

# FYI – For Your Information

## Filing on Unearned Income For a Minor Child

### GENERAL INFORMATION

Parents of children with gross unearned income greater than \$900 but less than \$9,000 are given the option to report their child's income on their federal income tax return, Form 1040, by completing and attaching Form 8814 to the Form 1040. Form 8814 is for children under the age of 18 at the end of the tax year who received unearned income consisting of interest or dividends.

When Form 8814 is used, the child's unearned income greater than \$900 but not greater than \$1,800 is not included in the parents' federal taxable income because it is not subject to the parents' marginal tax rate.

The proper way to handle this situation for Colorado income tax purposes is for the parents to include the missing income on the "other additions" line of their Colorado 104 Form. The explanation would be "unearned net taxable income of minor child." The amount to enter is the smaller of: a) \$900 or b) the total taxable income from form 8814 minus \$900 for each child for whom a Form 8814 is completed.

This directive does not apply when the child is filing his/her own income tax return.

### SIGNATURE

If a minor child files a tax return, he/she should sign the return. If a child cannot sign his or her return, a parent or guardian can sign the child's name in the space provided at the bottom of the tax return followed by "By (signature), parent (or guardian) for minor child."

A parent or guardian who signs the return on a child's behalf may handle any matter regarding the return with the Department of Revenue. [§39-22-601(1)(b), C.R.S.]

### FURTHER INFORMATION

FYIs, commonly used forms and additional tax information are available on the Web at [www.taxcolorado.com](http://www.taxcolorado.com)

For additional income tax information visit the "Tax Information Index" which covers a variety of topics including links to forms, publications, regulations, statutes and general questions and answers. The "Tax Information Index" is located on the Web at [www.taxcolorado.com](http://www.taxcolorado.com)

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having authority to bind the Department, has not formally reviewed and/or approved these FYIs.



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