FTD COMPLIANCE CARD — Kiddie Tax Calculator (Form 8615)

Fbaum Enterprises LLC d/b/a The Federal Tax Desk | Version 1.1 | Issued 2026-09-20 | Last verified 2026-09-20

HOW TO USE THIS CARD FOR §10.36 COMPLIANCE

OPR Alert 2026-19 (June 24, 2026) requires firms to vet third-party tools and document that vetting under Circular 230 §10.36. To satisfy this requirement using this card:

1. Print or save this PDF. Date your review in the space provided at the bottom of this card.
2. Add this card to your firm's AI tool inventory or WISP third-party provider list.
3. Before first use with any client matter, verify that the tax-year figures in Element 3 (the kiddie tax exempt amount, the rate-table brackets, and the capital gain brackets) match current IRS.gov content by following the verification steps in that element.
4. Document that verification with the date and your initials.
5. Your completed card constitutes the §10.36 vetting documentation for this tool.

ELEMENT 1 — TOOL IDENTIFICATION

Tool name / version
Kiddie Tax Calculator (Form 8615), version 1.1

FTD issue date
2026-09-20

Most recent update
2026-09-20

Last verified against source
2026-09-20

Governing authority
IRC §1(g), §1(h), §1(j)(2), §1(j)(5), §63(c)(5); Instructions for Form 8615 (2025); Rev. Proc. 2024-40 §§2.01–2.03; Rev. Proc. 2025-32 §§3.01, 4.01–4.03, 4.14

Figures source
Tax year 2025: Instructions for Form 8615 (2025) and Form 1040 (2025) instructions, read 2026-09-20; Rev. Proc. 2024-40 §§2.01–2.03; Rev. Proc. 2025-32 §3.01 (2025 standard deduction as amended by P.L. 119-21). Tax year 2026 (planning estimate): Rev. Proc. 2025-32 §§4.01–4.03 and 4.14, and the early-release draft of the 2026 Instructions for Form 8615, which confirms the $2,700 figure. Fetched from irs.gov/pub/irs-drop and irs.gov/instructions/i8615 on 2026-09-20.

Publisher
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Note: The exempt amount ($2,700 on Form 8615 line 2, twice the $1,350 amount in IRC §63(c)(5)(A)), the rate-table brackets, the basic standard deduction that caps a dependent's deduction, and the 0% and 15% capital gain brackets are all indexed for inflation and differ by tax year. The calculator carries a separate set of figures for each supported tax year and states the year it used.

Note: Tax year 2026 results are labeled a planning estimate. The final 2026 Form 8615 instructions and the 2026 Tax Table were not published on the verified date. The 2026 run uses the 2026 figures from Rev. Proc. 2025-32 with the line structure of the 2025 form.

ELEMENT 2 — WHAT THIS TOOL DOES

The Kiddie Tax Calculator determines whether a child's unearned income is taxed at the parent's rates under IRC §1(g) and computes the child's tax on Form 8615, lines 1 through 18, showing every line with its value and citation. It applies the who-must-file tests (age and student status, support test, unearned income over the exempt amount, a living parent, no joint return), Line 5 Worksheet #1, the Qualified Dividends and Capital Gain Tax Worksheet for lines 9, 10, 15 and 17, and the multi-child lines 7, 12a, 12b and 13.

Inputs
Tax year (2025 or 2026); the child's date of birth; full-time student status; whether earned income was more than half of the child's support; a living parent; joint return status; the child's earned income, taxable unearned income, qualified dividends, and net capital gain; the parent's taxable income, filing status, qualified dividends, and net capital gain; the other children's line 5 totals if any. No taxpayer-identifying information.

Output

A determination of whether the kiddie tax applies, the five who-must-file tests with the result of each, every Form 8615 line from 1 to 18 with citations, the tax at the child's own rates, the extra tax from the parent-rate rule, each worksheet used shown line by line, the list of what the tool does not model, and a copy-paste-ready plain-text block.

What this tool IS

This tool produces a calculation reference for practitioner use. Every result shows each line of the governing worksheet or form with its value and its citation.

What this tool IS NOT

This tool does not produce tax advice, legal advice, or written advice subject to Circular 230 §10.37. The practitioner retains full professional responsibility for all conclusions presented to clients.

ELEMENT 3 — ACCURACY AND VERIFICATION

Primary sources

IRC §1(g)(1) (greater-of rule), (g)(2) (children covered), (g)(3) (allocable parental tax and the child's share), (g)(4) (net unearned income), (g)(5) (which parent's return); IRC §1(h)(1) and §1(j)(5) (capital gain rates and brackets); IRC §63(c)(5) (dependent's standard deduction); Instructions for Form 8615 (2025), including Who Must File, Which Parent's Return To Use, the line-by-line instructions, and the 2025 Line 5 Worksheet #1; the Qualified Dividends and Capital Gain Tax Worksheet and the 2025 Tax Table in the Instructions for Form 1040 (2025); Rev. Proc. 2024-40 §§2.01–2.03 (2025 figures); Rev. Proc. 2025-32 §§3.01, 4.01–4.03, 4.14 (2026 figures).

Placeholder citations

None. Every citation in this tool traces to a primary source read directly on the date shown above (IRC full text; IRS.gov instructions, publications, and Revenue Procedures), not to a summary.

How the calculation is tested

Every one of the 2,062 printed rows of the 2025 Tax Table (all four columns) is reproduced by the calculator. Every base-tax constant printed in Rev. Proc. 2024-40 §2.01 and Rev. Proc. 2025-32 §4.01 is reproduced, which pins each bracket threshold. The Form 8615 instructions' January 1 birthday chart, the Amanda Black example, and the three-child Persimmon example reproduce. The Qualified Dividends and Capital Gain Tax Worksheet is compared with an independent transcription of IRC §1(h)(1) over 1,200 seeded random cases, and the whole computation is compared with an independent reading of IRC §1(g) and §1(h) over 1,400 further seeded random cases. The test suite fails if a figure is edited away from the registered published value.

Update trigger

This card and the tool are updated within 5 business days of the IRS revising the governing figures, forms, or instructions for a future tax year, of an amendment to the governing IRC sections, or of a correction being discovered.

How to verify the kiddie tax calculation

1. Open Rev. Proc. 2024-40 (tax year 2025) or Rev. Proc. 2025-32 (tax year 2026) at irs.gov/pub/irs-drop and confirm the kiddie tax amount under IRC §1(g) (section 2.02 or 4.02), the rate tables (section 2.01 or 4.01), and the maximum zero rate and 15 percent rate amounts (section 2.03 or 4.03) for the tax year you are running.
2. Open the Instructions for Form 8615 for the tax year at irs.gov/instructions/i8615 and confirm line 2 ($2,700 for 2025 and for the 2026 draft), the who-must-file conditions, and the line numbering.
3. Look up the tax on lines 9, 15 and 17 in the Tax Table (or the Qualified Dividends and Capital Gain Tax Worksheet) in the current Form 1040 instructions and compare it to the calculator's line.
4. Confirm which parent's return applies using the Which Parent's Return To Use section of the instructions, and confirm the child can be claimed as a dependent and meets the support test. This tool takes those answers as entered and does not verify them.

Known limitations — KNOWN FAILURE MODES

- A case with 28% rate gain, unrecaptured section 1250 gain, farming or fishing income taxed under Schedule J, or a return with Form 2555 is NOT computed. The calculator shows the child's net unearned income (line 5) and stops, because those cases use different tax worksheets.
- A child who itemizes deductions is NOT modeled: line 2 and line 4 change. The calculator assumes the standard deduction of a dependent (the greater of $1,350 or earned income plus $450, capped at the basic amount). It also sets the child's adjusted gross income to earned plus unearned income and does not model

adjustments to income, the QBI deduction, or other deductions.

- The child is assumed to be claimable as a dependent, so the requirement to file is treated as met once unearned income exceeds the exempt amount. A child who cannot be claimed as a dependent could differ. The child's filing status is assumed to be single.
- The parent's tax on line 10 is computed from the parent's taxable income and the parent's qualified dividends and net capital gain, not read from the parent's Form 1040 line 16. The form's line 10 excludes alternative minimum tax; the calculator does not model AMT, the net investment income tax, or the parents' Form 8814 election.
- When more than one child files Form 8615 with the same parent, each child's result needs the other children's line 5 amounts and their qualified dividends and net capital gain, which the user must supply (run the calculator once for each child). Every child must use the same parent's return. A parent whose tax year differs from the child's is not modeled.
- Tax Table rounding: the Tax Table gives the tax at the midpoint of a printed row, and lines 9, 15 and 17 are looked up separately, so when the parent's and child's rates are equal the extra tax can show as $1 that the exact arithmetic would not produce. A hand-filled form shows the same $1. Line 12b is carried as an exact ratio where the form rounds to at least three places, so a multi-child result can differ from a hand-filled form by a few dollars.
- Tax year 2026 is a planning estimate (see Element 1). The 2026 Tax Table was not published on the verified date; the calculator applies the midpoint rule to the 2026 rate schedule. The 2026 married-filing-separately 35% bracket top ($384,350) is derived as half the joint threshold because that row was not legible in the extracted Revenue Procedure text; it cannot affect any result below that amount of parent income.

ELEMENT 4 — DATA HANDLING

This tool does not require or store taxpayer-identifying information. It asks for amounts and the child's date of birth only (used to compute the child's age at year end), and no name, Social Security number, or address. No §7216 consent is required for use of this tool as designed. Do not enter taxpayer-identifying information.

Data retention: No inputs are logged. Amounts entered are processed in your browser. Anonymous, aggregate usage events (for example, that a calculation was run, with the tool name and the filing status selected) are recorded with no amounts and no personal data. If you choose the optional "email me this result" form, the plain-text result, which includes the amounts you entered and the computed lines, is sent to FTD's email function and delivered to the address you enter through a third-party email service. FTD does not store the result text. The email service handles delivery under its own retention terms. Use the form only if that is acceptable for your engagement.

ELEMENT 5 — CIRCULAR 230 / SSTS 1.4 COMPLIANCE STATEMENT

This tool is designed for use by tax practitioners subject to Circular 230. Use of this tool does not satisfy the practitioner's obligation to exercise due diligence under Circular 230 §10.22 or to possess technological competence under Circular 230 §10.35. The practitioner must independently verify tool outputs before relying on them in client matters or submissions to the IRS. OPR Alert 2026-19 (June 24, 2026) confirms that practitioners may not delegate professional judgment to software tools.

ELEMENT 6 — TOOL CLASSIFICATION

TOOL CLASSIFICATION: This tool is a deterministic calculation engine, not a generative AI tool. Given the same inputs and tax year, it always returns the same result. It does not generate, infer, or predict outputs. The practitioner retains full obligation to exercise appropriate judgment and verify outputs before relying on them in client matters.

ELEMENT 7 — UPDATE AND CORRECTION LOG

Table A — Version History

Date	Version	Change Description	Trigger
2026-09-20	v1.0	Initial release — kiddie tax determination and Form 8615 lines 1–18 for ordinary income, tax years 2025 and 2026, cited to IRC §1(g) and the Instructions for Form 8615	Initial build (second calculator in the show-the-math line)

2026-09-20	v1.1	Added the Qualified Dividends and Capital Gain Tax Worksheet path (Line 5 Worksheet #1 and lines 9, 10, 15, 17) and the multi-child lines 7, 12a, 12b and 13; replaced the two yes/no stop questions with amounts. The tool now stops only for 28% rate gain, unrecaptured section 1250 gain, Schedule J, and Form 2555.	Follow-up build (NEW-06b), same day as v1.0

Table B — Correction Log (OPS-002)

Date	Error Class	Description	Authority	Affected TCs
2026-09-20	Delivery defect (caught after page release, corrected before this card was issued)	The page's "email me this result" feature passed the full-length result text, 4,832 characters even for the simplest case. The email function rejects text over 4,000 characters, so the email would have failed. Corrected by a compact email text (2,240 characters in the largest case tested) and a test that runs every page's email text through the function's own limit. The calculation and the on-page result were not affected.	N/A — application behavior, not a tax authority	Email feature only; no calculated amount affected
2026-09-20	Test expectation error (caught pre-release)	A hand-worked test expected $138 for line 15 in the worked example. The printed 2025 Tax Table row (taxable income $1,350 to $1,375) shows $136, because Tax Table rows are $25 wide below $3,000. The calculator was correct; the test expectation was corrected against the printed table.	2025 Tax Table, Instructions for Form 1040 (2025)	N/A — no shipped code affected

FIRM ADOPTION RECORD

Tool reviewed and adopted by (practitioner name and credentials): ______

Firm name: ______

Date of initial review: ______

Tax-year figures verified against IRS.gov on: ______

Initials: ______

[ ] This card has been added to firm's §10.36 AI tool inventory.