

## How does the \$25 minimum tax work?

### **Who does the \$25 minimum tax apply to?**

Anyone required to file with the federal government will be subject to the minimum tax of \$25.

### **Who is required to file?**

Any single individual whose total income is more than \$10,350.

For someone 65 and older, they will need to file if their gross income is more than \$11,900.

For a head of household, they will be required to file if their gross income is more than \$13,350.

### **Does this mean that someone who doesn't pay any federal taxes will not pay the minimum tax?**

No. There are many people who are required to file a federal return because they make over the amount listed above, but after federal deductions and exemptions they do not owe any federal taxes. That person will pay the Alaska minimum tax of \$25 if they are an Alaskan resident or if they earn money in Alaska, even though they do not owe any federal taxes.

### **Is my child required to file?**

A dependent claimed on another individual's tax return is required to file if their earned income was over \$6,300 or if their unearned income was more than \$1,050. However, a child under the age of 19 can claim their income on their parent's return. If their income is claimed on their parent's return, the dependent child will not need to file.