

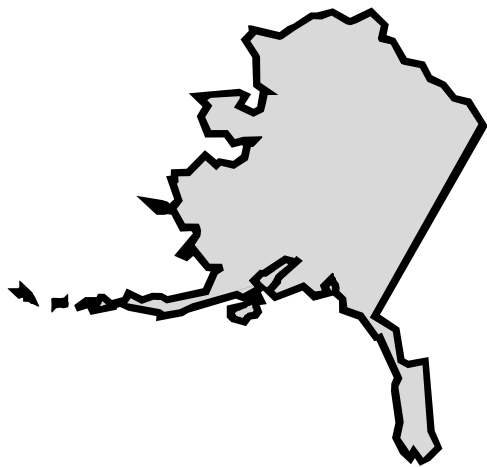
---

# How To File Your Child's 2002 Tax Return

---

## Information for Parents of Alaskan Children

---



Department of the Treasury  
Internal Revenue Service

[www.irs.gov](http://www.irs.gov)

Publication 3328 (Rev. Jan. 2003)  
Cat. No. 26988N

---

---

### Which Tax Return To Use?

In Alaska, dependent\* children must pay Federal income tax if they receive the Alaska Permanent Fund Dividend (APFD). It can be difficult for parents to determine how to file the required tax returns for their children.

Dependent Alaskan children under age 14 who received the APFD in 2002 must pay a tax on a portion of their unearned income at their parents' tax rate. Unearned income includes the APFD, interest, and dividends.

This publication covers the basic requirements and refers you to other helpful publications.

*\* If you received Public Assistance, these rules may not apply to your child. For details, call the IRS at 1-800-829-1040 or visit your local IRS office.*

---

### If Your Child Is Under Age 14 on January 1, 2003:

#### **Form 8814, "Parents' Election To Report Child's Interest and Dividends."**

Parents of children meeting the conditions listed below can elect to report their child's interest and dividends (including the APFD) on the parents' Form 1040 using Form 8814. If the parents make this election, their child will not have to file a return for 2002. The parents can make this election only if their child meets **all** of the following conditions:

- Had income only from interest, dividends, or APFD.
- Had gross income for 2002 that was less than \$7,500.
- Had no estimated tax payments for 2002 (including any overpayment of tax from his or her 2001 return applied to 2002 estimated tax).
- Had no Federal income tax withheld from his or her income.

An example of Form 8814 for a child who received only the APFD is on the back. If the parents elect to report their child's unearned income on the parents' Form 1040, Form 8814 must be

prepared and attached. A separate Form 8814 is required for each child.

---

### **Form 8615, "Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,400."**

If your child received the APFD in 2002 and you do not or cannot elect to report his or her unearned income on your return, your child must file a Form 1040 or 1040A, and a Form 8615 must be completed and attached to the return. Form 1040EZ or TeleFile cannot be used.

---

### **If Your Child Is Age 14 or Older on January 1, 2003,**

and received the APFD, your child must file Form 1040, 1040A, 1040EZ, or TeleFile. Report the APFD on line 21 of Form 1040, line 13 of Form 1040A, line 3 of Form 1040EZ, or line D of TeleFile. A Form 8615 is not required.

---

### **Did Your Child Have Backup Withholding?**

If part of your child's APFD was withheld because of a missing or incorrect social security number, be sure to claim credit for that amount on the child's tax return (line 62 of Form 1040, line 39 of Form 1040A, or line 7 of Form 1040EZ).

---

### **Additional Information**

**Publication 929**, Tax Rules for Children and Dependents, contains detailed information on Forms 8814 and 8615. It also contains information on which parent's tax rate to use when the parents are separated or divorced. To get Publication 929 and/or Forms 8814 and 8615, visit your local IRS office or call 1-800-TAX-FORM (1-800-829-3676) to request that these items be mailed to you. You may also download these items from the IRS Web Site at [www.irs.gov](http://www.irs.gov). For more help, call the IRS at 1-800-829-1040.

Permit No. G-48  
Internal Revenue Service  
Postage & Fees Paid  
PRRST STD

Internal Revenue Service  
949 East 36th Avenue  
Anchorage, AK 99508

Form **8814**

Department of the Treasury  
Internal Revenue Service

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

▶ See instructions below and on back.  
▶ Attach to parents' Form 1040 or Form 1040NR.

OMB No. 1545-1128

2002

Attachment  
Sequence No. **40**

Name(s) shown on your return **Alaskan Parent** Your social security number  
**xxx | xx | xxxx**

**Caution:** The Federal income tax on your child's income, including capital gain distributions, may be less if you file a separate tax return for the child instead of making this election. This is because you cannot take certain tax benefits that your child could take on his or her own return. For details, see **Tax Benefits You May Not Take** on the back.

A Child's name (first, initial, and last) **Alaskan Child** B Child's social security number  
**xxx | xx | xxxx**

\*c If more than one Form 8814 is attached, check here

**Part I Child's Interest and Dividends To Report on Your Return**

<b>1a</b> Enter your child's <b>taxable</b> interest. If this amount is different from the amounts shown on the child's Forms 1099-INT and 1099-OID, see the instructions . . . . .	<b>1a</b>		
<b>b</b> Enter your child's <b>tax-exempt</b> interest. <b>Do not</b> include this amount on line 1a . . . . .	<b>1b</b>		
<b>2</b> Enter your child's ordinary dividends, including any Alaska Permanent Fund dividends. If your child received any ordinary dividends as a nominee, see the instructions . . . . .	<b>2</b>	<b>1,540</b>	—
<b>3</b> Enter your child's capital gain distributions. If your child received any capital gain distributions as a nominee, see the instructions. . . . .	<b>3</b>		
<b>4</b> Add lines 1a, 2, and 3. If the total is \$1,500 or less, skip lines 5 and 6 and go to line 7. If the total is \$7,500 or more, <b>do not</b> file this form. Your child <b>must</b> file his or her own return to report the income. . . . .	<b>4</b>	<b>1,540</b>	—
<b>5</b> Base amount . . . . .	<b>5</b>	1,500	00
* <b>6</b> Subtract line 5 from line 4. If you checked the box on line C above or if you entered an amount on line 3, see the instructions. Also, include this amount in the total on Form 1040, line 21, or Form 1040NR, line 21. In the space next to line 21, enter "Form 8814" and show the amount. Go to line 7 below. . . . .	<b>6</b>	<b>40</b>	—

**Part II Tax on the First \$1,500 of Child's Interest and Dividends**

<b>7</b> Amount not taxed . . . . .	<b>7</b>	750	00
<b>8</b> Subtract line 7 from line 4. If the result is zero or less, enter -0- . . . . .	<b>8</b>	<b>790</b>	—
<b>9 Tax.</b> Is the amount on line 8 less than \$750? <input checked="" type="checkbox"/> <b>No.</b> Enter \$75 here and see the <b>Note</b> below. <input type="checkbox"/> <b>Yes.</b> Multiply line 8 by 10% (.10). Enter the result here and see the <b>Note</b> below. } . . . . .	<b>9</b>	<b>75</b>	—

\* **Note:** If you checked the box on line C above, see the instructions. Otherwise, include the amount from line 9 in the tax you enter on Form 1040, line 42, or Form 1040NR, line 40. Be sure to check box a on Form 1040, line 42, or Form 1040NR, line 40.