

Investment Income If You Are Filing Form 1040

(Keep for your records)

Form 1040

2016

Name(s) as shown on return

Tax ID Number

Interest and Dividends

- 1. Enter any amount from Form 1040, line 8a
2. Enter any amount from Form 1040, line 8b, plus any amount on Form 8814, line 1b
3. Enter any amount from Form 1040, line 9a
4. Enter the amount from Form 1040, line 21, that is from Form 8814 if you are filing that form to report your child's interest and dividend income on your return.

Capital Gain Net Income

- 5. Enter the amount from Form 1040, line 13. If the amount on that line is a loss, enter -0-
6. Enter any gain from Form 4797, Sales of Business Property, line 7. If the amount on that line is a loss, enter -0-. (But, if you completed lines 8 and 9 of Form 4797, enter the amount from line 9 instead.)
7. Subtract line 6 of this worksheet from line 5 of this worksheet. (If the result is less than zero, enter -0-.)

Royalties and Rental Income from Personal Property

- 8. Enter any royalty income from Schedule E, line 4, plus any income from the rental of personal property shown on Form 1040, line 21, minus any expenses from Schedule E, line 20, related to royalty income, plus any expenses from the rental of personal property deducted on Form 1040, line 36 of personal property deducted on Form 1040, line 36 (If the result is less than zero, enter -0-.)

Passive Activities

- 9. Enter the total of any net income from passive activities (such as income included on Schedule E, lines 26, 29a (col. (g)), 34a (col. (d)), or 40) and the total of any losses from passive activities (included on Schedule E, lines 26, 29b (col. (f)), 34b (col. (c)), or 40). (See instructions below for line 9.) (if zero or less, enter -0-.)
10. Adjustment from EIC screen
11. Add the amounts on lines 1, 2, 3, 4, 7, 8, 9 and 10. Enter the total. This is your Investment Income
12. Is the amount on line 11 more than \$3,400?
Yes. You cannot take the credit.
No. Go to Step 3 of the Form 1040 instructions for lines 66a and 66b to find out if you can take the credit (unless you are using this publication to find out if you can take the credit; in that case, go to Rule 7, next).

Instructions for line 9. In figuring the amount to enter on line 9, do not take into account any royalty income (or loss) included on line 26 of Schedule E or any amount included in your earned income. To find out if the income on line 26 or line 40 of Schedule E is from a passive activity, see the Schedule E instructions. If any of the rental real estate income (or loss) included on Schedule E, line 26, is not from a passive activity, print "NPA" and the amount of that income (or loss) on the dotted line next to line 26.