

2017 Filing Requirements

A taxpayer (T/P) must file a return if his or her gross income was at least the amount shown on the following chart:

Filing Status	Age*	Gross Income**
Single	Under 65	\$10,400
	65 or older	\$11,950
Married filing jointly	Both spouses are under 65	\$20,800
	One spouse is 65 or older	\$22,050
	Both spouses are 65 or older	\$23,300
Married filing separately	Any age	\$4,050
Head of household	Under 65	\$13,400
	65 or older	\$14,950
Qualifying widower(er) with dependent child	Under 65	\$16,750
	65 or older	\$18,000

*If T/P turns 65 on January 1, 2018, T/P is considered 65 at end of 2017. **Gross Income = standard deduction + personal exemption

2017 Filing Requirements

Dependents

A dependent must file a tax return if any of the following apply:

Single Dependent

- ▶ Unearned income was more than \$1,050 (\$2,600 if age 65 or older **OR** blind; \$4,150 if age 65 or older **AND** blind).
- ▶ Earned income was more than \$6,350 (\$7,900 if age 65 or older **OR** blind; \$9,400 if age 65 or older **AND** blind).
- ▶ Gross income was more than the larger of:
 1. \$1,050 (\$2,600 if age 65 or older **OR** blind; \$4,150 if age 65 or older **AND** blind), or
 2. Earned income (up to \$6,000) plus \$350 (\$1,900 if age 65 or older **OR** blind; \$3,450 if age 65 or older **AND** blind).

Married Dependent

- ▶ Gross income was at least \$5 and spouse files separate return and itemizes deductions.
- ▶ Unearned income was \$1,050 (\$2,300 if age 65 or older **OR** blind; \$3,550 if age 65 or older **AND** blind).
- ▶ Earned income was more than \$6,350 (\$7,600 if age 65 or older **OR** blind; \$8,850 if age 65 or older **AND** blind).
- ▶ Gross income was more than the larger of:
 1. \$1,050 (\$2,300 if age 65 or older **OR** blind; \$3,550 if age 65 or older **AND** blind) or,
 2. Earned income (up to \$6,000) plus \$350 (\$1,600 if age 65 or older **OR** blind; \$2,850 if age 65 or older **AND** blind).

2017 Filing Requirements

Self-Employed Taxpayers

Taxpayers must file a return if:

1. Their net earnings from self-employment (excluding church employee income) were \$400 or more, or
2. They had church employee income of \$108.28 or more.

Gross income from self-employment. Gross income from self-employment includes the amount of gross income on line 7 of Schedule C (Form 1040), Profit or Loss From Business and gross income on line 9 of Schedule F (Form 1040), Profit or Loss From Farming.

Types of Self-Employment Income:

- ▶ Income from sole proprietorship and non-employee compensation.
- ▶ Corporate director fees.
- ▶ Partnership income from partnership operating a business (unless limited partner).
- ▶ Guaranteed payment from a partnership (including limited partners).
- ▶ Bartering income.
- ▶ Real estate rent (if received as a real estate dealer).
- ▶ Income paid to retired insurance agents based on commissions received prior to retirement.
- ▶ Interest received in a trade or business.
- ▶ Net earnings of members of the clergy (unless taken a vow of poverty).
- ▶ Gains and losses by a dealer in options or commodities from dealing or trading in section 1256 contracts or property related to those contracts.
- ▶ A professional fiduciary who administers a deceased person's estate.

2017 Filing Requirements

Resident Aliens

Resident Aliens, who reside in the U.S. for the entire year, must file their tax returns using the same rules that apply to U.S. Citizens. A resident alien's income is subject to the same manner as a U.S. Citizen and must report all income whether from sources within or outside the U.S.

Resident alien. A resident alien is an individual who is not a citizen or national of the United States and who meets either the green card test or the substantial presence test for the calendar year:

1. **Green card test.** T/P is a U.S. resident if T/P was a lawful permanent resident of the United States at any time during the calendar year. This is known as the green card test because resident aliens hold immigrant visas (also known as green cards).
2. **Substantial presence test.** A T/P is considered a U.S. resident if T/P meets the substantial presence test for the calendar year. To meet this test, T/P must be physically present in the United States on at least:
 - a) 31 days during the current calendar year, and
 - b) A total of 183 days during the current year and the 2 preceding years, counting all the days of physical presence in the current year, but only $\frac{1}{3}$ the number of days of presence in the first preceding year, and only $\frac{1}{6}$ the number of days in the second preceding year.

Dual-status aliens. If a person is a U.S. resident for the calendar year, but is not a U.S. resident at any time during the preceding calendar year, the person is a U.S. resident only for the part of the calendar year that begins on the residency starting date. The person is a nonresident alien for the part of the year before that date.

Filing Requirements Nonresident Alien

How income of nonresident aliens is taxed. A nonresident alien usually is subject to U.S. income tax only on U.S. source income. A nonresident alien's income that is subject to U.S. income tax must be divided into two categories:

1. Income that is effectively connected with a trade or business in the U.S., and
2. Fixed, Determinable, Annual, or Periodical (FDAP) income.

The difference between these two categories is that effectively connected income, after allowable deductions, is taxed at graduated rates. These are the same rates that apply to U.S. citizens and residents. Income that is not effectively connected is taxed at a **flat 30%** (or lower treaty) rate.

Effectively connected income (ECI). If a T/P is engaged in a U.S. trade or business, all income, gain, or loss for the tax year that a taxpayer gets from sources within the U.S. (other than certain investment income) is treated as ECI. This applies whether or not there is any connection between the income and the trade or business being carried on in the U.S. during the tax year. Investment income will be considered to be ECI if:

- ▶ The income is associated with U.S. assets used in, or held for use in, the conduct of that trade or business; or
- ▶ The activities of that trade or business conducted in the U.S. are a material factor in the realization of the income.

Deductions are allowed against ECI, and net ECI is taxed at the same graduated rates used by U.S. citizens.