timely claim with the IRS. If the IRS disallows your claim or doesn't act on your claim within 6 months after you file it, you can then take your claim to court. For information on the burden of proof in a court proceeding, see Pub. 556.

The IRS provides a direct method to move your claim to court if:

- You are filing a claim for a credit or refund based solely on contested income tax or on estate tax or gift tax issues considered in your previously examined returns, and
- You want to take your case to court instead of appealing it within the IRS.

When you file your claim with the IRS, you get the direct method by requesting in writing that your claim be immediately rejected. A notice of claim disallowance will be sent to you.

You have 2 years from the date of mailing of the notice of claim disallowance to file a refund suit in the U.S. District Court having jurisdiction or in the U.S. Court of Federal Claims.

Interest on refund. If you receive a refund because of your amended return, interest will be paid on it from the due date of your original return or the date you filed your original return, whichever is later, to the date you filed the amended return. However, if the refund isn't made within 45 days after you file the amended return, interest will be paid up to the date the refund is paid.

Reduced refund. Your refund may be reduced by an additional tax liability that has been assessed against you.

Also, your refund may be reduced by amounts you owe for past-due federal tax, state income tax, state unemployment compensation debts, child support, spousal support, or certain other federal nontax debts, such as student loans. If your spouse owes these debts, see *Offset against debts* under *Refunds*, earlier, for the correct refund procedures to follow.

Effect on state tax liability. If your return is changed for any reason, it may affect your state income tax liability. This includes changes made as a result of an examination of your return by the IRS. Contact your state tax agency for more information.

Penalties

The law provides penalties for failure to file returns or pay taxes as required.

Civil Penalties

If you don't file your return and pay your tax by the due date, you may have to pay a penalty. You may also have to pay a penalty if you substantially understate your tax, understate a reportable transaction, file an erroneous claim for refund or credit, file a frivolous tax submission, or fail to supply your SSN or ITIN. If you provide

fraudulent information on your return, you may have to pay a civil fraud penalty.

Filing late. If you don't file your return by the due date (including extensions), you may have to pay a failure-to-file penalty. The penalty is usually 5% for each month or part of a month that a return is late, but not more than 25%. The penalty is based on the tax not paid by the due date (without regard to extensions).

Fraud. If your failure to file is due to fraud, the penalty is 15% for each month or part of a month that your return is late, up to a maximum of 75%.

Return over 60 days late. If you file your return more than 60 days after the due date, or extended due date, the minimum penalty is the smaller of $525 or 100% of the unpaid tax.

Exception. You won't have to pay the penalty if you show that you failed to file on time because of reasonable cause and not because of willful neglect.

Paying tax late. You will have to pay a failure-to-pay penalty of ½ of 1% (0.50%) of your unpaid taxes for each month, or part of a month, after the due date that the tax isn't paid. This penalty doesn't apply during the automatic 6-month extension of time to file period if you paid at least 90% of your actual tax liability on or before the due date of your return and pay the balance when you file the return.

The monthly rate of the failure-to-pay penalty is half the usual rate (0.25% instead of 0.50%) if an installment agreement is in effect for that month. You must have filed your return by the due date (including extensions) to qualify for this reduced penalty.

If a notice of intent to levy is issued, the rate will increase to 1% at the start of the first month beginning at least 10 days after the day that the notice is issued. If a notice and demand for immediate payment is issued, the rate will increase to 1% at the start of the first month beginning after the day that the notice and demand is issued.

This penalty can't be more than 25% of your unpaid tax. You won't have to pay the penalty if you can show that you had a good reason for not paying your tax on time.

Combined penalties. If both the failure-to-file penalty and the failure-to-pay penalty (discussed earlier) apply in any month, the 5% (or 15%) failure-to-file penalty is reduced by the failure-to-pay penalty. However, if you file your return more than 60 days after the due date or extended due date, the minimum penalty is the smaller of $525 or 100% of the unpaid tax.

Accuracy-related penalty. You may have to pay an accuracy-related penalty if you underpay your tax because:

1. You show negligence or disregard of the rules or regulations,
2. You substantially understate your income tax,
3. You claim tax benefits for a transaction that lacks economic substance, or
4. You fail to disclose a foreign financial asset.

The penalty is equal to 20% of the underpayment. The penalty is 40% of any portion of the underpayment that is attributable to an undisclosed noneconomic substance transaction or an undisclosed foreign financial asset transaction. The penalty won't be figured on any part of an underpayment on which the fraud penalty (discussed later) is charged.

Negligence or disregard. The term "negligence" includes a failure to make a reasonable attempt to comply with the tax law or to exercise ordinary and reasonable care in preparing a return. Negligence also includes failure to keep adequate books and records. You won't have to pay a negligence penalty if you have a reasonable basis for a position you took.

The term "disregard" includes any careless, reckless, or intentional disregard.

Adequate disclosure. You can avoid the penalty for disregard of rules or regulations if you adequately disclose on your return a position that has at least a reasonable basis. See *Disclosure statement*, later.

This exception won't apply to an item that is attributable to a tax shelter. In addition, it won't apply if you fail to keep adequate books and records, or substantiate items properly.

Substantial understatement of income tax. You understate your tax if the tax shown on your return is less than the correct tax. The understatement is substantial if it is more than the larger of 10% of the correct tax or $5,000. However, the amount of the understatement may be reduced to the extent the understatement is due to:

1. Substantial authority, or
2. Adequate disclosure and a reasonable basis.

If an item on your return is attributable to a tax shelter, there is no reduction for an adequate disclosure. However, there is a reduction for a position with substantial authority, but only if you reasonably believed that your tax treatment was more likely than not the proper treatment.

Substantial authority. Whether there is or was substantial authority for the tax treatment of an item depends on the facts and circumstances. Some of the items that may be considered are court opinions, Treasury regulations, revenue rulings, revenue procedures, and notices and announcements issued by the IRS and published in the Internal Revenue Bulletin that involve the same or similar circumstances as yours.

Disclosure statement. To adequately disclose the relevant facts about your tax treatment of an item, use Form 8275. You must also have a reasonable basis for treating the item the way you did.

In cases of substantial understatement only, items that meet the requirements of Revenue Procedure 2024-44 (or later update) are considered adequately disclosed on your return without filing Form 8275.

Use Form 8275-R to disclose items or positions contrary to regulations.

Transaction lacking economic substance. For more information on economic substance, see section 7701(o).

Foreign financial asset. For more information on undisclosed foreign financial assets, see section 6662(j).

Reasonable cause. You won't have to pay a penalty if you show a good reason (reasonable cause) for the way you treated an item. You must also show that you acted in good faith. This doesn't apply to a transaction that lacks economic substance.

Filing erroneous claim for refund or credit. You may have to pay a penalty if you file an erroneous claim for refund or credit. The penalty is equal to 20% of the disallowed amount of the claim, unless you can show a reasonable basis for the way you treated an item. However, any disallowed amount due to a transaction that lacks economic substance won't be treated as having a reasonable basis. The penalty won't be figured on any part of the disallowed amount of the claim that relates to the earned income credit or on which the accuracy-related or fraud penalties are charged.

Frivolous tax submission. You may have to pay a penalty of $5,000 if you file a frivolous tax return or other frivolous submissions. A frivolous tax return is one that doesn't include enough information to figure the correct tax or that contains information clearly showing that the tax you reported is substantially incorrect. For more information on frivolous returns, frivolous submissions, and a list of positions that are identified as frivolous, see Notice 2010-33, 2010-17 I.R.B. 609, available at *IRS.gov/irb/2010-17_IRB/ar13.html*.

You will have to pay the penalty if you filed this kind of return or submission based on a frivolous position or a desire to delay or interfere with the administration of federal tax laws. This includes altering or striking out the preprinted language above the space provided for your signature.

This penalty is added to any other penalty provided by law.

Fraud. If there is any underpayment of tax on your return due to fraud, a penalty of 75% of the underpayment due to fraud will be added to your tax.

Joint return. The fraud penalty on a joint return doesn't apply to a spouse unless some part of the underpayment is due to the fraud of that spouse.

Failure to supply SSN. If you don't include your SSN or the SSN of another person where required on a return, statement, or other document, you will be subject to a penalty of $50 for each failure. You will also be subject to a penalty of $50 if you don't give your SSN to another person when it is required on a return, statement, or other document.

For example, if you have a bank account that earns interest, you must give your SSN to the bank. The number must be shown on the Form 1099-INT or other statement the bank sends you. If you don't give the bank your SSN, you will be subject to the $50 penalty. (You may also be subject to "backup" withholding of income tax. See chapter 4.)

You won't have to pay the penalty if you are able to show that the failure was due to reasonable cause and not willful neglect.

Criminal Penalties

You may be subject to criminal prosecution (brought to trial) for actions such as:

1. Tax evasion;
2. Willful failure to file a return, supply information, or pay any tax due;
3. Fraud and false statements;
4. Preparing and filing a fraudulent return; or
5. Identity theft.

Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your SSN has been lost or stolen or you suspect you are a victim of tax-related identity theft, visit *IRS.gov/IdentityTheft* to learn what steps you should take.

For more information, see Pub. 5027.

TIP *All taxpayers are now eligible for an Identity Protection Personal Identification Number (IP PIN). For more information, see Pub. 5477. To apply for an IP PIN, go to IRS.gov/IPPIN and use the Get an IP PIN tool.*

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the National Taxpayer Advocate helpline at 877-777-4778 or 800-829-4059 (TTY/TDD). Deaf or hard-of-hearing individuals can also contact the IRS through the Telecommunications Relay Services (TRS) at *FCC.gov/TRS*.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common form is the act of sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS doesn't initiate contact with taxpayers via emails. Also, the IRS doesn't request detailed personal information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward the message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, forms, or other IRS property to the Treasury Inspector General for Tax Administration toll free at 800-366-4484. You can forward suspicious emails to the Federal Trade Commission (FTC) at *spam@uce.gov* or report them at *ftc.gov/complaint*. You can contact them at *ftc.gov/idtheft* or 877-IDTHEFT (877-438-4338). If you have been a victim of identity theft, see *IdentityTheft.gov* or Pub. 5027. People who are deaf, hard of hearing, or have a speech disability and who have access to TTY/TDD equipment can call 866-653-4261.

Go to *IRS.gov/IDProtection* to learn more about identity theft and how to reduce your risk.

2.

Filing Status

Introduction

This chapter helps you determine which filing status to use. There are five filing statuses.

- Single.
- Married filing jointly.
- Married filing separately.
- Head of household.
- Qualifying surviving spouse.

TIP *If more than one filing status applies to you, choose the one that will give you the lowest tax.*

You must determine your filing status before you can determine whether you must file a tax return (chapter 1), your standard deduction (chapter 10), and your tax (chapter 11). You also use your filing status to determine whether you are eligible to claim certain deductions and credits.

Useful Items

You may want to see:

Publication

- ❑ **3** Armed Forces' Tax Guide
- ❑ **501** Dependents, Standard Deduction, and Filing Information
- ❑ **503** Child and Dependent Care Expenses
- ❑ **519** U.S. Tax Guide for Aliens
- ❑ **555** Community Property
- ❑ **559** Survivors, Executors, and Administrators
- ❑ **596** Earned Income Credit (EIC)
- ❑ **925** Passive Activity and At-Risk Rules
- ❑ **971** Innocent Spouse Relief

For these and other useful items, go to *IRS.gov/Forms*.

Marital Status

In general, your filing status depends on whether you are considered unmarried or married.

Unmarried persons. You are considered unmarried for the whole year if, on the last day of your tax year, you are either:

- Unmarried, or
- Legally separated from your spouse under a divorce or separate maintenance decree.

State law governs whether you are married or legally separated under a divorce or separate maintenance decree.

Definition of marriage. A marriage of two individuals is recognized for federal tax purposes if the marriage is recognized by the state or territory of the United States in which the marriage is entered into, regardless of legal residence. Two individuals who enter into a relationship that is denominated as marriage under the laws of a foreign jurisdiction or an American Indian tribe are recognized as married for federal tax purposes if the relationship would be recognized as marriage under the laws of at least one state or territory of the United States, regardless of legal residence. Individuals who have entered into a registered domestic partnership, civil union, or other similar relationship that isn't denominated as a marriage under the law of the state or territory of the United States where such relationship was entered into aren't lawfully married for federal tax purposes, regardless of legal residence. See *Considered married*, next.

Divorced persons. If you are divorced under a final decree by the last day of the year, you are considered unmarried for the whole year.

Divorce and remarriage. If you obtain a divorce for the sole purpose of filing tax returns as unmarried individuals, and at the time of divorce you intend to and do, in fact, remarry each other in the next tax year, you and your spouse must file as married individuals in both years.

Annulled marriages. If you obtain a court decree of annulment, which holds that no valid marriage ever existed, you are considered unmarried even if you filed joint returns for earlier years. File Form 1040-X, Amended U.S. Individual Income Tax Return, claiming single or head of household status for all tax years that are affected by the annulment and not closed by the statute of limitations for filing a tax return. Generally, for a credit or refund, you must file Form 1040-X within 3 years (including extensions) after the date you filed your original return or within 2 years after the date you paid the tax, whichever is later. If you filed your original return early (for example, March 1), your return is considered filed on the due date (generally April 15). However, if you had an extension to file (for example, until October 15) but you filed earlier and we received it on July 1, your return is considered filed on July 1.

Head of household or qualifying surviving spouse. If you are considered unmarried, you may be able to file as head of household or as qualifying surviving spouse. See *Head of*

Household and Qualifying Surviving Spouse, later, to see if you qualify.

Married persons. If you are considered married, you and your spouse can file a joint return or separate returns.

Considered married. You are considered married for the whole year if, on the last day of your tax year, you and your spouse meet any one of the following tests.

1. You are married and living together.
2. You are living together in a common law marriage recognized in the state where you now live or in the state where the common law marriage began.
3. You are married and living apart, but not legally separated under a decree of divorce or separate maintenance.
4. You are separated under an interlocutory (not final) decree of divorce.

Spouse died during the year. If your spouse died during the year, you are considered married for the whole year for filing status purposes.

If you didn't remarry before the end of the tax year, you can file a joint return for yourself and your deceased spouse. For the next 2 years, you may be entitled to the special benefits described later under Qualifying Surviving Spouse.

If you remarried before the end of the tax year, you can file a joint return with your new spouse. Your deceased spouse's filing status is married filing separately for that year.

Married persons living apart. If you live apart from your spouse and meet certain tests, you may be able to file as head of household even if you aren't divorced or legally separated. If you qualify to file as head of household instead of married filing separately, your standard deduction will be higher. Also, your tax may be lower, and you may be able to claim the earned income credit (EIC). See Head of Household, later.

Single

Your filing status is single if you are considered unmarried and you don't qualify for another filing status. To determine your marital status, see Marital Status, earlier.

Spouse died before January 1, 2025. Your filing status may be single if your spouse died before January 1, 2025, and you didn't remarry before the end of 2025. You may, however, be able to use another filing status that will give you a lower tax. See Head of Household and Qualifying Surviving Spouse, later, to see if you qualify.

How to file. On Form 1040 or 1040-SR, show your filing status as single by checking the "Single" box on the *Filing Status* line near the top of the form. Use the *Single* column of the Tax Table, or Section A of the Tax Computation Worksheet, to figure your tax.

Married Filing Jointly

You can choose married filing jointly as your filing status if you are considered married and both you and your spouse agree to file a joint return. On a joint return, you and your spouse report your combined income and deduct your combined allowable expenses. You can file a joint return even if one of you had no income or deductions.

If you and your spouse decide to file a joint return, your tax may be lower than your combined tax for the other filing statuses. Also, your standard deduction (if you don't itemize deductions) may be higher, and you may qualify for tax benefits that don't apply to other filing statuses.

How to file. On Form 1040 or 1040-SR, show your filing status as married filing jointly by checking the "Married filing jointly" box on the *Filing Status* line near the top of the form. Use the *Married filing jointly* column of the Tax Table, or Section B of the Tax Computation Worksheet, to figure your tax.

TIP *If you and your spouse each have income, you may want to figure your tax both on a joint return and on separate returns (using the filing status of married filing separately). You can choose the method that gives the two of you the lower combined tax unless you are required to file separately.*

Spouse died. If your spouse died during the year, you are considered married for the whole year and can choose married filing jointly as your filing status. See Spouse died during the year under *Married persons*, earlier, for more information.

If your spouse died in 2026 before filing a 2025 return, you can choose married filing jointly as your filing status on your 2025 return.

Divorced persons. If you are divorced under a final decree by the last day of the year, you are considered unmarried for the whole year and you can't choose married filing jointly as your filing status.

Filing a Joint Return

Both you and your spouse must include all of your income and deductions on your joint return.

Accounting period. Both of you must use the same accounting period, but you can use different accounting methods. See Accounting Periods and Accounting Methods in chapter 1.

Joint responsibility. Both of you may be held responsible, jointly and individually, for the tax and any interest or penalty due on your joint return. This means that if one spouse doesn't pay the tax due, the other may have to. Or, if one spouse doesn't report the correct tax, both spouses may be responsible for any additional taxes assessed by the IRS. One spouse may be held responsible for all the tax due even if all the income was earned by the other spouse.

You may want to file separately if:

- You believe your spouse isn't reporting all of their income, or
- You don't want to be responsible for any taxes due if your spouse doesn't have enough tax withheld or doesn't pay enough estimated tax.

Divorced taxpayer. You may be held jointly and individually responsible for any tax, interest, and penalties due on a joint return filed before your divorce. This responsibility may apply even if your divorce decree states that your former spouse will be responsible for any amounts due on previously filed joint returns.

Relief from joint responsibility. In some cases, one spouse may be relieved of joint responsibility for tax, interest, and penalties on a joint return for items of the other spouse that were incorrectly reported on the joint return. You can ask for relief no matter how small the liability.

There are three types of relief available.

1. Innocent spouse relief.
2. Separation of liability (available only to joint filers whose spouse has died, or who are divorced, legally separated, or haven't lived together for the 12 months ending on the date the election for this relief is filed).
3. Equitable relief.

You must file Form 8857, Request for Innocent Spouse Relief, to request relief from joint responsibility. Pub. 971 explains these kinds of relief and who may qualify for them.

Signing a joint return. For a return to be considered a joint return, both spouses must generally sign the return.

Spouse died before signing. If your spouse died before signing the return, the executor or administrator must sign the return for your spouse. If neither you nor anyone else has yet been appointed as executor or administrator, you can sign the return for your spouse and enter "Filing as surviving spouse" in the area where you sign the return.

Spouse away from home. If your spouse is away from home, you should prepare the return, sign it, and send it to your spouse to sign so that it can be filed on time.

Injury or disease prevents signing. If your spouse can't sign because of disease or injury and tells you to sign for them, you can sign your spouse's name in the proper space on the return followed by the words "By (your name), Spouse." Be sure to sign in the space provided for your signature. Attach a dated statement, signed by you, to the return. The statement should include the form number of the return you are filing, the tax year, and the reason your spouse can't sign; it should also state that your spouse has agreed to your signing for them.

Signing as guardian of spouse. If you are the guardian of your spouse who is mentally incompetent, you can sign the return for your spouse as guardian.

Spouse in combat zone. You can sign a joint return for your spouse if your spouse can't sign because they are serving in a combat zone (such as the Persian Gulf Area, Serbia, Montenegro, Albania, or Afghanistan), even if you don't have a power of attorney or other statement. Attach a signed statement to your return

explaining that your spouse is serving in a combat zone. For more information on special tax rules for persons who are serving in a combat zone, or who are in missing status as a result of serving in a combat zone, see Pub. 3.

Power of attorney. In order for you to sign a return for your spouse in any of these cases, you must attach to the return a power of attorney (POA) that authorizes you to sign for your spouse. You can use a POA that states that you have been granted authority to sign the return, or you can use Form 2848, Power of Attorney and Declaration of Representative. Part I of Form 2848 must state that you are granted authority to sign the return.

Nonresident alien or dual-status alien. Generally, a married couple can't file a joint return if either one is a nonresident alien at any time during the tax year. However, if one spouse was a nonresident alien or dual-status alien who was married to a U.S. citizen or resident alien at the end of the year, the spouses can choose to file a joint return. If you do file a joint return, you and your spouse are both treated as U.S. residents for the entire tax year. See chapter 1 of Pub. 519.

Married Filing Separately

You can choose married filing separately as your filing status if you are married. This filing status may benefit you if you want to be responsible only for your own tax or if it results in less tax than filing a joint return.

If you and your spouse don't agree to file a joint return, you must use this filing status unless you qualify for head of household status, discussed later.

You may be able to choose head of household filing status if you are considered unmarried because you live apart from your spouse and meet certain tests (explained under *Head of Household*, later). This can apply to you even if you aren't divorced or legally separated. If you qualify to file as head of household, instead of as married filing separately, your tax may be lower, you may be able to claim the EIC and certain other benefits, and your standard deduction will be higher. The head of household filing status allows you to choose the standard deduction even if your spouse chooses to itemize deductions. See *Head of Household*, later, for more information.

TIP *You will generally pay more combined tax on separate returns than you would on a joint return for the reasons listed under Special Rules, later. However, unless you are required to file separately, you should figure your tax both ways (on a joint return and on separate returns). This way, you can make sure you are using the filing status that results in the lowest combined tax. When figuring the combined tax of a married couple, you may want to consider state taxes as well as federal taxes.*

How to file. If you file a separate return, you generally report only your own income, credits, and deductions.

Select this filing status by checking the "Married filing separately" box on the *Filing Status* line near the top of Form 1040 or 1040-SR. Enter your spouse's full name in the entry space below the filing status checkbox. Be sure to enter your spouse's SSN or ITIN in the space for spouse's SSN. If your spouse doesn't have and isn't required to have an SSN or ITIN, enter "NRA" in the space for your spouse's SSN. Use the *Married filing separately* column of the Tax Table, or Section C of the Tax Computation Worksheet, to figure your tax.

Special Rules

If you choose married filing separately as your filing status, the following special rules apply. Because of these special rules, you usually pay more tax on a separate return than if you use another filing status you qualify for.

1. Your tax rate is generally higher than on a joint return.
2. Your exemption amount for figuring the alternative minimum tax is half that allowed on a joint return.
3. You can't take the credit for child and dependent care expenses in most cases, and the amount you can exclude from income under an employer's dependent care assistance program is limited to $2,500 (instead of $5,000 on a joint return). However, if you are legally separated or living apart from your spouse, you may be able to file a separate return and still take the credit. For more information about these expenses, the credit, and the exclusion, see *What's Your Filing Status?* in Pub. 503.
4. You can't take the EIC, unless you have a qualifying child and meet certain other requirements. See Pub. 596.
5. You can't take the exclusion or credit for adoption expenses in most cases.
6. You can't take the education credits (the American opportunity credit and lifetime learning credit), or the deduction for student loan interest.
7. You can't exclude any interest income from qualified U.S. savings bonds you used for higher education expenses.
8. If you lived with your spouse at any time during the tax year:
   a. You can't claim the credit for the elderly or the disabled, and
   b. You must include in income a greater percentage (up to 85%) of any social security or equivalent railroad retirement benefits you received.
9. The following credits and deductions are reduced at income levels half of those for a joint return.
   a. The child tax credit and the credit for other dependents.
   b. The retirement savings contributions credit.
10. Your capital loss deduction limit is $1,500 (instead of $3,000 on a joint return).
11. If your spouse itemizes deductions, you can't claim the standard deduction. If you can claim the standard deduction, your basic standard deduction is half of the amount allowed on a joint return.

Adjusted gross income (AGI) limits. If your AGI on a separate return is lower than it would have been on a joint return, you may be able to deduct a larger amount for certain deductions that are limited by AGI, such as medical expenses.

Individual retirement arrangements (IRAs). You may not be able to deduct all or part of your contributions to a traditional IRA if you or your spouse was covered by an employee retirement plan at work during the year. Your deduction is reduced or eliminated if your income is more than a certain amount. This amount is much lower for married individuals who file separately and lived together at any time during the year. For more information, see *How Much Can You Deduct* in chapter 9.

Rental activity losses. If you actively participated in a passive rental real estate activity that produced a loss, you can generally deduct the loss from your nonpassive income, up to $25,000. This is called a special allowance. However, married persons filing separate returns who lived together at any time during the year can't claim this special allowance. Married persons filing separate returns who lived apart at all times during the year are each allowed a $12,500 maximum special allowance for losses from passive real estate activities. See *Rental Activities* in Pub. 925 for more information.

Community property states. If you live in a community property state and file separately, your income may be considered separate income or community income for income tax purposes. Community property states include Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. See Pub. 555 for more information.

Joint Return After Separate Returns

You can change your filing status from a separate return to a joint return by filing an amended return using Form 1040-X.

You can generally change to a joint return any time within 3 years from the due date of the separate return or returns. This doesn't include any extensions. A separate return includes a return filed by you or your spouse claiming married filing separately, single, or head of household filing status.

Separate Returns After Joint Return

Once you file a joint return, you can't choose to file separate returns for that year after the due date of the return.

Exception. A personal representative for a decedent can change from a joint return elected by the surviving spouse to a separate return for the decedent. The personal representative has 1 year from the due date (including extensions) of the return to make the change. See Pub. 559

Worksheet 2-1. **Cost of Keeping Up a Home**

Keep for Your Records

	Amount You Paid	Total Cost
Property taxes	$	$
Mortgage interest expense		
Rent		
Utility charges		
Repairs/Maintenance		
Property insurance		
Food eaten in the home		
Other household expenses		
Totals	$	$
Minus total **amount you paid**		(_____)
Amount others paid		$
If the total amount you paid is more than the amount others paid, you meet the requirement of paying more than half of the cost of keeping up the home.		

for more information on filing a return for a decedent.

Head of Household

You may be able to file as head of household if you meet all of the following requirements.

1. You are unmarried or considered unmarried on the last day of the year. See *Marital Status*, earlier, and *Considered Unmarried*, later.
2. You paid more than half of the cost of keeping up a home for the year.
3. A qualifying person lived with you in the home for more than half the year (except for temporary absences, such as school). However, if the qualifying person is your dependent parent, your dependent parent doesn't have to live with you. See *Special rule for parent*, later, under *Qualifying Person*.

TIP *If you qualify to file as head of household, your tax rate will usually be lower than the rates for single or married filing separately. You will also receive a higher standard deduction than if you file as single or married filing separately.*

How to file. Indicate your choice of this filing status by checking the "Head of household" box on the *Filing Status* line near the top of Form 1040 or 1040-SR. If the child who qualifies you for this filing status isn't claimed as your dependent in the *Dependents* section of Form 1040 or 1040-SR, enter the child's name in the entry space below the filing status checkboxes. Use the *Head of a household* column of the Tax Table, or Section D of the Tax Computation Worksheet, to figure your tax.

Considered Unmarried

To qualify for head of household status, you must be either unmarried or considered unmarried on the last day of the year. You are considered unmarried on the last day of the tax year if you meet all of the following tests.

1. You file a separate return. A separate return includes a return claiming married filing separately, single, or head of household filing status.
2. You paid more than half of the cost of keeping up your home for the tax year.
3. Your spouse didn't live in your home during the last 6 months of the tax year. Your spouse is considered to live in your home even if your spouse is temporarily absent due to special circumstances. See *Temporary absences* under *Qualifying Person*, later.
4. Your home was the main home of your child, stepchild, or foster child for more than half the year. (See *Home of qualifying person* under *Qualifying Person*, later, for rules applying to a child's birth, death, or temporary absence during the year.)
5. You must be able to claim the child as a dependent. However, you meet this test if you can't claim the child as a dependent only because the noncustodial parent can claim the child using the rules described in *Children of divorced or separated parents (or parents who live apart)* under *Qualifying Child* in chapter 3, or referred to in *Support Test for Children of Divorced or Separated Parents (or Parents Who Live Apart)* under *Qualifying Relative* in chapter 3. The general rules for claiming a child as a dependent are explained in chapter 3.

You may be considered unmarried for the purpose of using head of household status but not for other purposes, such as claiming the EIC. Different tests apply depending on the tax benefit you claim.

CAUTION *If you were considered married for part of the year and lived in a community property state (listed earlier under* Married Filing Separately*), special rules may apply in determining your income and expenses. See Pub. 555 for more information.*

Nonresident alien spouse. You are considered unmarried for head of household purposes if your spouse was a nonresident alien at any time during the year and you don't choose to treat your nonresident spouse as a resident alien. However, your spouse isn't a qualifying person for head of household purposes. You must have another qualifying person and meet the other tests to be eligible to file as head of household.

Choice to treat spouse as resident. You are considered married if you choose to treat your spouse as a resident alien. See chapter 1 of Pub. 519.

Keeping Up a Home

To qualify for head of household status, you must pay more than half of the cost of keeping up a home for the year. You can determine whether you paid more than half of the cost of keeping up a home by using Worksheet 2-1.

Costs you include. Include in the cost of keeping up a home expenses, such as rent, mortgage interest, real estate taxes, insurance on the home, repairs, utilities, and food eaten in the home.

Costs you don't include. Don't include the costs of clothing, education, medical treatment, vacations, life insurance, or transportation. Also don't include the value of your services or those of a member of your household.

Qualifying Person

See Table 2-1 to see who is a qualifying person. Any person not described in Table 2-1 isn't a qualifying person.

Example 1—Child. Your unmarried child lived with you all year and was 18 years old at the end of the year. Your child didn't provide more than half of their own support and doesn't meet the tests to be a qualifying child of anyone else. As a result, this child is your qualifying child (see *Qualifying Child* in chapter 3) and, because this child is single, this is your qualifying person for head of household purposes.

Example 2—Child who isn't qualifying person. The facts are the same as in *Example 1*, except your child was 25 years old at the end of the year and your child's gross income was $6,000. Because your child doesn't meet the age test (explained under *Qualifying Child* in chapter 3), your child isn't your qualifying child. Because the child doesn't meet the gross income test (explained under *Qualifying Relative* in chapter 3), the child isn't your qualifying relative. As a result, this child isn't your qualifying person for head of household purposes.

Example 3—Friend. Your friend lived with you all year. Even though your friend may be your qualifying relative if the gross income and

Table 2-1. **Who Is a Qualifying Person Qualifying You To File as Head of Household?**[1]

Caution. See the text of this chapter for the other requirements you must meet to claim head of household filing status.

IF the person is your . . .	AND . . .	THEN that person is . . .
qualifying child (such as a son, daughter, or grandchild who lived with you more than half the year and meets certain other tests)[2]	the child is single	a qualifying person, whether or not the child meets the *Citizen or Resident Test* in chapter 3.
	the child is married **and** you can claim the child as a dependent	a qualifying person.
	the child is married **and** you can't claim the child as a dependent	not a qualifying person.[3]
qualifying relative[4] who is your father or mother	you can claim your parent as a dependent[5]	a qualifying person.[6]
	you can't claim your parent as a dependent	not a qualifying person.
qualifying relative[4] other than your father or mother (such as a grandparent, brother, or sister who meets certain tests)	your relative lived with you more than half the year, **and** your relative is related to you in one of the ways listed under *Relatives who don't have to live with you* in chapter 3 **and** you can claim your relative as a dependent[5]	a qualifying person.
	your relative didn't live with you more than half the year	not a qualifying person.
	your relative isn't related to you in one of the ways listed under *Relatives who don't have to live with you* in chapter 3 **and** is your qualifying relative only because your relative lived with you all year as a member of your household	not a qualifying person.
	you can't claim your relative as a dependent	not a qualifying person.

[1] A person can't qualify more than one taxpayer to use the head of household filing status for the year.

[2] The term "*qualifying child*" is defined in chapter 3. **Note:** If you are a noncustodial parent, the term "qualifying child" for head of household filing status doesn't include a child who is your qualifying child only because of the rules described under *Children of divorced or separated parents (or parents who live apart)* under *Qualifying Child* in chapter 3. If you are the custodial parent and those rules apply, the child is generally your qualifying child for head of household filing status even though the child isn't a qualifying child you can claim as a dependent.

[3] This person is a qualifying person if the only reason you can't claim the person as a dependent is that you, or your spouse if filing jointly, can be claimed as a dependent on another taxpayer's return.

[4] The term "*qualifying relative*" is defined in chapter 3.

[5] If you can claim a person as a dependent only because of a multiple support agreement, that person isn't a qualifying person. See *Multiple Support Agreement* in chapter 3.

[6] See *Special rule for parent* under *Qualifying Person*, earlier.

support tests (explained in chapter 3) are met, your friend isn't your qualifying person for head of household purposes because your friend isn't related to you in one of the ways listed under *Relatives who don't have to live with you* in chapter 3. See Table 2-1.

Example 4—Friend's child. The facts are the same as in *Example 3*, except your friend's 10-year-old child also lived with you all year. Your friend's child isn't your qualifying child and, because the child is your friend's qualifying child, your friend's child isn't your qualifying relative (see *Not a Qualifying Child Test* in chapter 3). As a result, your friend's child isn't your qualifying person for head of household purposes.

Home of qualifying person. Generally, the qualifying person must live with you for more than half the year.

Special rule for parent. If your qualifying person is your parent, you may be eligible to file as head of household even if your parent doesn't live with you. However, you must be able to claim your parent as a dependent. Also, you must pay more than half of the cost of keeping up a home that was the main home for the entire year for your parent.

If you pay more than half of the cost of keeping your parent in a rest home or home for the elderly, that counts as paying more than half of the cost of keeping up your parent's main home.

Death or birth. You may be eligible to file as head of household even if the individual who qualifies you for this filing status is born or dies during the year. If the individual is your qualifying child, the child must have lived with you for more than half the part of the year the child was alive. If the individual is anyone else, see Pub. 501 for more information.

Temporary absences. You and your qualifying person are considered to live together even if one or both of you are temporarily absent from your home due to special circumstances, such as illness, education, business, vacation, military service, or detention in a juvenile facility. It must be reasonable to assume the absent person will return to the home after the temporary absence. You must continue to keep up the home during the absence.

Adopted child or foster child. You may be eligible to file as head of household if the person who qualifies you for this filing status was an adopted child or foster child. For more information, see Pub. 501.

Kidnapped child. You may be eligible to file as head of household even if the child who is your qualifying person has been kidnapped. For more information, see Pub. 501.

Qualifying Surviving Spouse

If your spouse died in 2025, you can use married filing jointly as your filing status for 2025 if

you otherwise qualify to use that status. The year of death is the last year for which you can file jointly with your deceased spouse. See *Married Filing Jointly*, earlier.

You may be eligible to use qualifying surviving spouse as your filing status for 2 years following the year your spouse died. For example, if your spouse died in 2024, and you haven't remarried, you may be able to use this filing status for 2025 and 2026.

This filing status entitles you to use joint return tax rates and the highest standard deduction amount (if you don't itemize deductions). It doesn't entitle you to file a joint return.

How to file. Indicate your choice of this filing status by checking the "Qualifying surviving spouse" box on the *Filing Status* line near the top of Form 1040 or 1040-SR. If the child who qualifies you for this filing status isn't claimed as your dependent in the *Dependents* section of Form 1040 or 1040-SR, enter the child's name in the entry space below the filing staus checkboxes. Use the *Married filing jointly* column of the Tax Table, or Section B of the Tax Computation Worksheet, to figure your tax.

Eligibility rules. You are eligible to file your 2025 return as a qualifying surviving spouse if you meet all of the following tests.

- You were entitled to file a joint return with your spouse for the year your spouse died. It doesn't matter whether you actually filed a joint return.
- Your spouse died in 2023 or 2024 and you didn't remarry before the end of 2025.
- You have a child or stepchild (not a foster child) whom you can claim as a dependent or could claim as a dependent except that, for 2025:

  a. The child had gross income of $5,200 or more,

  b. The child filed a joint return, or

  c. You could be claimed as a dependent on someone else's return.

  If the child isn't claimed as your dependent in the *Dependents* section on Form 1040 or 1040-SR, enter the child's name in the entry space below the filing status checkboxes. If you don't enter the name, it will take us longer to process your return.
- This child lived in your home all year, except for temporary absences. See *Temporary absences*, earlier, under *Head of Household*. There are also exceptions, described later, for a child who was born or died during the year and for a kidnapped child.
- You paid more than half of the cost of keeping up a home for the year. See *Keeping Up a Home*, earlier, under *Head of Household*.

Example. Your spouse died in 2023 and you haven't remarried. During 2024 and 2025 you continued to keep up a home for you and your child who lives with you and whom you can claim as a dependent. For 2023, you were entitled to file a joint return for you and your deceased spouse. For 2024 and 2025, you can file as qualifying surviving spouse. After 2025, you can file as head of household if you qualify.

Death or birth. You may be eligible to file as a qualifying surviving spouse if the child who qualifies you for this filing status is born or dies during the year. You must have provided more than half of the cost of keeping up a home that was the child's main home during the entire part of the year the child was alive.

Adopted child. You may be eligible to file as a qualifying surviving spouse if the child who qualifies you for this filing status was adopted in 2025 or was lawfully placed with you for legal adoption by you in 2025. The child is considered to have lived with you for all of 2025 if your main home was this child's main home for the entire time since this child was adopted or placed with you in 2025.

Kidnapped child. You may be eligible to file as a qualifying surviving spouse even if the child who qualifies you for this filing status has been kidnapped. See Pub. 501 for more information.



As mentioned earlier, the filing status qualifying surviving spouse is available for only 2 years following the year your spouse died.

3.

Dependents

Introduction

This chapter discusses the following topics.

- Dependents—You can generally claim your qualifying child or qualifying relative as a dependent.
- Social security number (SSN) requirement for dependents—You must list the SSN of any person you claim as a dependent.

How to claim dependents. On page 1 of your Form 1040 or 1040-SR, enter the names of your dependents in the *Dependents* section.

Useful Items

You may want to see:

Publication

- ❑ **501** Dependents, Standard Deduction, and Filing Information
- ❑ **503** Child and Dependent Care Expenses
- ❑ **526** Charitable Contributions

Form (and Instructions)

- ❑ **2120** Multiple Support Declaration
- ❑ **8332** Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent

Dependents

The term "dependent" means:

- A qualifying child, or
- A qualifying relative.

The terms "*qualifying child*" and "*qualifying relative*" are defined later.

All the requirements for claiming a dependent are summarized in Table 3-1.

Housekeepers, maids, or servants. If these people work for you, you can't claim them as dependents.

Child tax credit. You may be entitled to a child tax credit for each qualifying child who was under age 17 at the end of the year if you claimed that child as a dependent. For more information, see chapter 14.

Credit for other dependents. You may be entitled to a credit for other dependents for each qualifying child who does not qualify you for the child tax credit and for each qualifying relative. For more information, see chapter 14.

Exceptions

Even if you have a qualifying child or qualifying relative, you can claim that person as a dependent only if these three tests are met.

1. Dependent taxpayer test.
2. Joint return test.
3. Citizen or resident test.

These three tests are explained in detail here.

Dependent Taxpayer Test

If you can be claimed as a dependent by another taxpayer, you can't claim anyone else as a dependent. Even if you have a qualifying child or qualifying relative, you can't claim that person as a dependent.

If you are filing a joint return and your spouse can be claimed as a dependent by another taxpayer, you and your spouse can't claim any dependents on your joint return.

Exception. If you can be claimed as a dependent by another taxpayer, you can claim someone else as a dependent if the person who can claim you (or your spouse if filing a joint return) as a dependent files a return only to claim a refund of income tax withheld or estimated tax paid.

Joint Return Test

You generally can't claim a married person as a dependent if that person files a joint return.

Exception. You can claim a person as a dependent who files a joint return if that person and that person's spouse file the joint return only to claim a refund of income tax withheld or estimated tax paid.

Example 1—Child files joint return. You supported your 18-year-old child who lived with you all year while your child's spouse was in the Armed Forces. Your child's spouse earned

Table 3-1. **Overview of the Rules for Claiming a Dependent**

Caution. This table is only an overview of the rules. For details, see the rest of this chapter.

- You can't claim any dependents if you (or your spouse if filing jointly) could be claimed as a dependent by another taxpayer, unless that taxpayer files a return only to claim a refund of withheld income tax or estimated tax paid.
- You can't claim a married person who files a joint return as a dependent unless that joint return is filed only to claim a refund of withheld income tax or estimated tax paid.
- You can't claim a person as a dependent unless that person is a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico.[1]
- You can't claim a person as a dependent unless that person is your **qualifying child** or **qualifying relative.**

Tests To Be a Qualifying Child	Tests To Be a Qualifying Relative
1. The child must be your son, daughter, stepchild, foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them.	1. The person can't be your qualifying child or the qualifying child of any other taxpayer.
2. The child must be (a) under age 19 at the end of the year and younger than you (or your spouse if filing jointly); (b) under age 24 at the end of the year, a student, and younger than you (or your spouse if filing jointly); or (c) any age if permanently and totally disabled.	2. The person either (a) must be related to you in one of the ways listed under *Relatives who don't have to live with you*, or (b) must live with you all year as a member of your household[2] (and your relationship must not violate local law).
3. The child must have lived with you for more than half of the year.[2]	3. The person's gross income for the year must be less than $5,200.[3]
4. The child must not have provided more than half of the child's own support for the year.	4. You must provide more than half of the person's total support for the year.[4]
5. The child must not be filing a joint return for the year (unless that joint return is filed only to get a refund of income tax withheld or estimated tax paid).	
If the child meets the rules to be a qualifying child of more than one person, generally only one person can actually treat the child as a qualifying child. See *Qualifying Child of More Than One Person*, later, to find out which person is the person entitled to claim the child as a qualifying child.	

[1] There is an exception for certain adopted children.

[2] There are exceptions for temporary absences, children who were born or died during the year, children who were adopted or lawfully placed for adoption during the year, children who are eligible foster children placed during the year, children of divorced or separated parents (or parents who live apart), and kidnapped children.

[3] There is an exception if the person is disabled and has income from a sheltered workshop.

[4] There are exceptions for multiple support agreements, children of divorced or separated parents (or parents who live apart), and kidnapped children.

$35,000 for the year. The couple files a joint return. You can't claim your child as a dependent.

Example 2—Child files joint return only as claim for refund of withheld tax. Your 18-year-old child and your child's 17-year-old spouse had $800 of wages from part-time jobs and no other income. They lived with you all year. Neither is required to file a tax return. They don't have a child. Taxes were taken out of their pay, so they filed a joint return only to get a refund of the withheld taxes. The exception to the joint return test applies, so you aren't disqualified from claiming each of them as a dependent just because they file a joint return. You can claim each of them as a dependent if all the other tests to do so are met.

Example 3—Child files joint return to claim American opportunity credit. The facts are the same as in *Example 2*, except no taxes were taken out of your child's pay or your child's spouse's pay. However, they file a joint return to claim an American opportunity credit of $124 and get a refund of that amount. Because they filed a joint return claiming the American opportunity credit, they aren't filing it only to get a refund of income tax withheld or estimated tax paid. The exception to the joint return test doesn't apply, so you can't claim either of them as a dependent.

Citizen or Resident Test

You generally can't claim a person as a dependent unless that person is a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico. However, there is an exception for certain adopted children, as explained next.

Exception for adopted child. If you are a U.S. citizen or U.S. national who has legally adopted a child who isn't a U.S. citizen, U.S. resident alien, or U.S. national, this test is met if the child lived with you as a member of your household all year. This exception also applies if the child was lawfully placed with you for legal adoption and the child lived with you for the rest of the year after placement.

Child's place of residence. Children are usually citizens or residents of the country of their parents.

If you were a U.S. citizen when your child was born, the child may be a U.S. citizen and meet this test even if the other parent was a nonresident alien and the child was born in a foreign country.

Foreign students' place of residence. Foreign students brought to this country under a qualified international education exchange program and placed in American homes for a temporary period generally aren't U.S. residents and don't meet this test. You can't claim them as dependents. However, if you provided a home for a foreign student, you may be able to take a charitable contribution deduction. See *Expenses Paid for Student Living With You* in Pub. 526.

U.S. national. A U.S. national is an individual who, although not a U.S. citizen, owes their allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens.

Qualifying Child

Five tests must be met for a child to be your qualifying child. The five tests are:

1. Relationship,
2. Age,
3. Residency,
4. Support, and
5. Joint return.

These tests are explained next.

CAUTION *If a child meets the five tests to be the qualifying child of more than one person, there are rules you must use to determine which person can actually treat the child as a qualifying child. See* Qualifying Child of More Than One Person*, later.*

Relationship Test

To meet this test, a child must be:

- Your son, daughter, stepchild, or foster child, or a descendant (for example, your grandchild) of any of them; or
- Your brother, sister, half brother, half sister, stepbrother, or stepsister, or a descendant (for example, your niece or nephew) of any of them.

Adopted child. An adopted child is always treated as your own child. The term "adopted child" includes a child who was lawfully placed with you for legal adoption.

Foster child. A foster child is an individual who is placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Age Test

To meet this test, a child must be:

- Under age 19 at the end of the year and younger than you (or your spouse if filing jointly);
- A student under age 24 at the end of the year and younger than you (or your spouse if filing jointly); or
- Permanently and totally disabled at any time during the year, regardless of age.

Example. Your child turned 19 on December 10. Unless this child was permanently and totally disabled or a student, this child doesn't meet the age test because, at the end of the year, this child wasn't **under** age 19.

Child must be younger than you or spouse. To be your qualifying child, a child who isn't permanently and totally disabled must be younger than you. However, if you are married filing jointly, the child must be younger than you or your spouse but doesn't have to be younger than both of you.

Example 1—Child not younger than you or spouse. Your 23-year-old sibling, who is a student and unmarried, lives with you and your spouse, who provide more than half of your sibling's support. Your sibling isn't disabled. Both you and your spouse are 21 years old, and you file a joint return. Your sibling isn't your qualifying child because your sibling isn't younger than you or your spouse.

Example 2—Child younger than your spouse but not younger than you. The facts are the same as in *Example 1*, except your spouse is 25 years old. Because your sibling is younger than your spouse, and you and your spouse are filing a joint return, your sibling is your qualifying child, even though your sibling isn't younger than you.

Student defined. To qualify as a student, your child must be, during some part of each of any 5 calendar months of the year:

1. A full-time student at a school that has a regular teaching staff and course of study, and a regularly enrolled student body at the school; or
2. A student taking a full-time, on-farm training course given by a school described in (1), or by a state, county, or local government agency.

The 5 calendar months don't have to be consecutive.

Full-time student. A full-time student is a student who is enrolled for the number of hours or courses the school considers to be full-time attendance.

School defined. A school can be an elementary school; a junior or senior high school; a college; a university; or a technical, trade, or mechanical school. However, an on-the-job training course, correspondence school, or school offering courses only through the Internet doesn't count as a school.

Vocational high school students. Students who work on "co-op" jobs in private industry as a part of a school's regular course of classroom and practical training are considered full-time students.

Permanently and totally disabled. Your child is permanently and totally disabled if both of the following apply.

- Your child can't engage in any substantial gainful activity because of a physical or mental condition.
- A doctor determines the condition has lasted or can be expected to last continuously for at least a year or can lead to death.

Residency Test

To meet this test, your child must have lived with you for more than half the year. There are exceptions for temporary absences, children who were born or died during the year, adopted or foster children, kidnapped children, and children of divorced or separated parents.

Temporary absences. Your child is considered to have lived with you during periods of time when one of you, or both, is temporarily absent due to special circumstances such as:

- Illness,
- Education,
- Business,
- Vacation,
- Military service, or
- Detention in a juvenile facility.

Death or birth of child. A child who was born or died during the year is treated as having lived with you more than half of the year if your home was the child's home more than half of the time the child was alive during the year. The same is true if the child lived with you more than half the year except for any required hospital stay following birth.

Child born alive. You may be able to claim as a dependent a child born alive during the year, even if the child lived only for a moment. State or local law must treat the child as having been born alive. There must be proof of a live birth shown by an official document, such as a birth certificate. The child must be your qualifying child or qualifying relative, and all the other tests to claim the child as a dependent must be met.

Stillborn child. You can't claim a stillborn child as a dependent.

Adopted or foster child. You can treat your adopted child or foster child as meeting the residency test as follows if you adopted the child in 2025, the child was lawfully placed with you for legal adoption by you in 2025, or the child was an eligible foster child placed with you during 2025. This child is considered to have lived with you for more than half of 2025 if your main home was this child's main home for more than half the time since this child was adopted or placed with you in 2025.

Kidnapped child. You may be able to treat your child as meeting the residency test even if the child has been kidnapped. See Pub. 501 for details.

Children of divorced or separated parents (or parents who live apart). In most cases, because of the residency test, a child of divorced or separated parents is the qualifying child of the custodial parent. However, the child will be treated as the qualifying child of the noncustodial parent if all four of the following statements are true.

1. The parents:
   a. Are divorced or legally separated under a decree of divorce or separate maintenance;
   b. Are separated under a written separation agreement; or
   c. Lived apart at all times during the last 6 months of the year, whether or not they are or were married.
2. The child received over half of the child's support for the year from the parents.
3. The child is in the custody of one or both parents for more than half of the year.
4. Either of the following statements is true.
   a. The custodial parent signs a written declaration, discussed later, that they won't claim the child as a dependent for the year, and the noncustodial parent attaches this written declaration to their return. (If the decree or agreement went into effect after 1984 and before 2009, see *Post-1984 and pre-2009 divorce decree or separation agreement*, later. If the decree or agreement went into effect after 2008, see *Post-2008 divorce decree or separation agreement*, later.)
   b. A pre-1985 decree of divorce or separate maintenance or written separation agreement that applies to 2025 states that the noncustodial parent can claim the child as a dependent, the decree or agreement wasn't changed after 1984 to say the noncustodial parent can't claim the child as a dependent, and the noncustodial parent provides at least $600 for the child's support during the year.

If statements (1) through (4) are all true, only the noncustodial parent can:

- Claim the child as a dependent; and
- Claim the child as a qualifying child for the child tax credit, the credit for other dependents, or the additional child tax credit.

However, this doesn't allow the noncustodial parent to claim head of household filing status, the credit for child and dependent care expenses, the exclusion for dependent care benefits, or the earned income credit. See *Applying the tiebreaker rules to divorced or separated parents (or parents who live apart)*, later.

Example—Earned income credit. Even if statements (1) through (4) are all true and the custodial parent signs Form 8332 or a substantially similar statement that the custodial parent won't claim the child as a dependent for 2025, this doesn't allow the noncustodial parent to claim the child as a qualifying child for the earned income credit. The custodial parent or another taxpayer, if eligible, can claim the child for the earned income credit.

Custodial parent and noncustodial parent. The custodial parent is the parent with whom the child lived for the greater number of nights during the year. The other parent is the noncustodial parent.

If the parents divorced or separated during the year and the child lived with both parents before the separation, the custodial parent is the one with whom the child lived for the greater number of nights during the rest of the year.

A child is treated as living with a parent for a night if the child sleeps:

- At that parent's home, whether or not the parent is present; or
- In the company of the parent, when the child doesn't sleep at a parent's home (for example, the parent and child are on vacation together).

Equal number of nights. If the child lived with each parent for an equal number of nights during the year, the custodial parent is the parent with the higher adjusted gross income (AGI).

December 31. The night of December 31 is treated as part of the year in which the night begins. For example, the night of December 31, 2025, is treated as part of 2025.

Emancipated child. If a child is emancipated under state law, the child is treated as not living with either parent. See *Examples 5* and *6*.

Absences. If a child wasn't with either parent on a particular night (because, for example, the child was staying at a friend's house), the child is treated as living with the parent with whom the child normally would have lived for that night, except for the absence. But if it can't be determined with which parent the child normally would have lived or if the child wouldn't have lived with either parent that night, the child is treated as not living with either parent that night.

Parent works at night. If, due to a parent's nighttime work schedule, a child lives for a greater number of days, but not nights, with the parent who works at night, that parent is treated as the custodial parent. On a school day, the child is treated as living at the primary residence registered with the school.

Example 1—Child lived with one parent for a greater number of nights. You and your child's other parent are divorced. In 2025, your child lived with you 210 nights and with the other parent 155 nights. You are the custodial parent.

Example 2—Child is away at camp. In 2025, your child lives with each parent for alternate weeks. In the summer, your child spends 6 weeks at summer camp. During those 6 weeks, your child is treated as living with you for 3 weeks and with your child's other parent, your ex-spouse, for 3 weeks because this is how long the child would have lived with each parent if the child had not attended summer camp.

Example 3—Child lived same number of nights with each parent. Your child lived with you 180 nights during the year and lived the same number of nights with the child's other parent, your ex-spouse. Your AGI is $40,000. Your ex-spouse's AGI is $25,000. You are treated as your child's custodial parent because you have the higher AGI.

Example 4—Child is at parent's home but with other parent. Your child normally lives with you during the week and with the child's other parent, your ex-spouse, every other weekend. You become ill and are hospitalized. Your ex-spouse lives in your home with your child for 10 consecutive days while you are in the hospital. Your child is treated as living with you during this 10-day period because your child was living in your home.

Example 5—Child emancipated in May. Your child turned 18 in May 2025 and became emancipated under the law of the state where your child lives. As a result, your child isn't considered in the custody of either parent for more than half of the year. The special rule for children of divorced or separated parents doesn't apply.

Example 6—Child emancipated in August. Your child lives with you from January 1, 2025, until May 31, 2025, and lives with the child's other parent, your ex-spouse, from June 1, 2025, through the end of the year. Your child turns 18 and is emancipated under state law on August 1, 2025. Because your child is treated as not living with either parent beginning on August 1, your child is treated as living with you the greater number of nights in 2025. You are the custodial parent.

Written declaration. The custodial parent must use either Form 8332 or a similar statement (containing the same information required by the form) to make the written declaration to release a claim to an exemption for a child to the noncustodial parent. Although the exemption amount is zero for tax year 2025, this release allows the noncustodial parent to claim the child tax credit, additional child tax credit, and credit for other dependents, if applicable, for the child. The noncustodial parent must attach a copy of the form or statement to their tax return.

The release can be for 1 year, for a number of specified years (for example, alternate years), or for all future years, as specified in the declaration.

Post-1984 and pre-2009 divorce decree or separation agreement. If the divorce decree or separation agreement went into effect after 1984 and before 2009, the noncustodial parent may be able to attach certain pages from the decree or agreement instead of Form 8332. The decree or agreement must state all three of the following.

1. The noncustodial parent can claim the child as a dependent without regard to any condition, such as payment of support.

2. The custodial parent won't claim the child as a dependent for the year.
3. The years for which the noncustodial parent, rather than the custodial parent, can claim the child as a dependent.

The noncustodial parent must attach all of the following pages of the decree or agreement to their tax return.

- The cover page (write the other parent's SSN on this page).
- The pages that include all of the information identified in items (1) through (3) above.
- The signature page with the other parent's signature and the date of the agreement.

Post-2008 divorce decree or separation agreement. The noncustodial parent can't attach pages from the decree or agreement instead of Form 8332 if the decree or agreement went into effect after 2008. The custodial parent must sign either Form 8332 or a similar statement the only purpose of which is to release the custodial parent's claim to an exemption for a child, and the noncustodial parent must attach a copy to their return. The form or statement must release the custodial parent's claim to the child without any conditions. For example, the release must not depend on the noncustodial parent paying support.



The noncustodial parent must attach the required information even if it was filed with a return in an earlier year.

Revocation of release of claim to an exemption. The custodial parent can revoke a release of claim to an exemption. For the revocation to be effective for 2025, the custodial parent must have given (or made reasonable efforts to give) written notice of the revocation to the noncustodial parent in 2024 or earlier. The custodial parent can use Part III of Form 8332 for this purpose and must attach a copy of the revocation to their return for each tax year the custodial parent claims the child as a dependent as a result of the revocation.

Remarried parent. If you remarry, the support provided by your new spouse is treated as provided by you.

Parents who never married. This special rule for divorced or separated parents also applies to parents who never married and who lived apart at all times during the last 6 months of the year.

Support Test (To Be a Qualifying Child)

To meet this test, the child can't have provided more than half of the child's own support for the year.

This test is different from the support test to be a qualifying relative, which is described later. However, to see what is or isn't support, see *Support Test (To Be a Qualifying Relative)*, later. If you aren't sure whether a child provided more than half of their own support, you may find Worksheet 3-1 helpful.

Example. You provided $4,000 toward your 16-year-old child's support for the year and the child provided $6,000. Your child provided more than half their own support. The child isn't your qualifying child.

Foster care payments and expenses. Payments you receive for the support of a foster child from a child placement agency are considered support provided by the agency. Similarly, payments you receive for the support of a foster child from a state or county are considered support provided by the state or county.

If you aren't in the trade or business of providing foster care and your unreimbursed out-of-pocket expenses in caring for a foster child were mainly to benefit an organization qualified to receive deductible charitable contributions, the expenses are deductible as charitable contributions but aren't considered support you provided. For more information about the deduction for charitable contributions, see Pub. 526. If your unreimbursed expenses aren't deductible as charitable contributions, they may qualify as support you provided.

If you are in the trade or business of providing foster care, your unreimbursed expenses aren't considered support provided by you.

Example 1. A foster child lived with a married couple, the Smiths, for the last 3 months of the year. The Smiths cared for the foster child because they wanted to adopt the child (although the child had not been placed with them for adoption). They didn't care for the foster child as a trade or business or to benefit the agency that placed the foster child in their home. The Smiths' unreimbursed expenses aren't deductible as charitable contributions but are considered support they provided for the foster child.

Example 2. You provided $3,000 toward your 10-year-old foster child's support for the year. The state government provided $4,000, which is considered support provided by the state, not by the child. See *Support provided by the state (welfare, food stamps, housing, etc.)*, later. Your foster child didn't provide more than half of their own support for the year.

Scholarships. A scholarship received by a child who is a student isn't taken into account in determining whether the child provided more than half of their own support.

Joint Return Test (To Be a Qualifying Child)

To meet this test, the child can't file a joint return for the year.

Exception. An exception to the joint return test applies if your child and the child's spouse file a joint return only to claim a refund of income tax withheld or estimated tax paid.

Example 1—Child files joint return. You supported your 18-year-old child who lived with you all year while your child's spouse was in the Armed Forces. Your child's spouse earned $35,000 for the year. The couple files a joint return so this child isn't your qualifying child.

Example 2—Child files joint return only as a claim for refund of withheld tax. Your 18-year-old child and your child's 17-year-old spouse had $800 of wages from part-time jobs and no other income. They lived with you all year. Neither is required to file a tax return. They don't have a child. Taxes were taken out of their pay so they filed a joint return only to get a refund of the withheld taxes. The exception to the joint return test applies, so this child may be your qualifying child if all the other tests are met.

Example 3—Child files joint return to claim American opportunity credit. The facts are the same as in *Example 2*, except no taxes were taken out of either spouse's pay. However, they file a joint return to claim an American opportunity credit of $124 and get a refund of that amount. Because they filed a joint return claiming the American opportunity credit, they aren't filing it only to get a refund of income tax withheld or estimated tax paid. The exception to the joint return test doesn't apply, so this child isn't your qualifying child.

Qualifying Child of More Than One Person



If your qualifying child isn't a qualifying child of anyone else, this topic doesn't apply to you and you don't need to read about it. This is also true if your qualifying child isn't a qualifying child of anyone else except your spouse with whom you plan to file a joint return.



If a child is treated as the qualifying child of the noncustodial parent under the rules for children of divorced or separated parents (or parents who live apart) described earlier, see Applying the tiebreaker rules to divorced or separated parents (or parents who live apart)*, later.*

Sometimes, a child meets the relationship, age, residency, support, and joint return tests to be a qualifying child of more than one person. Although the child is a qualifying child of each of these persons, generally only one person can actually treat the child as a qualifying child to take all of the following tax benefits (provided the person is eligible for each benefit).

1. The child tax credit, credit for other dependents, or additional child tax credit.
2. Head of household filing status.
3. The credit for child and dependent care expenses.
4. The exclusion from income for dependent care benefits.
5. The earned income credit.

The other person can't take any of these benefits based on this qualifying child. In other words, you and the other person can't agree to divide these benefits between you.

Tiebreaker rules. To determine which person can treat the child as a qualifying child to claim these five tax benefits, the following tiebreaker rules apply. For purposes of these tiebreaker rules, the term "parent" means a biological or

Worksheet 3-1. **Worksheet for Determining Support** *Keep for Your Records*

Funds Belonging to the Person You Supported

1. Enter the total funds belonging to the person you supported, including income received (taxable and nontaxable) and amounts borrowed during the year, plus the amount in savings and other accounts at the beginning of the year. Don't include funds provided by the state; include those amounts on line 23 instead . . . . . 1. _____
2. Enter the amount on line 1 that was used for the person's support . . . . . 2. _____
3. Enter the amount on line 1 that was used for other purposes . . . . . 3. _____
4. Enter the total amount in the person's savings and other accounts at the end of the year . . . . . 4. _____
5. Add lines 2 through 4. (This amount should equal line 1.) . . . . . 5. _____

Expenses for Entire Household (where the person you supported lived)

6. Lodging (complete line 6a or 6b):
   - **a.** Enter the total rent paid . . . . . 6a. _____
   - **b.** Enter the fair rental value of the home. If the person you supported owned the home, also include this amount in line 21 . . . . . 6b. _____
7. Enter the total food expenses . . . . . 7. _____
8. Enter the total amount of utilities (heat, light, water, etc., not included in line 6a or 6b) . . . . . 8. _____
9. Enter the total amount of repairs (not included in line 6a or 6b) . . . . . 9. _____
10. Enter the total of other expenses. Don't include expenses of maintaining the home, such as mortgage interest, real estate taxes, and insurance . . . . . 10. _____
11. Add lines 6a through 10. These are the total household expenses . . . . . 11. _____
12. Enter total number of persons who lived in the household . . . . . 12. _____

Expenses for the Person You Supported

13. Divide line 11 by line 12. This is the person's share of the household expenses . . . . . 13. _____
14. Enter the person's total clothing expenses . . . . . 14. _____
15. Enter the person's total education expenses . . . . . 15. _____
16. Enter the person's total medical and dental expenses not paid for or reimbursed by insurance . . . . . 16. _____
17. Enter the person's total travel and recreation expenses . . . . . 17. _____
18. Enter the total of the person's other expenses . . . . . 18. _____
19. Add lines 13 through 18. This is the total cost of the person's support for the year . . . . . 19. _____

Did the Person Provide More Than Half of the Person's Own Support?

20. Multiply line 19 by 50% (0.50) . . . . . 20. _____
21. Enter the amount from line 2, plus the amount from line 6b if the person you supported owned the home. This is the amount the person provided for their own support . . . . . 21. _____
22. Is line 21 more than line 20?

☐ **No.** You meet the support test for this person to be your qualifying child. If this person also meets the other tests to be a qualifying child, stop here; don't complete lines 23–26. Otherwise, go to line 23 and fill out the rest of the worksheet to determine if this person is your qualifying relative.

☐ **Yes.** You don't meet the support test for this person to be either your qualifying child or your qualifying relative. **Stop here.**

Did You Provide More Than Half?

23. Enter the amount others provided for the person's support. Include amounts provided by state, local, and other welfare societies or agencies. Don't include any amounts included on line 1 . . . . . 23. _____
24. Add lines 21 and 23 . . . . . 24. _____
25. Subtract line 24 from line 19. This is the amount you provided for the person's support . . . . . 25. _____
26. Is line 25 more than line 20?

☐ **Yes.** You meet the support test for this person to be your qualifying relative.

☐ **No.** You don't meet the support test for this person to be your qualifying relative. You can't claim this person as a dependent unless you can do so under a multiple support agreement, the support test for children of divorced or separated parents (or parents who live apart), or the special rule for kidnapped children. See *Multiple Support Agreement* or *Support Test for Children of Divorced or Separated Parents (or Parents Who Live Apart)*, or *Kidnapped child* under *Qualifying Relative*.

adoptive parent of an individual. It doesn't include a stepparent or foster parent unless that person has adopted the individual.

- If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent.
- If the parents file a joint return together and can claim the child as a qualifying child, the child is treated as the qualifying child of the parents.
- If the parents don't file a joint return together but both parents claim the child as a qualifying child, the IRS will treat the child as the qualifying child of the parent with whom the child lived for the longer period of time during the year. If the child lived with each parent for the same amount of time, the IRS will treat the child as the qualifying child of the parent who had the higher AGI for the year.
- If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for the year.
- If a parent can claim the child as a qualifying child but no parent does so claim the child, the child is treated as the qualifying child of the person who had the highest AGI for the year, but only if that person's AGI is higher than the highest AGI of any of the child's parents who can claim the child.

Subject to these tiebreaker rules, you and the other person may be able to choose which of you claims the child as a qualifying child.

TIP *You may be able to qualify for the earned income credit under the rules for taxpayers without a qualifying child if you have a qualifying child for the earned income credit who is claimed as a qualifying child by another taxpayer. For more information, see Pub. 596.*

Example 1—Child lived with parent and grandparent. You and your 3-year-old child Jordan lived with your parent all year. You are 25 years old and unmarried, and your AGI is $9,000. Your parent's AGI is $15,000. Your child's other parent didn't live with you or your child. You haven't signed Form 8332 (or a similar statement).

Jordan is a qualifying child of both you and your parent because Jordan meets the relationship, age, residency, support, and joint return tests for both you and your parent. However, only one of you can claim Jordan. Your child isn't a qualifying child of anyone else, including Jordan's other parent. You agree to let your parent claim Jordan. This means your parent can claim Jordan as a qualifying child for all of the five tax benefits listed earlier, if your parent qualifies for each of those benefits (and if you don't claim Jordan as a qualifying child for any of those tax benefits).

Example 2—Parent has higher AGI than grandparent. The facts are the same as in *Example 1*, except your AGI is $18,000. Because your parent's AGI isn't higher than yours, your parent can't claim Jordan. Only you can claim Jordan.

Example 3—Two persons claim same child. The facts are the same as in *Example 1*, except you and your parent both claim Jordan as a qualifying child. In this case, you, as the child's parent, will be the only one allowed to claim the child as a qualifying child. The IRS will disallow your parent's claim to the five tax benefits listed earlier based on Jordan. However, your parent may qualify for the earned income credit as a taxpayer without a qualifying child.

Example 4—Qualifying children split between two persons. The facts are the same as in *Example 1*, except you also have two other young children who are qualifying children of both you and your parent. Only one of you can claim each child. However, if your parent's AGI is higher than yours, you can allow your parent to claim one or more of the children. For example, if you claim one child, your parent can claim the other two.

Example 5—Taxpayer who is a qualifying child. The facts are the same as in *Example 1*, except you are only 18 years old and didn't provide more than half of your own support for the year. This means you are your parent's qualifying child. If your parent can claim you as a dependent, then you can't claim your child as a dependent because of the *Dependent Taxpayer Test*, explained earlier, unless your parent files a return only to claim a refund of income tax withheld or estimated tax paid.

Example 6—Separated parents. You, your spouse, and your 10-year-old child all lived in the United States for all of 2025. On August 1, 2025, your spouse moved out of the household. In August and September, your child lived with you. For the rest of the year, your child lived with your spouse, the child's other parent. Your child is a qualifying child of both you and your spouse because your child lived with each of you for more than half the year and because your child met the relationship, age, support, and joint return tests for both of you. At the end of the year, you and your spouse still weren't divorced, legally separated, or separated under a written separation agreement, so the rule for children of divorced or separated parents (or parents who live apart) doesn't apply.

You and your spouse will file separate returns. Your spouse agrees to let you treat your child as a qualifying child. This means, if your spouse doesn't claim your child as a qualifying child, you can claim this child as a qualifying child for the child tax credit and exclusion for dependent care benefits (if you qualify for each of those tax benefits). However, you can't claim head of household filing status because you and your spouse didn't live apart for the last 6 months of the year. As a result, your filing status is married filing separately, so you can't claim the earned income credit because you don't meet the requirements for certain separated spouses to claim the earned income credit when they don't file a joint return. You and your spouse didn't live apart for the last 6 months of 2025, and while you did live apart at the end of 2025, you aren't legally separated under a written separation agreement or decree of separate maintenance. Therefore, you don't meet the requirements to take the earned income credit as a separated spouse who is not filing a joint return. You also can't take the credit for child and dependent care expenses because your filing status is married filing separately and you and your spouse didn't live apart for the last 6 months of 2025.

Example 7—Separated parents claim same child. The facts are the same as in *Example 6*, except you and your spouse both claim your child as a qualifying child. In this case, only your spouse will be allowed to treat your child as a qualifying child. This is because, during 2025, the child lived with your spouse longer than with you. If you claimed the child tax credit for your child, the IRS will disallow your claim to the child tax credit. If you don't have another qualifying child or dependent, the IRS will also disallow your claim to the exclusion for dependent care benefits. In addition, because you and your spouse didn't live apart for the last 6 months of the year, your spouse can't claim head of household filing status. As a result, your spouse's filing status is married filing separately. Your spouse can't claim the earned income credit because your spouse doesn't meet the requirements to claim the earned income credit for certain separated spouses. You and your spouse didn't live apart for the last 6 months of 2025, and, while you did live apart at the end of 2025, you aren't legally separated under a written separation agreement or decree of separate maintenance. Therefore, your spouse doesn't meet the requirements to take the earned income credit as a separated spouse who isn't filing a joint return. Your spouse also can't take the credit for child and dependent care expenses because your spouse's filing status is married filing separately and you and your spouse didn't live apart for the last 6 months of 2025.

Example 8—Unmarried parents. You, your 5-year-old child, Marley, and Marley's other parent lived together in the United States all year. You and Marley's other parent aren't married. Marley is a qualifying child of both you and the other parent because Marley meets the relationship, age, residency, support, and joint return tests for both you and the other parent. Your AGI is $12,000 and the other parent's AGI is $14,000. The other parent agrees to let you claim Marley as a qualifying child. This means you can claim Marley as a qualifying child for the child tax credit, head of household filing status, the credit for child and dependent care expenses, the exclusion for dependent care benefits, and the earned income credit, if you qualify for each of those tax benefits (and if the other parent doesn't claim Marley as a qualifying child for any of those tax benefits).

Example 9—Unmarried parents claim same child. The facts are the same as in *Example 8*, except you and Marley's other parent both claim Marley as a qualifying child. In this case, only the other parent will be allowed to treat Marley as a qualifying child. This is because the other parent's AGI, $14,000, is more than your AGI, $12,000. If you claimed the child tax credit for Marley, the IRS will disallow your claim to this credit. If you don't have another qualifying child or dependent, the IRS will also disallow your claim to head of household filing status, the credit for child and dependent care expenses, and the exclusion for dependent care

benefits. However, you may be able to claim the earned income credit as a taxpayer without a qualifying child.

Example 10—Child didn't live with a parent. You and your sibling's child, Reid, lived with your parent all year. You are 25 years old, and your AGI is $9,300. Your parent's AGI is $15,000. Reid's parents file jointly, have an AGI of less than $9,000, and don't live with you or Reid. Reid is a qualifying child of both you and your parent because Reid meets the relationship, age, residency, support, and joint return tests for both you and your parent. However, only your parent can treat Reid as a qualifying child. This is because your parent's AGI, $15,000, is more than your AGI, $9,300.

Applying the tiebreaker rules to divorced or separated parents (or parents who live apart). If a child is treated as the qualifying child of the noncustodial parent under the rules described earlier for children of divorced or separated parents (or parents who live apart), only the noncustodial parent can claim the child as a dependent and claim the child tax credit, additional child tax credit, or credit for other dependents for the child. However, only the custodial parent can claim the credit for child and dependent care expenses or the exclusion for dependent care benefits for the child. Also, generally, the noncustodial parent can't claim the child as a qualifying child for head of household filing status or the earned income credit. Instead, generally, the custodial parent, if eligible, or other eligible person can claim the child as a qualifying child for those two benefits. If the child is the qualifying child of more than one person for these benefits, then the tiebreaker rules just explained determine whether the custodial parent or another eligible person can treat the child as a qualifying child.

Example 1. You and your 5-year-old child, Kody, lived all year with your parent in the United States. Your parent paid the entire cost of keeping up the home. Your AGI is $10,000. Your parent's AGI is $25,000. Kody's other parent lived in the United States all year, but didn't live with you or Kody.

Under the rules explained earlier for children of divorced or separated parents (or parents who live apart), Kody is treated as the qualifying child of Kody's other parent, who can claim the child tax credit for the child. Because of this, you can't claim the child tax credit for your child. However, those rules don't allow Kody's other parent to claim Kody as a qualifying child for head of household filing status, the credit for child and dependent care expenses, the exclusion for dependent care benefits, or the earned income credit.

You and your parent didn't have any child care expenses or dependent care benefits, so neither of you can claim the credit for child and dependent care expenses or the exclusion for dependent care benefits. But Kody is a qualifying child of both you and your parent for head of household filing status and the earned income credit because Kody meets the relationship, age, residency, support, and joint return tests for both you and your parent. (The support test doesn't apply for the earned income credit.) However, you agree to let your parent claim Kody. This means your parent can claim Kody for head of household filing status and the earned income credit if your parent qualifies for each and if you don't claim Kody as a qualifying child for the earned income credit. (You can't claim head of household filing status because your parent paid the entire cost of keeping up the home.) You may be able to claim the earned income credit as a taxpayer without a qualifying child.

Example 2. The facts are the same as in *Example 1*, except your AGI is $25,000 and your parent's AGI is $21,000. Your parent can't claim Kody as a qualifying child for any purpose because your parent's AGI isn't higher than yours.

Example 3. The facts are the same as in *Example 1*, except you and your parent both claim Kody as a qualifying child for the earned income credit. Your parent also claims Kody as a qualifying child for head of household filing status. You, as the child's parent, will be the only one allowed to claim Kody as a qualifying child for the earned income credit. The IRS will disallow your parent's claim to head of household filing status unless your parent has another qualifying child or dependent. Your parent can't claim the earned income credit as a taxpayer without a qualifying child because your parent's AGI is more than $19,104.

Qualifying Relative

Four tests must be met for a person to be your qualifying relative. The four tests are:

1. Not a qualifying child test,
2. Member of household or relationship test,
3. Gross income test, and
4. Support test.

Age. Unlike a qualifying child, a qualifying relative can be any age. There is no age test for a qualifying relative.

Kidnapped child. You may be able to treat a child as your qualifying relative even if the child has been kidnapped. See Pub. 501 for details.

Not a Qualifying Child Test

A child isn't your qualifying relative if the child is your qualifying child or the qualifying child of any other taxpayer.

Example 1. Your 22-year-old child, who is a student, lives with you and meets all the tests to be your qualifying child. This child isn't your qualifying relative.

Example 2. Your 2-year-old child lives with your parents and meets all the tests to be their qualifying child. This child isn't your qualifying relative.

Example 3. Your 30-year-old child lives with you. This child isn't a qualifying child because the age test isn't met. This child may be your qualifying relative if the gross income test and the support test are met.

Example 4. Your 13-year-old grandchild only lived with you for 5 months during the year. Your grandchild isn't your qualifying child because the residency test isn't met. Your grandchild may be your qualifying relative if the gross income test and the support test are met.

Child of person not required to file a return. A child isn't the qualifying child of any other taxpayer and so may qualify as your qualifying relative if the child's parent (or other person for whom the child is defined as a qualifying child) isn't required to file an income tax return and either:

- Doesn't file an income tax return, or
- Files a return only to get a refund of income tax withheld or estimated tax paid.

Example 1—Return not required. You support an unrelated friend and your friend's 3-year-old child, who lived with you all year in your home. Your friend has no gross income, isn't required to file a 2025 tax return, and doesn't file a 2025 tax return. Both your friend and your friend's child are your qualifying relatives if the support test is met.

Example 2—Return filed to claim refund. The facts are the same as in *Example 1*, except your friend had wages of $1,500 during the year and had income tax withheld from their wages. Your friend files a return only to get a refund of the income tax withheld and doesn't claim the earned income credit or any other tax credits or deductions. Both your friend and your friend's child are your qualifying relatives if the support test is met.

Example 3—Earned income credit claimed. The facts are the same as in *Example 2*, except your friend had wages of $8,000 during the year and claimed the earned income credit. Your friend's child is the qualifying child of another taxpayer (your friend), so you can't claim your friend's child as your qualifying relative. Also, you can't claim your friend as your qualifying relative because of the gross income test, explained later.

Child in Canada or Mexico. You may be able to claim your child as a dependent even if the child lives in Canada or Mexico. If the child doesn't live with you, the child doesn't meet the residency test to be your qualifying child. However, the child may still be your qualifying relative. If the persons the child does live with aren't U.S. citizens and have no U.S. gross income, those persons aren't "taxpayers," so the child isn't the qualifying child of any other taxpayer. If the child isn't the qualifying child of any other taxpayer, the child is your qualifying relative as long as the gross income test and the support test are met.

You can't claim as a dependent a child who lives in a foreign country other than Canada or Mexico, unless the child is a U.S. citizen, U.S. resident alien, or U.S. national. There is an exception for certain adopted children who lived with you all year. See *Citizen or Resident Test*, earlier.

Example. You provide all the support of your children, ages 6, 8, and 12, who live in Mexico with your parent and have no income. You are single and live in the United States. Your parent isn't a U.S. citizen and has no U.S.

income, so your parent isn't a "taxpayer." Your children aren't your qualifying children because they don't meet the residency test. But since they aren't the qualifying children of any other taxpayer, they may be your qualifying relatives and you may be permitted to claim them as dependents. You may also be able to claim your parent as a dependent if the gross income and support tests are met.

Member of Household or Relationship Test

To meet this test, a person must either:

1. Live with you all year as a member of your household, or
2. Be related to you in one of the ways listed under *Relatives who don't have to live with you* below.

If at any time during the year the person was your spouse, that person can't be your qualifying relative.

Relatives who don't have to live with you. A person related to you in any of the following ways doesn't have to live with you all year as a member of your household to meet this test.

- Your child, stepchild, or foster child, or a descendant of any of them (for example, your grandchild). (A legally adopted child is considered your child.)
- Your brother, sister, half brother, half sister, stepbrother, or stepsister.
- Your father, mother, grandparent, or other direct ancestor, but not foster parent.
- Your stepfather or stepmother.
- A son or daughter of your brother or sister.
- A son or daughter of your half brother or half sister.
- A brother or sister of your father or mother.
- Your son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law.

Any of these relationships that were established by marriage aren't ended by death or divorce.

Example. In 2019, you and your spouse began supporting your spouse's unmarried parent, Gene. Your spouse died in 2024. Despite your spouse's death, Gene continues to meet this test, even if Gene doesn't live with you. You can claim Gene as a dependent if all other tests are met, including the gross income and support tests.

Foster child. A foster child is an individual who is placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Joint return. If you file a joint return, the person can be related to either you or your spouse. Also, the person doesn't need to be related to the spouse who provides support.

For example, you provide more than half the support for your spouse's stepparent. Your spouse's stepparent may be your qualifying relative even if the stepparent doesn't live with you. However, if you and your spouse file separate returns, your spouse's stepparent can be your qualifying relative only if the stepparent lives with you all year as a member of your household.

Temporary absences. A person is considered to live with you as a member of your household during periods of time when one of you, or both, is temporarily absent due to special circumstances such as:

- Illness,
- Education,
- Business,
- Vacation,
- Military service, or
- Detention in a juvenile facility.

If the person is placed in a nursing home for an indefinite period of time to receive constant medical care, the absence may be considered temporary.

Death or birth. A person who died during the year, but lived with you as a member of your household until death, will meet this test. The same is true for a child who was born during the year and lived with you as a member of your household for the rest of the year. The test is also met if a child lived with you as a member of your household except for any required hospital stay following birth.

If your dependent died during the year and you otherwise qualify to claim that person as a dependent, you can still claim that person as a dependent.

Example. Your parent, who met the tests to be your qualifying relative, died on January 15. You can claim your parent as a dependent on your return.

Local law violated. A person doesn't meet this test if at any time during the year the relationship between you and that person violates local law.

Example. Your significant other lived with you as a member of your household all year. However, your relationship violated the laws of the state where you live because your significant other was married to someone else. Therefore, your significant other doesn't meet this test and you can't claim them as a dependent.

Adopted child. An adopted child is always treated as your own child. The term "adopted child" includes a child who was lawfully placed with you for legal adoption.

Cousin. Your cousin must live with you all year as a member of your household to meet this test. A cousin is a descendant of a brother or sister of your father or mother.

Gross Income Test

To meet this test, a person's gross income for the year must be less than $5,200.

Gross income defined. Gross income is all income in the form of money, property, and services that isn't exempt from tax.

In a manufacturing, merchandising, or mining business, gross income is the total net sales minus the cost of goods sold, plus any miscellaneous income from the business.

Gross receipts from rental property are gross income. Don't deduct taxes, repairs, or other expenses to determine the gross income from rental property.

Gross income includes a partner's share of the gross (not a share of the net) partnership income.

Gross income also includes all taxable unemployment compensation, taxable social security benefits, and certain amounts received as scholarship and fellowship grants. Scholarships received by degree candidates and used for tuition, fees, supplies, books, and equipment required for particular courses generally aren't included in gross income. For more information about scholarships, see chapter 8.

Disabled dependent working at sheltered workshop. For purposes of the gross income test, the gross income of an individual who is permanently and totally disabled at any time during the year doesn't include income for services the individual performs at a sheltered workshop. The availability of medical care at the workshop must be the main reason for the individual's presence there. Also, the income must come solely from activities at the workshop that are incident to this medical care.

A "sheltered workshop" is a school that:

- Provides special instruction or training designed to alleviate the disability of the individual; and
- Is operated by certain tax-exempt organizations, or by a state, a U.S. territory, a political subdivision of a state or territory, the United States, or the District of Columbia.

Permanently and totally disabled has the same meaning here as under *Qualifying Child*, earlier.

Support Test (To Be a Qualifying Relative)

To meet this test, you must generally provide more than half of a person's total support during the calendar year.

However, if two or more persons provide support, but no one person provides more than half of a person's total support, see *Multiple Support Agreement*, later.

How to determine if support test is met. You figure whether you have provided more than half of a person's total support by comparing the amount you contributed to that person's support with the entire amount of support that person received from all sources. This includes support the person provided from the person's own funds.

You may find Worksheet 3-1 helpful in figuring whether you provided more than half of a person's support.

Person's own funds not used for support. A person's own funds aren't support unless they are actually spent for support.

Example. Your parent received $2,400 in social security benefits and $300 in interest, paid $2,000 for lodging and $400 for recreation, and put $300 in a savings account.

Even though your parent received a total of $2,700 ($2,400 + $300), your parent spent only $2,400 ($2,000 + $400) for your parent's own

support. If you spent more than $2,400 for your parent's support and no other support was received, you have provided more than half of your parent's support.

Child's wages used for own support. You can't include in your contribution to your child's support any support paid for by the child with the child's own wages, even if you paid the wages.

Year support is provided. The year you provide the support is the year you pay for it, even if you do so with borrowed money that you repay in a later year.

If you use a fiscal year to report your income, you must provide more than half of the dependent's support for the calendar year in which your fiscal year begins.

Armed Forces dependency allotments. The part of the allotment contributed by the government and the part taken out of your military pay are both considered provided by you in figuring whether you provide more than half of the support. If your allotment is used to support persons other than those you name, you can claim them as dependents if they otherwise qualify.

Example. You are in the Armed Forces. You authorize an allotment for your surviving parent that your surviving parent uses to support themselves and their sibling. If the allotment provides more than half of each person's support, you can claim each of them as a dependent, if they otherwise qualify, even though you authorize the allotment only for your surviving parent.

Tax-exempt military quarters allowances. These allowances are treated the same way as dependency allotments in figuring support. The allotment of pay and the tax-exempt basic allowance for quarters are both considered as provided by you for support.

Tax-exempt income. In figuring a person's total support, include tax-exempt income, savings, and borrowed amounts used to support that person. Tax-exempt income includes certain social security benefits, welfare benefits, nontaxable life insurance proceeds, Armed Forces family allotments, nontaxable pensions, and tax-exempt interest.

Example 1. You provide $4,000 toward your parent's support during the year. Your parent has earned income of $600, nontaxable social security benefits of $4,800, and tax-exempt interest of $200, all of which your parent uses for self-support. You can't claim your parent as a dependent because the $4,000 you provide isn't more than half of your parent's total support of $9,600 ($4,000 + $600 +$4,800 + $200).

Example 2. Your sibling takes out a student loan of $2,500 and uses it to pay college tuition. Your sibling is personally responsible for the loan. You provide $2,000 toward their total support. You can't claim them as a dependent because you provide less than half of their support.

Social security benefits. If a married couple receives benefits that are paid by one check made out to both of them, half of the total paid is considered to be for the support of each spouse, unless they can show otherwise.

If a child receives social security benefits and uses them toward their own support, the benefits are considered as provided by the child.

Support provided by the state (welfare, food stamps, housing, etc.). Benefits provided by the state to a needy person are generally considered support provided by the state. However, payments based on the needs of the recipient won't be considered as used entirely for that person's support if it is shown that part of the payments weren't used for that purpose.

TANF and other governmental payments. Under proposed Treasury regulations, if you received TANF payments or other similar payments and used the payments to support another person, those payments are considered support you provided for that person, rather than support provided by the government or other third party.

Foster care. Payments you receive for the support of a foster child from a child placement agency are considered support provided by the agency. See *Foster care payments and expenses*, earlier.

Home for the aged. If you make a lump-sum advance payment to a home for the aged to take care of your relative for life and the payment is based on that person's life expectancy, the amount of support you provide each year is the lump-sum payment divided by the relative's life expectancy. The amount of support you provide also includes any other amounts you provided during the year.

Total Support

To figure if you provided more than half of a person's support, you must first determine the total support provided for that person. Total support includes amounts spent to provide food, lodging, clothing, education, medical and dental care, recreation, transportation, and similar necessities.

Generally, the amount of an item of support is the amount of the expense incurred in providing that item. For lodging, the amount of support is the fair rental value of the lodging.

Expenses not directly related to any one member of a household, such as the cost of food for the household, must be divided among the members of the household.

Example 1. A married couple lives with their two children and one of their parents. Their parent gets social security benefits of $2,400, which the parent spends for clothing, transportation, and recreation. The parent has no other income. The married couple's total food expense for the household is $5,200. They pay the parent's medical and drug expenses of $1,200. The fair rental value of the lodging provided for the parent is $1,800 a year, based on the cost of similar rooming facilities. Figure the parent's total support as follows.

Fair rental value of lodging	$ 1,800
Clothing, transportation, and recreation	2,400
Medical expenses	1,200
Share of food (1/5 of $5,200)	1,040
Total support	$6,440

The support the married couple provide, $4,040 ($1,800 lodging + $1,200 medical expenses + $1,040 food), is more than half of the parent's $6,440 total support.

Example 2. Your parents, Aubrey and Bailey, live with you, your spouse, and your two children in a house you own. The fair rental value of your parents' share of the lodging is $2,000 a year ($1,000 each), which includes furnishings and utilities. Aubrey receives a nontaxable pension of $4,200, which Aubrey spends equally between Aubrey and Bailey for items of support such as clothing, transportation, and recreation. Your total food expense for the household is $6,000. Your heat and utility bills amount to $1,200. Bailey has hospital and medical expenses of $600, which you pay during the year. Figure your parents' total support as follows.

Support provided	**Aubrey**	**Bailey**
Fair rental value of lodging	$1,000	$1,000
Pension spent for their support	2,100	2,100
Share of food (1/6 of $6,000)	1,000	1,000
Medical expenses for Bailey		600
Parents' total support	$4,100	$4,700

You must apply the support test separately to each parent. You provide $2,000 ($1,000 lodging + $1,000 food) of Aubrey's total support of $4,100—less than half. You provide $2,600 to Bailey ($1,000 lodging + $1,000 food + $600 medical)—more than half of Bailey's total support of $4,700. You meet the support test for Bailey, but not Aubrey. Heat and utility costs are included in the fair rental value of the lodging, so these aren't considered separately.

Lodging. If you provide a person with lodging, you are considered to provide support equal to the fair rental value of the room, apartment, house, or other shelter in which the person lives. Fair rental value includes a reasonable allowance for the use of furniture and appliances, and for heat and other utilities that are provided.

Fair rental value defined. Fair rental value is the amount you could reasonably expect to receive from a stranger for the same kind of lodging. It is used instead of actual expenses such as taxes, interest, depreciation, paint, insurance, utilities, and the cost of furniture and appliances. In some cases, fair rental value may be equal to the rent paid.

If you provide the total lodging, the amount of support you provide is the fair rental value of the room the person uses, or a share of the fair rental value of the entire dwelling if the person has use of your entire home. If you don't provide the total lodging, the total fair rental value must be divided depending on how much of the total

lodging you provide. If you provide only a part and the person supplies the rest, the fair rental value must be divided between both of you according to the amount each provides.

Example. Your parents live rent free in a house you own. It has a fair rental value of $5,400 a year furnished, which includes a fair rental value of $3,600 for the house and $1,800 for the furniture. This doesn't include heat and utilities. The house is completely furnished with furniture belonging to your parents. You pay $600 for their utility bills. Utilities usually aren't included in rent for houses in the area where your parents live. Therefore, you consider the total fair rental value of the lodging to be $6,000 ($3,600 fair rental value of the unfurnished house + $1,800 allowance for the furnishings provided by your parents + $600 cost of utilities) of which you are considered to provide $4,200 ($3,600 + $600).

Person living in their own home. The total fair rental value of a person's home that the person owns is considered support contributed by that person.

Living with someone rent free. If you live with a person rent free in that person's home, you must reduce the amount you provide for support of that person by the fair rental value of lodging the person provides you.

Property. Property provided as support is measured by its fair market value. Fair market value is the price that property would sell for on the open market. It is the price that would be agreed upon between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts.

Capital expenses. Capital items, such as furniture, appliances, and cars, bought for a person during the year can be included in total support under certain circumstances.

The following examples show when a capital item is or isn't support.

Example 1. You buy a $200 power lawn mower for your 13-year-old child. The child is given the duty of keeping the lawn trimmed. Because the lawn mower benefits all members of the household, don't include the cost of the lawn mower in the support of your child.

Example 2. You buy a $150 television set as a birthday present for your 12-year-old child. The television set is placed in your child's bedroom. You can include the cost of the television set in the support of your child.

Example 3. You pay $5,000 for a car and register it in your name. You and your 17-year-old child use the car equally. Because you own the car and don't give it to your child but merely let your child use it, don't include the cost of the car in your child's total support. However, you can include in your child's support your out-of-pocket expenses of operating the car for your child's benefit.

Example 4. Your 17-year-old child, using personal funds, buys a car for $4,500. You provide the rest of your child's support, $4,000. Because the car is bought and owned by your child, the car's fair market value ($4,500) must be included in your child's support. Your child has provided more than half of their own total support of $8,500 ($4,500 + $4,000), so this child isn't your qualifying child. You didn't provide more than half of the child's total support, so the child isn't your qualifying relative. You can't claim this child as a dependent.

Medical insurance premiums. Medical insurance premiums you pay, including premiums for supplementary Medicare coverage, are included in the support you provide.

Medical insurance benefits. Medical insurance benefits, including basic and supplementary Medicare benefits, aren't part of support.

Tuition payments and allowances under the GI Bill. Amounts veterans receive under the GI Bill for tuition payments and allowances while they attend school are included in total support.

Example. During the year, your child receives $2,200 from the government under the GI Bill. Your child uses this amount for their education. You provide the rest of your child's support, $2,000. Because GI benefits are included in total support, your child's total support is $4,200 ($2,200 + $2,000). You haven't provided more than half of your child's support.

Childcare expenses. If you pay someone to provide child or dependent care, you can include these payments in the amount you provided for the support of your child or disabled dependent, even if you claim a credit for the payments. For information on the credit, see Pub. 503.

Other support items. Other items may be considered as support depending on the facts in each case.

Don't Include in Total Support

The following items aren't included in total support.

1. Federal, state, and local income taxes paid by persons from their own income.
2. Social security and Medicare taxes paid by persons from their own income.
3. Life insurance premiums.
4. Funeral expenses.
5. Scholarships received by your child if your child is a student.
6. Survivors' and Dependents' Educational Assistance payments used for the support of the child who receives them.

Multiple Support Agreement

Sometimes no one provides more than half of the support of a person. Instead, two or more persons, each of whom would be able to claim the person as a dependent but for the support test, together provide more than half of the person's support.

When this happens, you can agree that any one of you who individually provides more than 10% of the person's support, but only one, can claim the person as a dependent. Each of the others must sign a statement agreeing not to claim the person as a dependent for that year. The person who claims the person as a dependent must keep these signed statements for their own records. A multiple support declaration identifying each of the others who agreed not to claim the person as a dependent must be attached to the return of the person claiming the person as a dependent. Form 2120 can be used for this purpose.

You can claim someone as a dependent under a multiple support agreement for someone related to you or for someone who lived with you all year as a member of your household.

Example 1. You, and your siblings, Sam, Bobbi, and Dani, provide the entire support of your parent for the year. You provide 45%, Sam provides 35%, and Bobbi and Dani each provide 10%. Either you or Sam can claim your parent as a dependent; the one who doesn't must sign a statement agreeing not to claim your parent as a dependent. The one who claims your parent as a dependent must attach Form 2120, or a similar declaration, to their return and must keep the statement signed by the other for their records. Because neither Bobbi nor Dani provides more than 10% of the support, neither can claim your parent as a dependent and neither has to sign a statement.

Example 2. You and your sibling each provide 20% of your parent's support for the year. The remaining 60% of your parent's support is provided equally by two persons who are unrelated. Your parent doesn't live with them. Because more than half of your parent's support is provided by persons who can't claim your parent as a dependent, no one can claim your parent as a dependent.

Support Test for Children of Divorced or Separated Parents (or Parents Who Live Apart)

In most cases, a child of divorced or separated parents (or parents who live apart) will be a qualifying child of one of the parents. See *Children of divorced or separated parents (or parents who live apart)* under *Qualifying Child*, earlier. However, if the child doesn't meet the requirements to be a qualifying child of either parent, the child may be a qualifying relative of one of the parents. If you think this might apply to you, see Pub. 501.

Social Security Numbers (SSNs) for Dependents

You must show the SSN of any dependent you list in the *Dependents* section of your Form 1040 or 1040-SR.



If you don't show the dependent's SSN when required, or if you show an incorrect SSN, certain tax benefits may be disallowed.

No SSN. If a person whom you expect to claim as a dependent on your return doesn't have an SSN, either you or that person should apply for an SSN as soon as possible by filing Form SS-5, Application for a Social Security Card, with the Social Security Administration (SSA).

You can get Form SS-5 online at SSA.gov/forms/ss-5.pdf or at your local SSA office.

It usually takes about 2 weeks to get an SSN once the SSA has all the information it needs. If you don't have a required SSN by the filing due date, you can file Form 4868 for an extension of time to file.

Born and died in 2025. If your child was born and died in 2025, and you don't have an SSN for the child, you may attach a copy of the child's birth certificate, death certificate, or hospital records instead. The document must show the child was born alive. If you do this, enter "DIED" in row (3) of the *Dependents* section of your Form 1040 or 1040-SR.

Alien or adoptee with no SSN. If your dependent doesn't have and can't get an SSN, you must show the Individual Taxpayer Identification Number (ITIN) or adoption taxpayer identification number (ATIN) instead of an SSN.

Taxpayer identification numbers for aliens. If your dependent is a resident or nonresident alien who doesn't have and isn't eligible to get an SSN, your dependent must apply for an ITIN. For details on how to apply, see Form W-7, Application for IRS Individual Taxpayer Identification Number.

Taxpayer identification numbers for adoptees. If you have a child who was placed with you by an authorized placement agency, you may be able to claim the child as a dependent. However, if you can't get an SSN or an ITIN for the child, you must get an ATIN for the child from the IRS. See Form W-7A, Application for Taxpayer Identification Number for Pending U.S. Adoptions, for details.

4.

Tax Withholding and Estimated Tax

What's New for 2026

Tax law changes for 2026. When you figure how much income tax you want withheld from your pay and when you figure your estimated tax, consider tax law changes effective in 2026. For more information, see Pub. 505, Tax Withholding and Estimated Tax.

Reminders

Estimated tax safe harbor for higher income taxpayers. If your 2025 adjusted gross income was more than $150,000 ($75,000 if you are married filing a separate return), you must pay the smaller of 90% of your expected tax for 2026 or 110% of the tax shown on your 2025 return to avoid an estimated tax penalty.

Introduction

This chapter discusses how to pay your tax as you earn or receive income during the year. In general, the federal income tax is a pay-as-you-go tax. There are two ways to pay as you go.

- ***Withholding.*** If you are an employee, your employer probably withholds income tax from your pay. Tax may also be withheld from certain other income, such as pensions, bonuses, commissions, and gambling winnings. The amount withheld is paid to the IRS in your name.
- ***Estimated tax.*** If you don't pay your tax through withholding, or don't pay enough tax that way, you may have to pay estimated tax. People who are in business for themselves will generally have to pay their tax this way. Also, you may have to pay estimated tax if you receive income such as dividends, interest, capital gains, rent, and royalties. Estimated tax is used to pay not only income tax, but self-employment tax and alternative minimum tax as well.

This chapter explains these methods. In addition, it also explains the following.

- ***Credit for withholding and estimated tax.*** When you file your 2025 income tax return, take credit for all the income tax withheld from your salary, wages, pensions, etc., and for the estimated tax you paid for 2025. Also take credit for any excess social security or railroad retirement tax withheld. See Pub. 505.
- ***Underpayment penalty.*** If you didn't pay enough tax during the year, either through withholding or by making estimated tax payments, you may have to pay a penalty. In most cases, the IRS can figure this penalty for you. See Underpayment Penalty for 2025 at the end of this chapter.

Useful Items

You may want to see:

Publication

- ❑ **505** Tax Withholding and Estimated Tax

Form (and Instructions)

- ❑ **W-4** Employee's Withholding Certificate
- ❑ **W-4P** Withholding Certificate for Periodic Pension or Annuity Payments
- ❑ **W-4S** Request for Federal Income Tax Withholding From Sick Pay
- ❑ **W-4V** Voluntary Withholding Request
- ❑ **1040-ES** Estimated Tax for Individuals
- ❑ **2210** Underpayment of Estimated Tax by Individuals, Estates, and Trusts
- ❑ **2210-F** Underpayment of Estimated Tax by Farmers and Fishers

Tax Withholding for 2026

This section discusses income tax withholding on:

- Salaries and wages,
- Tips,
- Taxable fringe benefits,
- Sick pay,
- Pensions and annuities,
- Gambling winnings,
- Unemployment compensation, and
- Certain federal payments.

This section explains the rules for withholding tax from each of these types of income.

This section also covers backup withholding on interest, dividends, and other payments.

Salaries and Wages

Income tax is withheld from the pay of most employees. Your pay includes your regular pay, bonuses, commissions, and vacation allowances. It also includes reimbursements and other expense allowances paid under a nonaccountable plan. See Supplemental Wages, later, for more information about reimbursements and allowances paid under a nonaccountable plan.

If your income is low enough that you won't have to pay income tax for the year, you may be exempt from withholding. This is explained under Exemption From Withholding, later.

You can ask your employer to withhold income tax from noncash wages and other wages not subject to withholding. If your employer doesn't agree to withhold tax, or if not enough is withheld, you may have to pay estimated tax, as discussed later under Estimated Tax for 2026.

Military retirees. Military retirement pay is treated in the same manner as regular pay for income tax withholding purposes, even though it is treated as a pension or annuity for other tax purposes.

Household workers. If you are a household worker, you can ask your employer to withhold income tax from your pay. A household worker is an employee who performs household work in a private home, local college club, or local fraternity or sorority chapter.

Tax is withheld only if you want it withheld and your employer agrees to withhold it. If you don't have enough income tax withheld, you may have to pay estimated tax, as discussed later under Estimated Tax for 2026.

Farmworkers. Generally, income tax is withheld from your cash wages for work on a farm unless your employer:

- Pays you cash wages of less than $150 during the year, and
- Has expenditures for agricultural labor totaling less than $2,500 during the year.

Differential wage payments. When employees are on leave from employment for military duty, some employers make up the difference

between the military pay and civilian pay. Payments to an employee who is on active duty for a period of more than 30 days will be subject to income tax withholding, but not subject to social security, Medicare, or federal unemployment (FUTA) tax withholding. The wages and withholding will be reported on Form W-2, Wage and Tax Statement.

Determining Amount of Tax Withheld Using Form W-4

The amount of income tax your employer withholds from your regular pay depends on the following two things.

- The amount you earn in each payroll period.
- The information you give your employer on Form W-4.

Form W-4 includes steps to help you figure your withholding. Complete Steps 2 through 4 only if they apply to you.

- **Step 1.** Enter your personal information including your filing status.
- **Step 2.** Complete this step if you have more than one job at the same time or are married filing jointly and you and your spouse both work.
- **Step 3.** Complete this step if you claim dependents and other credits.
- **Step 4.** Complete this optional step to make other adjustments.
  —Other income
  —Deductions
  —Extra withholding

New Job

When you start a new job, you must fill out Form W-4 and give it to your employer. Your employer should have copies of the form. If you need to change the information later, you must fill out a new form.

If you work only part of the year (for example, you start working after the beginning of the year), too much tax may be withheld. You may be able to avoid overwithholding if your employer agrees to use the part-year method. See *Part-Year Method* in chapter 1 of Pub. 505 for more information.

Employee also receiving pension income. If you receive pension or annuity income and begin a new job, you will need to file Form W-4 with your new employer. However, you can choose to split your withholding between your pension and job in any manner.

Changing Your Withholding

During the year, changes may occur to your marital status, adjustments, deductions, or credits you expect to claim on your tax return. When this happens, you may need to give your employer a new Form W-4 to change your withholding status.

If a change in personal circumstances reduces the amount of withholding you are entitled to claim, you are required to give your employer a new Form W-4 within 10 days after the change occurs.

Changing your withholding for 2027. If events in 2026 will change the amount of withholding you should claim for 2027, you must give your employer a new Form W-4 by December 1, 2026. If the event occurs in December 2026, submit a new Form W-4 within 10 days.

Checking Your Withholding

After you have given your employer a Form W-4, you can check to see whether the amount of tax withheld from your pay is too little or too much. If too much or too little tax is being withheld, you should give your employer a new Form W-4 to change your withholding. You should try to have your withholding match your actual tax liability. If not enough tax is withheld, you will owe tax at the end of the year and may have to pay interest and a penalty. If too much tax is withheld, you will lose the use of that money until you get your refund. Always check your withholding if there are personal or financial changes in your life or changes in the law that might change your tax liability.

Note: You can't give your employer a payment to cover withholding on salaries and wages for past pay periods or a payment for estimated tax.

Completing Form W-4 and Worksheets

Form W-4 has worksheets to help you figure the correct amount of withholding you can claim. The worksheets are for your own records. Don't give them to your employer.

Multiple Jobs Worksheet. If you have income from more than one job at the same time, or are married filing jointly and you and your spouse both work, complete the Multiple Jobs Worksheet on the Form W-4.

If you and your spouse expect to file separate returns, figure your withholding using separate worksheets based on your own individual income, adjustments, deductions, and credits.

Deductions Worksheet. Use the Deductions Worksheet on Form W-4 if you plan to itemize deductions or claim certain adjustments to income and you want to reduce your withholding. Also complete this worksheet when you have changes to these items to see if you need to change your withholding.

Getting the Right Amount of Tax Withheld

In most situations, the tax withheld from your pay will be close to the tax you figure on your return if you follow these two rules.

- You accurately complete all the Form W-4 worksheets that apply to you.
- You give your employer a new Form W-4 when changes occur.

But, because the worksheets and withholding methods don't account for all possible situations, you may not be getting the right amount withheld. This is most likely to happen in the following situations.

- You are married and both you and your spouse work.
- You have more than one job at a time.
- You have nonwage income, such as interest, dividends, alimony, unemployment compensation, or self-employment income.
- You will owe additional amounts with your return, such as self-employment tax.
- Your withholding is based on obsolete Form W-4 information for a substantial part of the year.
- You work only part of the year.
- You change the amount of your withholding during the year.
- You are subject to Additional Medicare Tax or Net Investment Income Tax (NIIT). If you anticipate liability for Additional Medicare Tax or NIIT, you may request that your employer withhold an additional amount of income tax withholding on Form W-4.

Cumulative wage method. If you change the amount of your withholding during the year, too much or too little tax may have been withheld for the period before you made the change. You may be able to compensate for this if your employer agrees to use the cumulative wage withholding method for the rest of the year. You must ask your employer in writing to use this method.

To be eligible, you must have been paid for the same kind of payroll period (weekly, biweekly, etc.) since the beginning of the year.

Publication 505

To make sure you are getting the right amount of tax withheld, see Pub. 505. It will help you compare the total tax to be withheld during the year with the tax you can expect to figure on your return. It will also help you determine how much, if any, additional withholding is needed each payday to avoid owing tax when you file your return. If you don't have enough tax withheld, you may have to pay estimated tax, as explained under *Estimated Tax for 2026*, later.



You can use the Tax Withholding Estimator at IRS.gov/W4App, instead of Pub. 505 or the worksheets included with Form W-4, to determine whether you need to have your withholding increased or decreased.

Rules Your Employer Must Follow

It may be helpful for you to know some of the withholding rules your employer must follow. These rules can affect how to fill out your Form W-4 and how to handle problems that may arise.

New Form W-4. When you start a new job, your employer should have you complete a Form W-4. Beginning with your first payday, your employer will use the information you give on the form to figure your withholding.

If you later fill out a new Form W-4, your employer can put it into effect as soon as possible. The deadline for putting it into effect is the start of the first payroll period ending 30 or more days after you turn it in.

No Form W-4. If you don't give your employer a completed Form W-4, your employer must withhold at the highest rate, as if you were single.

Repaying withheld tax. If you find you are having too much tax withheld because you didn't claim the correct amount of withholding you are entitled to, you should give your employer a new Form W-4. Your employer can't repay any of the tax previously withheld. Instead, claim the full amount withheld when you file your tax return.

However, if your employer has withheld more than the correct amount of tax for the Form W-4 you have in effect, you don't have to fill out a new Form W-4 to have your withholding lowered to the correct amount. Your employer can repay the amount that was withheld incorrectly. If you aren't repaid, your Form W-2 will reflect the full amount actually withheld, which you would claim when you file your tax return.

Exemption From Withholding

If you claim exemption from withholding, your employer won't withhold federal income tax from your wages. The exemption applies only to income tax, not to social security, Medicare, or FUTA tax withholding.

You can claim exemption from withholding for 2026 only if both of the following situations apply.

- For 2025, you had a right to a refund of all federal income tax withheld because you had no tax liability.
- For 2026, you expect a refund of all federal income tax withheld because you expect to have no tax liability.

Students. If you are a student, you aren't automatically exempt. See chapter 1 to find out if you must file a return. If you work only part time or only during the summer, you may qualify for exemption from withholding.

Age 65 or older or blind. If you are 65 or older or blind, use Worksheet 1-1 or 1-2 in chapter 1 of Pub. 505 to help you decide if you qualify for exemption from withholding. Don't use either worksheet if you will itemize deductions or claim tax credits on your 2026 return. Instead, see *Itemizing deductions or claiming credits* in chapter 1 of Pub. 505.

Eligible for a bonus deduction? If you are age 65 or older, you may be eligible for a $6,000 ($12,000 if married filing jointly) bonus deduction for tax years beginning in 2025 through tax years beginning no later than 2028. For more information, see Pub. 505.

Claiming exemption from withholding. To claim exemption, you must give your employer a Form W-4. Write "Exempt" on the form in the space below Step 4(c) and complete the applicable steps of the form.

If you claim exemption, but later your situation changes so that you will have to pay income tax after all, you must file a new Form W-4 within 10 days after the change. If you claim exemption in 2026, but you expect to owe income tax for 2027, you must file a new Form W-4 by December 1, 2026.

Your claim of exempt status may be reviewed by the IRS.

An exemption is good for only 1 year. You must generally give your employer a new Form W-4 by February 15 each year to continue your exemption.

Supplemental Wages

Supplemental wages include bonuses, certain tips, commissions, overtime pay, vacation allowances, certain sick pay, and expense allowances under certain plans. The payer can figure withholding on supplemental wages using the same method used for your regular wages. However, if these payments are identified separately from your regular wages, your employer or other payer of supplemental wages can withhold income tax from these wages at a flat rate.



Certain qualified tips and overtime pay can be deducted from your taxable income beginning in 2025 through 2028. See Pub. 531, Reporting Tip Income, and Pub. 505 for more information.

Expense allowances. Reimbursements or other expense allowances paid by your employer under a nonaccountable plan are treated as supplemental wages.

Reimbursements or other expense allowances paid under an accountable plan that are more than your proven expenses are treated as paid under a nonaccountable plan if you don't return the excess payments within a reasonable period of time.

For more information about accountable and nonaccountable expense allowance plans, see Pub. 505.

Penalties

You may have to pay a penalty of $500 if both of the following apply.

- You make statements or claim withholding on your Form W-4 that reduce the amount of tax withheld.
- You have no reasonable basis for those statements or withholding at the time you prepare your Form W-4.

There is also a criminal penalty for willfully supplying false or fraudulent information on your Form W-4 or for willfully failing to supply information that would increase the amount withheld. The penalty upon conviction can be either a fine of up to $1,000 or imprisonment for up to 1 year, or both.

These penalties will apply if you deliberately and knowingly falsify your Form W-4 in an attempt to reduce or eliminate the proper withholding of taxes. A simple error or an honest mistake won't result in one of these penalties.

Tips

The tips you receive while working on your job are considered part of your pay. You must include your tips on your tax return on the same line as your regular pay. However, tax isn't withheld directly from tip income, as it is from your regular pay. Nevertheless, your employer will take into account the tips you report when figuring how much to withhold from your regular pay.

For more information on reporting your tips to your employer and on the withholding rules for tip income, see Pub. 531.

How employer figures amount to withhold. The tips you report to your employer are counted as part of your income for the month you report them. Your employer can figure your withholding in either of the following two ways.

- By withholding at the regular rate on the sum of your pay plus your reported tips.
- By withholding at the regular rate on your pay plus a percentage of your reported tips.

Not enough pay to cover taxes. If your regular pay isn't enough for your employer to withhold all the tax (including income tax and social security and Medicare taxes (or the equivalent railroad retirement tax)) due on your pay plus your tips, you can give your employer money to cover the shortage. See Pub. 531 for more information.

Allocated tips. Your employer shouldn't withhold income tax, Medicare tax, social security tax, or railroad retirement tax on any allocated tips. Withholding is based only on your pay plus your reported tips. Your employer should refund to you any incorrectly withheld tax. See Pub. 531 for more information.

Taxable Fringe Benefits

The value of certain noncash fringe benefits you receive from your employer is considered part of your pay. Your employer must generally withhold income tax on these benefits from your regular pay.

For information on fringe benefits, see *Fringe Benefits* under *Employee Compensation* in chapter 5.

Although the value of your personal use of an employer-provided car, truck, or other highway motor vehicle is taxable, your employer can choose not to withhold income tax on that amount. Your employer must notify you if this choice is made.

For more information on withholding on taxable fringe benefits, see chapter 1 of Pub. 505.

Sick Pay

Sick pay is a payment to you to replace your regular wages while you are temporarily absent from work due to sickness or personal injury. To qualify as sick pay, it must be paid under a plan to which your employer is a party.

If you receive sick pay from your employer or an agent of your employer, income tax must be withheld. An agent who doesn't pay regular wages to you may choose to withhold income tax at a flat rate.

However, if you receive sick pay from a third party who isn't acting as an agent of your employer, income tax will be withheld only if you choose to have it withheld. See *Form W-4S*, later.

If you receive payments under a plan in which your employer doesn't participate (such as an accident or health plan where you paid all the premiums), the payments aren't sick pay and usually aren't taxable.

Union agreements. If you receive sick pay under a collective bargaining agreement between your union and your employer, the agreement may determine the amount of income tax withholding. See your union representative or your employer for more information.

Form W-4S. If you choose to have income tax withheld from sick pay paid by a third party, such as an insurance company, you must fill out Form W-4S. Its instructions contain a worksheet you can use to figure the amount you want withheld. They also explain restrictions that may apply.

Give the completed form to the payer of your sick pay. The payer must withhold according to your directions on the form.

Estimated tax. If you don't request withholding on Form W-4S, or if you don't have enough tax withheld, you may have to make estimated tax payments. If you don't pay enough tax, either through estimated tax or withholding, or a combination of both, you may have to pay a penalty. See *Underpayment Penalty for 2025* at the end of this chapter.

Pensions and Annuities

Income tax will usually be withheld from your pension or annuity distributions unless you choose not to have it withheld. This rule applies to distributions from:

- A traditional individual retirement arrangement (IRA);
- A life insurance company under an endowment, annuity, or life insurance contract;
- A pension, annuity, or profit-sharing plan;
- A stock bonus plan; and
- Any other plan that defers the time you receive compensation.

The amount withheld depends on whether you receive payments spread out over more than 1 year (periodic payments), within 1 year (nonperiodic payments), or as an eligible rollover distribution (ERD). Income tax withholding from an ERD is mandatory.

More information. For more information on withholding on pensions and annuities, including a discussion of Form W-4P, see *Pensions and Annuities* in chapter 1 of Pub. 505.

Gambling Winnings

Income tax is withheld at a flat 24% rate from certain kinds of gambling winnings.

Gambling winnings of more than $5,000 from the following sources are subject to income tax withholding.

- Any sweepstakes; wagering pool, including payments made to winners of poker tournaments; or lottery.
- Any other wager, if the proceeds are at least 300 times the amount of the bet.

It doesn't matter whether your winnings are paid in cash, in property, or as an annuity. Winnings not paid in cash are taken into account at their fair market value.

Exception. Gambling winnings from bingo, keno, and slot machines generally aren't subject to income tax withholding. However, you may need to provide the payer with a social security number (SSN) to avoid withholding. See *Backup withholding on gambling winnings* in chapter 1 of Pub. 505. If you receive gambling winnings not subject to withholding, you may need to pay estimated tax. See *Estimated Tax for 2026*, later.

If you don't pay enough tax, either through withholding or estimated tax, or a combination of both, you may have to pay a penalty. See *Underpayment Penalty for 2025* at the end of this chapter.

Form W-2G. If a payer withholds income tax from your gambling winnings, you should receive a Form W-2G, Certain Gambling Winnings, showing the amount you won and the amount withheld. Report the tax withheld on Form 1040 or 1040-SR, line 25c.

Unemployment Compensation

You can choose to have income tax withheld from unemployment compensation. To make this choice, fill out Form W-4V (or a similar form provided by the payer) and give it to the payer.

All unemployment compensation is taxable. If you don't have income tax withheld, you may have to pay estimated tax. See *Estimated Tax for 2026*, later.

If you don't pay enough tax, either through withholding or estimated tax, or a combination of both, you may have to pay a penalty. See *Underpayment Penalty for 2025* at the end of this chapter.

Federal Payments

You can choose to have income tax withheld from certain federal payments you receive. These payments are the following.

1. Social security benefits.
2. Tier 1 railroad retirement benefits.
3. Commodity Credit Corporation (CCC) loans you choose to include in your gross income.
4. Payments under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), as amended, or title II of the Disaster Assistance Act of 1988, that are treated as insurance proceeds and that you receive because:
   a. Your crops were destroyed or damaged by drought, flood, or any other natural disaster; or
   b. You were unable to plant crops because of a natural disaster described in (a).
5. Any other payment under federal law as determined by the Secretary.

To make this choice, fill out Form W-4V (or a similar form provided by the payer) and give it to the payer.

If you don't choose to have income tax withheld, you may have to pay estimated tax. See *Estimated Tax for 2026*, later.

If you don't pay enough tax, either through withholding or estimated tax, or a combination of both, you may have to pay a penalty. See *Underpayment Penalty for 2025* at the end of this chapter.

More information. For more information about the tax treatment of social security and railroad retirement benefits, see chapter 7. See Pub. 225, Farmer's Tax Guide, for information about the tax treatment of CCC loans or crop disaster payments.

Backup Withholding

Banks or other businesses that pay you certain kinds of income must file an information return (Form 1099) with the IRS. The information return shows how much you were paid during the year. It also includes your name and taxpayer identification number (TIN). TINs are explained in chapter 1 under *Social Security Number (SSN)*.

These payments generally aren't subject to withholding. However, "backup" withholding is required in certain situations. Backup withholding can apply to most kinds of payments that are reported on Form 1099.

The payer must withhold at a flat 24% rate in the following situations.

- You don't give the payer your TIN in the required manner.
- The IRS notifies the payer that the TIN you gave is incorrect.
- You are required, but fail, to certify that you aren't subject to backup withholding.
- The IRS notifies the payer to start withholding on interest or dividends because you have underreported interest or dividends on your income tax return. The IRS will do this only after it has mailed you four notices.

Go to *IRS.gov/Businesses/Small-Businesses-Self-Employed/Backup-Withholding* for more information on kinds of payments subject to backup withholding.

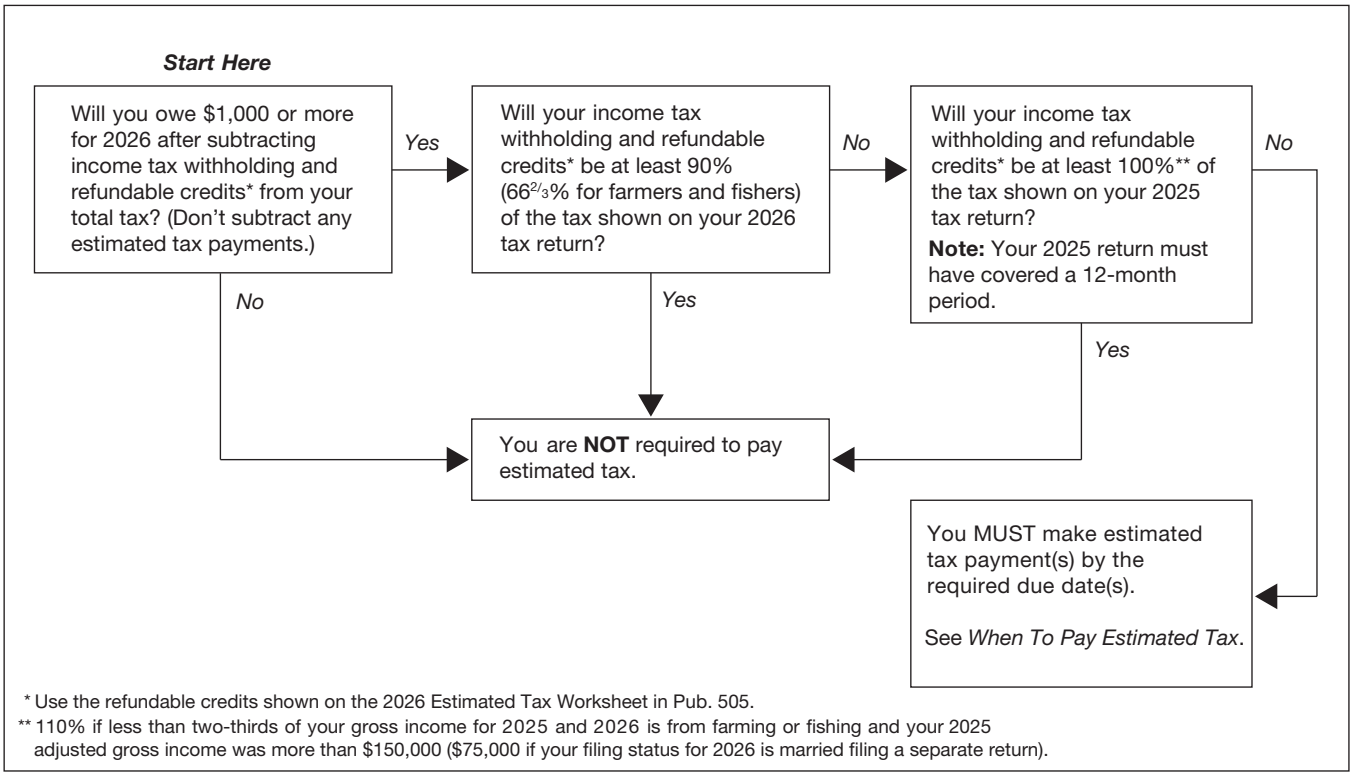
Penalties. There are civil and criminal penalties for giving false information to avoid backup withholding. The civil penalty is $500. The criminal penalty, upon conviction, is a fine of up to $1,000 or imprisonment of up to 1 year, or both.

Estimated Tax for 2026

Estimated tax is the method used to pay tax on income that isn't subject to withholding. This includes income from self-employment, interest, dividends, alimony, rent, gains from the sale of assets, prizes, and awards. You may also have to pay estimated tax if the amount of income tax being withheld from your salary, pension, or other income isn't enough.

Estimated tax is used to pay both income tax and self-employment tax, as well as other taxes and amounts reported on your tax return. If you don't pay enough tax, either through withholding or estimated tax, or a combination of both, you may have to pay a penalty. If you don't pay enough by the due date of each payment period (see *When To Pay Estimated Tax*, later), you may be charged a penalty even if you are

Figure 4-A. **Do You Have To Pay Estimated Tax?**



* Use the refundable credits shown on the 2026 Estimated Tax Worksheet in Pub. 505.

** 110% if less than two-thirds of your gross income for 2025 and 2026 is from farming or fishing and your 2025 adjusted gross income was more than $150,000 ($75,000 if your filing status for 2026 is married filing a separate return).

due a refund when you file your tax return. For information on when the penalty applies, see *Underpayment Penalty for 2025* at the end of this chapter.

Who Doesn't Have To Pay Estimated Tax

If you receive salaries or wages, you can avoid having to pay estimated tax by asking your employer to take more tax out of your earnings. To do this, give a new Form W-4 to your employer. See chapter 1 of Pub. 505.

Estimated tax not required. You don't have to pay estimated tax for 2026 if you meet all three of the following conditions.

- You had no tax liability for 2025.
- You were a U.S. citizen or resident alien for the whole year.
- Your 2025 tax year covered a 12-month period.

You had no tax liability for 2025 if your total tax was zero or you didn't have to file an income tax return. For the definition of "total tax" for 2025, see chapter 2 of Pub. 505.

Who Must Pay Estimated Tax

If you owe additional tax for 2025, you may have to pay estimated tax for 2026.

You can use the following general rule as a guide during the year to see if you will have enough withholding, or if you should increase your withholding or make estimated tax payments.

General rule. In most cases, you must pay estimated tax for 2026 if both of the following apply.

1. You expect to owe at least $1,000 in tax for 2026, after subtracting your withholding and refundable credits.
2. You expect your withholding plus your refundable credits to be less than the smaller of:
   a. 90% of the tax to be shown on your 2026 tax return; or
   b. 100% of the tax shown on your 2025 tax return (but see *Special rules for farmers, fishers, and higher income taxpayers*, later). Your 2025 tax return must cover all 12 months.

CAUTION *If the result from using the general rule above suggests that you won't have enough withholding, complete the 2026 Estimated Tax Worksheet in Pub. 505 for a more accurate calculation.*

Special rules for farmers, fishers, and higher income taxpayers. If at least two-thirds of your gross income for tax year 2025 or 2026 is from farming or fishing, substitute 66 2/3% for 90% in (2a) under the *General rule*, earlier. If your AGI for 2025 was more than $150,000 ($75,000 if your filing status for 2026 is married filing a separate return), substitute 110% for 100% in (2b) under *General rule*, earlier. See Figure 4-A and chapter 2 of Pub. 505 for more information.

Aliens. Resident and nonresident aliens may also have to pay estimated tax. Resident aliens should follow the rules in this chapter unless noted otherwise. Nonresident aliens should get Form 1040-ES (NR), U.S. Estimated Tax for Nonresident Alien Individuals.

You are an alien if you aren't a citizen or national of the United States. You are a resident alien if you either have a green card or meet the substantial presence test. For more information about the substantial presence test, see Pub. 519, U.S. Tax Guide for Aliens.

Married taxpayers. If you qualify to make joint estimated tax payments, apply the rules discussed here to your joint estimated income.

You and your spouse can make joint estimated tax payments even if you aren't living together.

However, you and your spouse can't make joint estimated tax payments if:

- You are legally separated under a decree of divorce or separate maintenance,
- You and your spouse have different tax years, or
- Either spouse is a nonresident alien (unless that spouse elected to be treated as a resident alien for tax purposes (see chapter 1 of Pub. 519)).

If you and your spouse can't make estimated tax payments, apply these rules to your separate estimated income. Making joint or separate estimated tax payments won't affect your choice of filing a joint tax return or separate returns for 2026.

2025 separate returns and 2026 joint return. If you plan to file a joint return with your spouse for 2026 but you filed separate returns for 2025, your 2025 tax is the total of the tax shown on your separate returns. You filed a separate return if you filed as single, head of household, or married filing separately.

2025 joint return and 2026 separate returns. If you plan to file a separate return for 2026 but you filed a joint return for 2025, your 2025 tax is your share of the tax on the joint return. You file a separate return if you file as single, head of household, or married filing separately.

To figure your share of the tax on the joint return, first figure the tax both you and your spouse would have paid had you filed separate returns for 2025 using the same filing status as for 2026. Then, multiply the tax on the joint return by the following fraction.

$$\frac{\text{The tax you would have paid had you filed a separate return}}{\text{The total tax you and your spouse would have paid had you filed separate returns}}$$

Example. Owen and Sophia filed a joint return for 2025 showing taxable income of $48,500 and tax of $5,346. Of the $48,500 taxable income, $40,100 was Owen's and the rest was Sophia's. For 2026, they plan to file married filing separately. Owen figures tax on the 2025 joint return as follows.

Tax on $40,100 based on a separate return	$4,577
Tax on $8,400 based on a separate return	843
Total	$5,420
Owen's percentage of total ($4,577 ÷ $5,420)	84.4465%
Owen's share of tax on joint return ($5,346 × 84.4465%)	$4,514

How To Figure Estimated Tax

To figure your estimated tax, you must figure your expected adjusted gross income (AGI), taxable income, taxes, deductions, and credits for the year.

When figuring your 2026 estimated tax, it may be helpful to use your income, deductions, and credits for 2025 as a starting point. Use your 2025 federal tax return as a guide. You can use Form 1040-ES and Pub. 505 to figure your estimated tax. Nonresident aliens use Form 1040-ES (NR) and Pub. 505 to figure estimated tax (see chapter 8 of Pub. 519 for more information).

You must make adjustments both for changes in your own situation and for recent changes in the tax law. For a discussion of these changes, go to *IRS.gov*.

For more complete information on how to figure your estimated tax for 2026, see chapter 2 of Pub. 505.

When To Pay Estimated Tax

For estimated tax purposes, the tax year is divided into four payment periods. Each period has a specific payment due date. If you don't pay enough tax by the due date of each payment period, you may be charged a penalty even if you are due a refund when you file your income tax return. The payment periods and due dates for estimated tax payments are shown next.

For the period:	Due date:*
Jan. 1–March 31	April 15
April 1–May 31	June 15
June 1–August 31	Sept. 15
Sept. 1–Dec. 31	Jan. 15, next year

* See *Saturday, Sunday, holiday rule* and *January payment*.

Saturday, Sunday, holiday rule. If the due date for an estimated tax payment falls on a Saturday, Sunday, or legal holiday, the payment will be on time if you make it on the next day that isn't a Saturday, Sunday, or legal holiday.

January payment. If you file your 2026 Form 1040 or 1040-SR by February 1, 2027, and pay the rest of the tax you owe, you don't need to make the payment due on January 15, 2027.

Fiscal-year taxpayers. If your tax year doesn't start on January 1, see the Form 1040-ES instructions for your payment due dates.

When To Start

You don't have to make estimated tax payments until you have income on which you will owe income tax. If you have income subject to estimated tax during the first payment period, you must make your first payment by the due date for the first payment period. You can pay all your estimated tax at that time, or you can pay it in installments. If you choose to pay in installments, make your first payment by the due date for the first payment period. Make your remaining installment payments by the due dates for the later periods.

No income subject to estimated tax during first period. If you don't have income subject to estimated tax until a later payment period, you must make your first payment by the due date for that period. You can pay your entire estimated tax by the due date for that period or you can pay it in installments by the due date for that period and the due dates for the remaining periods.

Table 4-1. **General Due Dates for Estimated Tax Installment Payments**

If you first have income on which you must pay estimated tax:	Make installments by:*	Make later installments by:*
Before April 1	April 15	June 15 Sept. 15 Jan. 15, next year
April 1–May 31	June 15	Sept. 15 Jan. 15, next year
June 1–Aug. 31	Sept. 15	Jan. 15, next year
After Aug. 31	Jan. 15, next year	(None)

* See *Saturday, Sunday, holiday rule* and *January payment*.

How much to pay to avoid a penalty. To determine how much you should pay by each payment due date, see *How To Figure Each Payment* next.

How To Figure Each Payment

You should pay enough estimated tax by the due date of each payment period to avoid a penalty for that period. You can figure your required payment for each period by using either the regular installment method or the annualized income installment method. These methods are described in chapter 2 of Pub. 505. If you don't pay enough during each payment period, you may be charged a penalty even if you are due a refund when you file your tax return.

If the earlier discussion under *No income subject to estimated tax during first period* or the later discussion under *Change in estimated tax* applies to you, you may benefit from reading *Annualized Income Installment Method* in chapter 2 of Pub. 505 for information on how to avoid a penalty.

Underpayment penalty. Under the regular installment method, if your estimated tax payment for any period is less than one-fourth of your estimated tax, you may be charged a penalty for underpayment of estimated tax for that period when you file your tax return. Under the annualized income installment method, your estimated tax payments vary with your income, but the amount required must be paid each period. See Instructions for Form 2210 for more information.

Change in estimated tax. After you make an estimated tax payment, changes in your income, adjustments, deductions, or credits may make it necessary for you to refigure your estimated tax. Pay the unpaid balance of your amended estimated tax by the next payment due date after the change or in installments by that date and the due dates for the remaining payment periods.

Estimated Tax Payments Not Required

You don't have to pay estimated tax if your withholding in each payment period is at least as much as:

- One-fourth of your required annual payment, or
- Your required annualized income installment for that period.

You also don't have to pay estimated tax if you will pay enough through withholding to keep the amount you owe with your return under $1,000.

How To Pay Estimated Tax

There are several ways to pay estimated tax.

- Credit an overpayment on your 2025 return to your 2026 estimated tax.
- Pay by direct transfer from your bank account, or pay by debit or credit card using a pay-by-phone system or the Internet.
- Send in your payment (check or money order) with a payment voucher from Form 1040-ES.

Credit an Overpayment

If you show an overpayment of tax after completing your Form 1040 or 1040-SR for 2025, you can apply part or all of it to your estimated tax for 2026. On line 36 of Form 1040 or 1040-SR, enter the amount you want credited to your estimated tax rather than refunded. Take the amount you have credited into account when figuring your estimated tax payments.

You can't have any of the amount you credited to your estimated tax refunded to you until you file your tax return for the following year. You also can't use that overpayment in any other way.

Pay Online

The IRS offers an electronic payment option that is right for you. Paying online is convenient, secure, and helps make sure we get your payments on time. To pay your taxes online or for more information, go to *IRS.gov/Payments*. You can pay using any of the following methods.

- **IRS Direct Pay.** For online transfers directly from your checking or savings account at no cost to you, go to *IRS.gov/DirectPay*.
- **Pay by card or digital wallet.** To pay by debit or credit card or digital wallet, go to *IRS.gov/PayByCard*. A fee is charged by these service providers. You can also pay by phone with a debit or credit card. See *Debit or credit card* under *Pay by Phone,* later.
- **Electronic funds withdrawal (EFW).** This is an integrated *e-file/*e-pay option offered only when filing your federal taxes electronically using tax preparation software, through a tax professional, or through the IRS at *IRS.gov/EFW*.
- **Online payment agreement.** If you can't pay in full by the due date of your tax return, you can apply for an online monthly installment agreement at *IRS.gov/OPA*. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved. A user fee is charged.
- **IRS2Go.** This is the mobile application of the IRS. You can access IRS Direct Pay or pay by card by downloading the application.

Electronic Federal Tax Payment System (EFTPS)

This system allows you to pay your taxes online or by phone directly from your checking or savings account. There is no fee for this service. You must be enrolled either online or have an enrollment form mailed to you. See *EFTPS* under *Pay by Phone*, later.

Pay by Phone

Paying by phone is another safe and secure method of paying electronically. Use one of the following methods: (1) call one of the debit or credit card providers, or (2) use the EFTPS to pay directly from your checking or savings account.

Debit or credit card. Call one of our service providers. Each charges a fee that varies by provider, card type, and payment amount.

Link2Gov Corporation
888-PAY-1040™ (888-729-1040)
PAY1040.com

ACI Payments, Inc. (formerly Official Payments)
888-UPAY-TAX™ (888-872-9829)
fed.acipayonline.com

EFTPS. To get more information about EFTPS or to enroll in EFTPS, go to *EFTPS.gov* or call 800-555-4477. To contact EFTPS using Telecommunications Relay Services (TRS) for people who are deaf, hard of hearing, or have a speech disability, dial 711 and then provide the TRS assistant the 800-555-4477 number or 800-733-4829. Additional information about EFTPS is also available in Pub. 966.

Pay by Mobile Device

To pay through your mobile device, download the IRS2Go application.

Pay by Cash

Cash is an in-person payment option for individuals provided through retail partners. To make a cash payment, you must choose a payment processor online with ACI Payments, Inc. at *fed.acipayonline.com* or *Pay1040.com*, our official payment provider. For more information, go to *IRS.gov/PayWithCash*. Don't send cash payments through the mail.

Pay by Check or Money Order Using the Estimated Tax Payment Voucher

Before submitting a payment through the mail using the estimated tax payment voucher, please consider alternative methods. One of our safe, quick, and easy electronic payment options might be right for you.

If you choose to mail in your payment, each payment of estimated tax by check or money order must be accompanied by a payment voucher from Form 1040-ES.

During 2025, if you:

- Made at least one estimated tax payment but not by electronic means,
- Didn't use software or a paid preparer to prepare or file your return,

then you should receive a copy of the 2026 Form 1040-ES with payment vouchers.

The enclosed payment vouchers will be preprinted with your name, address, and SSN. Using the preprinted vouchers will speed processing, reduce the chance of error, and help save processing costs.

Use the window envelopes that came with your Form 1040-ES package. If you use your own envelopes, make sure you mail your payment vouchers to the address shown in the Form 1040-ES instructions for the place where you live.

No checks of $100 million or more accepted. The IRS can't accept a single check (including a cashier's check) for amounts of $100,000,000 ($100 million) or more. If you are sending $100 million or more by check, you'll need to spread the payment over two or more checks with each check made out for an amount less than $100 million. This limit doesn't apply to other methods of payment (such as electronic payments). Consider a method of payment other than check if the amount of the payment is over $100 million.

Note: These criteria can change without notice. If you don't receive a Form 1040-ES package and you are required to make an estimated tax payment, you should go to *IRS.gov/Form1040ES* and print a copy of Form 1040-ES that includes four blank payment vouchers. Complete one of these and make your payment timely to avoid penalties for paying late.



Don't use the address shown in the Instructions for Form 1040 for your estimated tax payments.

If you didn't pay estimated tax last year, you can order Form 1040-ES from the IRS (see the inside back cover of this publication) or download it from IRS.gov. Follow the instructions to make sure you use the vouchers correctly.

Joint estimated tax payments. If you file a joint return and are making joint estimated tax payments, enter the names and SSNs on the payment vouchers in the same order as they will appear on the joint return.

Change of address. You must notify the IRS if you are making estimated tax payments and you changed your address during the year. Complete Form 8822, Change of Address, and mail it to the address shown in the instructions for that form.

Credit for Withholding and Estimated Tax for 2025

When you file your 2025 income tax return, take credit for all the income tax and excess social security or railroad retirement tax withheld from your salary, wages, pensions, etc. Also take credit for the estimated tax you paid for 2025. These credits are subtracted from your total tax. Because these credits are refundable, you should file a return and claim these credits, even if you don't owe tax.

Two or more employers. If you had two or more employers in 2025 and were paid wages of more than $176,100, too much social security or tier 1 railroad retirement tax may have been withheld from your pay. You may be able to claim the excess as a credit against your income tax when you file your return. See the Instructions for Form 1040 for more information.

Withholding

If you had income tax withheld during 2025, you should be sent a statement by February 2, 2026, showing your income and the tax withheld. Depending on the source of your income, you should receive:

- Form W-2;
- Form W-2G; or
- A form in the 1099 series.

Forms W-2 and W-2G. If you file a paper return, always file Form W-2 with your income tax return. File Form W-2G with your return only if it shows any federal income tax withheld from your winnings.

You should get at least two copies of each form. If you file a paper return, attach one copy to the front of your federal income tax return. Keep one copy for your records. You should also receive copies to file with your state and local returns.

Form W-2

Your employer is required to provide or send Form W-2 to you no later than February 2, 2026. You should receive a separate Form W-2 from each employer you worked for.

If you stopped working before the end of 2025, your employer could have given you your Form W-2 at any time after you stopped working. However, your employer must provide or send it to you by February 2, 2026.

If you ask for the form, your employer must send it to you within 30 days after receiving your written request or within 30 days after your final wage payment, whichever is later.

If you haven't received your Form W-2 by February 2, you should ask your employer for it. If you don't receive it by early February, call the IRS.

Form W-2 shows your total pay and other compensation and the income tax, social security tax, and Medicare tax that was withheld during the year. Include the federal income tax withheld (as shown in box 2 of Form W-2) on Form 1040 or 1040-SR, line 25a.

In addition, Form W-2 is used to report any taxable sick pay you received and any income tax withheld from your sick pay.

Form W-2G

If you had gambling winnings in 2025, the payer may have withheld income tax. If tax was withheld, the payer will give you a Form W-2G showing the amount you won and the amount of tax withheld.

Report the amounts you won on Schedule 1 (Form 1040). Take credit for the tax withheld on Form 1040 or 1040-SR, line 25c.

The 1099 Series

Most forms in the 1099 series aren't filed with your return. These forms should be furnished to you by February 2, 2026 (or, for Form 1099-B, Form 1099-DA, Form 1099-S, and certain Forms 1099-MISC, by February 17, 2026). Unless instructed to file any of these forms with your return, keep them for your records. There are several different forms in this series, which are not listed. See the instructions for the specific Form 1099 for more information.

Form 1099-R. Attach Form 1099-R to your paper return if box 4 shows federal income tax withheld. Include the amount withheld in the total on line 25b of Form 1040 or 1040-SR.

Backup withholding. If you were subject to backup withholding on income you received during 2025, include the amount withheld, as shown on your Form 1099, in the total on line 25b of Form 1040 or 1040-SR.

Form Not Correct

If you receive a form with incorrect information on it, you should ask the payer for a corrected form. Call the telephone number or write to the address given for the payer on the form. The corrected Form W-2G or Form 1099 you receive will have an "X" in the "CORRECTED" box at the top of the form. A special form, Form W-2c, Corrected Wage and Tax Statement, is used to correct a Form W-2.

In certain situations, you will receive two forms in place of the original incorrect form. This will happen when your TIN is wrong or missing, your name and address are wrong, or you received the wrong type of form (for example, a Form 1099-DIV, Dividends and Distributions, instead of a Form 1099-INT, Interest Income). One new form you receive will be the same incorrect form or have the same incorrect information, but all money amounts will be zero. This form will have an "X" in the "CORRECTED" box at the top of the form. The second new form should have all the correct information, prepared as though it is the original (the "CORRECTED" box won't be checked).

Form Received After Filing

If you file your return and you later receive a form for income that you didn't include on your return, you should report the income and take credit for any income tax withheld by filing Form 1040-X, Amended U.S. Individual Income Tax Return.

Separate Returns

If you are married but file a separate return, you can take credit only for the tax withheld from your own income. Don't include any amount withheld from your spouse's income. However, different rules may apply if you live in a community property state.

Community property states are listed in chapter 1. For more information on these rules, and some exceptions, see Pub. 555, Community Property.

Estimated Tax

Take credit for all your estimated tax payments for 2025 on Form 1040 or 1040-SR, line 26. Include any overpayment from 2024 that you had credited to your 2025 estimated tax.

Name changed. If you changed your name, and you made estimated tax payments using your former name, attach a brief statement to the front of your paper tax return indicating:

- When you made the payments,
- The amount of each payment,
- Your name when you made the payments, and
- Your SSN.

The statement should cover payments you made jointly with your spouse as well as any you made separately.

Be sure to report the change to the Social Security Administration before filing your return. This prevents delays in processing your return and issuing any refunds.

Separate Returns

If you and your spouse made separate estimated tax payments for 2025 and you file separate returns, you can take credit only for your own payments.

If you made joint estimated tax payments, you must decide how to divide the payments between your returns. One of you can claim all of the estimated tax paid and the other none, or you can divide it in any other way you agree on. If you can't agree, you must divide the payments in proportion to each spouse's individual tax as shown on your separate returns for 2025.

Divorced Taxpayers

If you made joint estimated tax payments for 2025, and you were divorced during the year, either you or your former spouse can claim all of the joint payments, or you each can claim part of them. If you can't agree on how to divide the payments, you must divide them in proportion to each spouse's individual tax as shown on your separate returns for 2025.

If you claim any of the joint payments on your tax return, enter your former spouse's social security number (SSN) in the space provided on the front of Form 1040 or 1040-SR. If you divorced and remarried in 2025, enter your present spouse's SSN in the space provided on the front of Form 1040 or 1040-SR. Also, on the dotted line next to line 26, enter your former spouse's SSN, followed by "DIV."

Underpayment Penalty for 2025

If you didn't pay enough tax, either through withholding or by making timely estimated tax payments, you will have an underpayment of estimated tax and you may have to pay a penalty.

Generally, you won't have to pay a penalty for 2025 if any of the following apply.

- The total of your withholding and estimated tax payments was at least as much as your 2024 tax (or 110% of your 2024 tax if your AGI was more than $150,000: $75,000 if your 2025 filing status is married filing separately) and you paid all required estimated tax payments on time.
- The tax balance due on your 2025 return is no more than 10% of your total 2025 tax, and you paid all required estimated tax payments on time.
- Your total 2025 tax minus your withholding and refundable credits is less than $1,000.
- You didn't have a tax liability for 2024 and your 2024 tax year was 12 months.
- You didn't have any withholding taxes and your current-year tax less any household employment taxes is less than $1,000.

Farmers and fishers. Special rules apply if you are a farmer or fisher. See the Instructions for Form 2210-F for more information.

The IRS can figure the penalty for you. If you think you owe the penalty but you don't want to figure it yourself when you file your tax return, you may not have to. Generally, the IRS will figure the penalty for you and send you a bill. However, if you think you are able to lower or eliminate your penalty, you must complete Form 2210 or Form 2210-F and attach it to your paper return. See the Instructions for Form 2210 for more information.

Part Two.

Income and Adjustments to Income

The five chapters in this part discuss many kinds of income and adjustments to income. They explain which income is and isn't taxed and discuss some of the adjustments to income that you can make in figuring your adjusted gross income.

The Form 1040 and 1040-SR schedules that are discussed in these chapters are:

- *Schedule 1, Additional Income and Adjustments to Income;*
- *Schedule 2, Part II, Other Taxes; and*
- *Schedule 3, Part II, Other Payments and Refundable Credits.*

Table V. **Other Adjustments to Income**

Use this table to find information about other adjustments to income not covered in this part of the publication.

IF you are looking for more information about the deduction for...	**THEN see...**
contributions to a health savings account	*Pub. 969, Health Savings Accounts and Other Tax-Favored Health Plans*.
moving expenses	*Pub. 3, Armed Forces' Tax Guide*.
part of your self-employment tax	*chapter 11*.
self-employed health insurance	*Pub. 502, Medical and Dental Expenses*.
payments to self-employed SEP, SIMPLE, and qualified plans	*Pub. 560, Retirement Plans for Small Business*.
penalty on the early withdrawal of savings	*chapter 6*.
contributions to an Archer MSA	*Pub. 969*.
reforestation amortization or expense	chapters 4 and 7 of *Pub. 225, Farmer's Tax Guide*.
contributions to Internal Revenue Code section 501(c)(18)(D) pension plans	*Pub. 525, Taxable and Nontaxable Income*.
expenses from the rental of personal property	*chapter 8*.
certain required repayments of supplemental unemployment benefits (sub-pay)	*chapter 8*.
foreign housing costs	chapter 4 of *Pub. 54, Tax Guide for U.S. Citizens and Resident Aliens Abroad*.
jury duty pay given to your employer	*chapter 8*.
contributions by certain ministers or chaplains to Internal Revenue Code section 403(b) plans	*Pub. 517, Social Security and Other Information for Members of the Clergy and Religious Workers*.
attorney fees and certain costs for actions involving IRS awards to whistleblowers	*Pub. 525*.

5.

Wages, Salaries, and Other Earnings

What's New

Deferred compensation contribution limit increased. If you participate in a 401(k) plan, 403(b) plan, or the federal government's Thrift Savings Plan, the total annual amount you can contribute for 2025 is increased to:

- $23,500,
- $31,000 if age 50 or older, or
- $37,750 if age 60 through 63 at the end of 2025.

This also applies to most section 457 plans.

Health flexible spending arrangements (health FSAs) under cafeteria plans. For tax years beginning in 2025, the dollar limitation under section 125(i) on voluntary employee salary reductions for contributions to health FSAs is $3,300.

Introduction

This chapter discusses compensation received for services as an employee, such as wages, salaries, and fringe benefits. The following topics are included.

- Bonuses and awards.
- Special rules for certain employees.
- Sickness and injury benefits.

The chapter explains what income is included and isn't included in the employee's gross income.

Useful Items

You may want to see:

Publication

- ❑ **463** Travel, Gift, and Car Expenses
- ❑ **502** Medical and Dental Expenses
- ❑ **524** Credit for the Elderly or the Disabled
- ❑ **525** Taxable and Nontaxable Income
- ❑ **526** Charitable Contributions
- ❑ **550** Investment Income and Expenses
- ❑ **554** Tax Guide for Seniors
- ❑ **575** Pension and Annuity Income
- ❑ **907** Tax Highlights for Persons With Disabilities
- ❑ **926** Household Employer's Tax Guide
- ❑ **3920** Tax Relief for Victims of Terrorist Attacks

For these and other useful items, go to *IRS.gov/Forms*.

Employee Compensation

This section discusses various types of employee compensation, including fringe benefits, retirement plan contributions, stock options, and restricted property.

Form W-2. If you're an employee, you should receive a Form W-2 from your employer showing the pay you received for your services. Include your pay on Form 1040 or 1040-SR, line 1a, even if you don't receive a Form W-2.

In some instances, your employer isn't required to give you a Form W-2. Your employer isn't required to give you a Form W-2 if you perform household work in your employer's home for less than $2,800 in cash wages during the calendar year and you have no federal income taxes withheld from your wages. Household work is work done in or around an employer's home. Some examples of workers who do household work are:

- Babysitters,
- Butlers,
- Caretakers,
- Cooks,
- Domestic workers,
- Drivers,
- Health aides,
- Housecleaning workers,
- Housekeepers,
- Maids,
- Nannies,
- Private nurses, and
- Yard workers.

See Schedule H (Form 1040), Household Employment Taxes, and its instructions, and Pub. 926 for more information.

If you performed services, other than as an independent contractor, and your employer didn't withhold social security and Medicare taxes from your pay, you must file Form 8919, Uncollected Social Security and Medicare Tax on Wages, with your Form 1040 or 1040-SR. See Form 8919 and its instructions for more information on how to figure unreported wages and taxes and how to include them on your income tax return.

Childcare providers. If you provide childcare, either in the child's home or in your home or other place of business, the pay you receive must be included in your income. If you aren't an employee, you're probably self-employed and must include payments for your services on Schedule C (Form 1040), Profit or Loss From Business. You generally aren't an employee unless you're subject to the will and control of the person who employs you as to what you're to do and how you're to do it.

Babysitting. If you're paid to babysit, even for relatives or neighborhood children, whether on a regular basis or only periodically, the rules for childcare providers apply to you.

Self-employment tax. Whether you're an employee or self-employed person, your income could be subject to self-employment tax. See the instructions for Schedules C and SE (Form 1040) if you're self-employed. Also, see Pub. 926 for more information.

Miscellaneous Compensation

This section discusses different types of employee compensation.

Advance commissions and other earnings. If you receive advance commissions or other amounts for services to be performed in the future and you're a cash-method taxpayer, you must include these amounts in your income in the year you receive them.

If you repay unearned commissions or other amounts in the same year you receive them, reduce the amount included in your income by the repayment. If you repay them in a later tax year, you can deduct the repayment as an itemized deduction on your Schedule A (Form 1040), line 16, or you may be able to take a credit for that year. See *Repayments* in chapter 8.

Allowances and reimbursements. If you receive travel, transportation, or other business expense allowances or reimbursements from your employer, see Pub. 463, Travel, Gift, and Car Expenses. If you're a member of the military and you're reimbursed for moving expenses, see Pub. 521, Moving Expenses.

Back pay awards. If you receive an amount in payment of a settlement or judgment for back pay, you must include the amount of the payment in your income. This includes payments made to you for damages, unpaid life insurance premiums, and unpaid health insurance premiums. They should be reported to you by your employer on Form W-2.

Bonuses and awards. If you receive a bonus or award (cash, goods, services, etc.) from your employer, you must include its value in your income. However, if your employer merely promises to pay you a bonus or award at some future time, it isn't taxable until you receive it or it's made available to you.

Employee achievement award. If you receive tangible personal property (other than cash, a gift certificate, or an equivalent item) as an award for length of service or safety achievement, you can generally exclude its value from your income. The amount you can exclude is limited to your employer's cost and can't be more than $1,600 for qualified plan awards or $400 for nonqualified plan awards for all such awards you receive during the year. Your employer can tell you whether your award is a qualified plan award. Your employer must make the award as part of a meaningful presentation, under conditions and circumstances that don't create a significant likelihood of it being disguised pay.

However, the exclusion doesn't apply to the following awards.

- A length-of-service award if you received it for less than 5 years of service or if you received another length-of-service award during the year or the previous 4 years.
- A safety achievement award if you're a manager, administrator, clerical employee, or other professional employee or if more than 10% of eligible employees previously received safety achievement awards during the year.

Example. You received three employee achievement awards during the year: a nonqualified plan award of a watch valued at $250, two qualified plan awards of a stereo valued at $1,000, and a set of golf clubs valued at $500. Assuming that the requirements for qualified plan awards are otherwise satisfied, each award by itself would be excluded from income. However, because the $1,750 total value of the awards is more than $1,600, you must include $150 ($1,750 – $1,600) in your income.

Differential wage payments. This is any payment made to you by an employer for any period during which you are, for a period of more than 30 days, an active duty member of the uniformed services and represents all or a portion of the wages you would have received from the employer during that period. These payments are treated as wages and are subject to income tax withholding but not FICA or FUTA tax. The payments are reported as wages on Form W-2.

Government cost-of-living allowances. Most payments received by U.S. Government civilian employees for working abroad are taxable. However, certain cost-of-living allowances are tax free. Pub. 516, U.S. Government Civilian Employees Stationed Abroad, explains the tax treatment of allowances, differentials, and other special pay you receive for employment abroad.

Nonqualified deferred compensation plans. Your employer may report to you the total amount of deferrals for the year under a nonqualified deferred compensation plan in box 12 of Form W-2, using code Y. This amount isn't included in your income.

However, if at any time during the tax year, the plan fails to meet certain requirements, or isn't operated under those requirements, all amounts deferred under the plan for the tax year and all preceding tax years to the extent vested and not previously included in income are included in your income for the current year. This amount is included in your wages shown in box 1 of Form W-2. It's also shown in box 12 of Form W-2, using code Z.

Note received for services. If your employer gives you a secured note as payment for your services, you must include the fair market value (usually the discount value) of the note in your income for the year you receive it. When you later receive payments on the note, a proportionate part of each payment is the recovery of the fair market value that you previously included in your income. Don't include that part again in your income. Include the rest of the payment in your income in the year of payment.

If your employer gives you a nonnegotiable unsecured note as payment for your services, payments on the note that are credited toward the principal amount of the note are compensation income when you receive them.

Severance pay. If you receive a severance payment when your employment with your employer ends or is terminated, you must include this amount in your income.

Accrued leave payment. If you're a federal employee and receive a lump-sum payment for accrued annual leave when you retire or resign, this amount will be included as wages on your Form W-2.

If you resign from one agency and are reemployed by another agency, you may have to repay part of your lump-sum annual leave payment to the second agency. You can reduce gross wages by the amount you repaid in the same tax year in which you received it. Attach to your tax return a copy of the receipt or statement given to you by the agency you repaid to explain the difference between the wages on the return and the wages on your Forms W-2.

Outplacement services. If you choose to accept a reduced amount of severance pay so that you can receive outplacement services (such as training in résumé writing and interview techniques), you must include the unreduced amount of the severance pay in income.

Sick pay. Pay you receive from your employer while you're sick or injured is part of your salary or wages. In addition, you must include in your income sick pay benefits received from any of the following payers.

- A welfare fund.
- A state sickness or disability fund.
- An association of employers or employees.
- An insurance company if your employer paid for the plan.

However, if you paid the premiums on an accident or health insurance policy yourself, the benefits you receive under the policy aren't taxable. For more information, see Pub. 525, Taxable and Nontaxable Income.

Social security and Medicare taxes paid by employer. If you and your employer have an agreement that your employer pays your social security and Medicare taxes without deducting them from your gross wages, you must report the amount of tax paid for you as taxable wages on your tax return. The payment is also treated as wages for figuring your social security and Medicare taxes and your social security and Medicare benefits. However, these payments aren't treated as social security and Medicare wages if you're a household worker or a farm worker.

Stock appreciation rights. Don't include a stock appreciation right granted by your employer in income until you exercise (use) the right. When you use the right, you're entitled to a cash payment equal to the fair market value of the corporation's stock on the date of use minus the fair market value on the date the right was granted. You include the cash payment in your income in the year you use the right.

Fringe Benefits

Fringe benefits received in connection with the performance of your services are included in your income as compensation unless you pay fair market value for them or they're specifically excluded by law. Refraining from the performance of services (for example, under a covenant not to compete) is treated as the performance of services for purposes of these rules.

Accounting period. You must use the same accounting period your employer uses to report your taxable noncash fringe benefits. Your employer has the option to report taxable noncash fringe benefits by using either of the following rules.

- The general rule: benefits are reported for a full calendar year (January 1–December 31).
- The special accounting period rule: benefits provided during the last 2 months of the calendar year (or any shorter period) are treated as paid during the following calendar year, for example, each year your employer reports the value of benefits provided during the last 2 months of the prior year and the first 10 months of the current year.

Your employer doesn't have to use the same accounting period for each fringe benefit, but must use the same period for all employees who receive a particular benefit.

You must use the same accounting period that you use to report the benefit to claim an employee business deduction (for use of a car, for example).

Form W-2. Your employer must include all taxable fringe benefits in box 1 of Form W-2 as wages, tips, and other compensation and, if applicable, in boxes 3 and 5 as social security and Medicare wages. Although not required, your employer may include the total value of fringe benefits in box 14 (or on a separate statement). However, if your employer provided you with a vehicle and included 100% of its annual lease value in your income, the employer must separately report this value to you in box 14 (or on a separate statement).

Accident or Health Plan

In most cases, the value of accident or health plan coverage provided to you by your employer isn't included in your income. Benefits you receive from the plan may be taxable, as explained later under *Sickness and Injury Benefits*.

For information on the items covered in this section, other than long-term care coverage, see Pub. 969, Health Savings Accounts and Other Tax-Favored Health Plans.

Long-term care coverage. Contributions by your employer to provide coverage for long-term care services generally aren't included in your income. However, contributions made through a flexible spending or similar arrangement offered by your employer must be included in your income. This amount will be reported as wages in box 1 of Form W-2.