

Dependents

As an AARP Tax-Aide Counselor, identifying and determining dependents is a critical component of completing the taxpayer's return. For example, the following tax benefits may all be associated with a dependent: child tax credit, additional child tax credit, credit for other dependents, earned income credit, child and dependent care credit, head of household filing status, and other tax benefits.

Learning Objectives

- Determine if a taxpayer may claim a dependent by applying the applicable dependency test

The personal and dependency exemption amount has been reduced to \$0 for tax years 2018 through 2025.

The \$4,150 exemption amount is still in place for the qualifying relative gross income test.

Dependents are either a qualifying child or a qualifying relative of the taxpayer. The taxpayer's spouse cannot be claimed as a dependent. Some examples of dependents include a child, stepchild, brother, sister, or parent.

Getting Started:



Study the associated IRS VITA/TCE Training Guide Chapter 6 Personal Exemptions and 7 Dependent



Open [Pub 4012 Volunteer Resource Guide](#) Tab C: Dependents

Hints from NTTC Modifications to the IRS Training Guide

A dependent claiming dependents

An individual is not a dependent of a person if that person is not required to file an income tax return and either does not file an income tax return or files an income tax return solely to claim a refund of estimated or withheld taxes. If this is the situation, answer "no" to "can anyone claim you as a dependent?" This applies for all purposes of the code.

Dependent Taxpayer Text

An individual is not a dependent of a person if that person is not required to file an income tax return and either does not file an income tax return or files an income tax return solely to claim a refund of estimated or withheld taxes. If this is the situation, answer "no" to "can anyone claim you as a dependent?" This applies for all federal tax purposes.

Relationship Test

An adopted or fostered individual is treated as if biologically related. For example, an adopted sibling is treated as the other sibling's biological brother or sister.

Dependent Exercises

The exercises allow you to practice using the Dependent charts and tables in Pub 4012. These are generally straight forward until determining complicated living situations. You will want to follow the Pub 4491 Chapter 7, which complements these examples and exercises. The answers are provided. Your key learning is to identify and apply the steps and instructions that support the IRS' answers.

Tax-Aide Learning Hints:

Counselors are encouraged to use the Pub 4012 Filing Status and Dependent tools in Tabs B and C and the 2018 Tax-Aide Tri-fold rather than relying on the Filing Status tool contained in Practice Lab or TaxSlayerPro production.

<p>Pub 4491 Example (page 7-2): Ruth, who had no income, was married in November of the tax year. Ruth's husband had \$30,000 income, and had a filing requirement. Although Ruth's father supported her and paid for the wedding, he cannot claim her as a dependent because she is filing a joint return with her husband.</p>	<p>Checkout Tab C, Overview of the Rules, Table 1, and Table 2.</p> <p>What steps determine that Ruth's father cannot claim her as a dependent?</p>	<p><i>List the table & steps:</i></p>
<p>Pub 4491 Example (page 7-3): Joan, who is a U.S. citizen, adopted an infant boy from Cambodia who lived with her for the entire tax year. Even though Joan's child is not yet a U.S. citizen, he meets the citizen or resident test because he was a member of Joan's household for the entire year.</p>	<p>Checkout Tab C, Table 1.</p> <p>What step allows Joan to claim her infant adopted child as a dependent?</p>	<p><i>List the table & steps:</i></p>
<p>Pub 4491 Example (page 7-4): Bob, 22, is a full-time student and lives with his parents when he is not in the dorm. He worked part-time, but did not pay over half of his total support. Bob meets the relationship, age, residency, and support tests.</p>	<p>Checkout Tab C, Table 1.</p> <p>What step allows Bob's parents to claim him as a dependent?</p>	<p><i>List the table & steps:</i></p>

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<p>Pub 4491 Example (page 7-4): Doris, a U.S. citizen, is 8 years old and had a small role in a television series. She made \$60,000 during the tax year, and her parents put all the money in a trust to pay for college. She lived with her parents all year. Doris meets the relationship, age, and residency tests. Doris also meets the support test since the \$60,000 in earnings was not used for her own support. She meets the tests for a qualifying child.</p>	<p>Checkout Tab C, Table 1 and the Footnotes along with the Worksheet for Determining Support.</p> <p>What allows Doris' parents to claim her as a qualifying child?</p>	<p><i>List the table & steps:</i></p>
<p>Pub 4491 Example (page 7-5): Lynne and her mother, Margaret, share a home and both contribute to the household expenses. Lynne's twelve-year-old-daughter, Karen, lives with them. Although Karen meets all the conditions to be a qualifying child for both Lynne and her mother, Karen is considered Lynne's dependent.</p> <p>However, if Lynne chooses not to claim Karen, then Margaret may claim Karen as a qualifying child if Margaret's AGI is higher than Lynne's.</p>	<p>Checkout Tab C, Dependents, Qualifying Child of More Than One Person chart.</p> <p>How are the tie-breaker rules applied to Lynne and Margaret?</p>	<p><i>List the table & steps:</i></p>
<p>Pub 4491 Example (page 7-6): Todd has lived with his girlfriend, Eva, and her two children all year in his home. Eva is not required to file, and does not file, a tax return this year. Eva and her two children pass the "not a qualifying child test" to be Todd's qualifying relatives. Todd can claim them as dependents if he meets all the other tests. (Eva and Todd's relationship does not violate local laws.)</p>	<p>Checkout Tab C, Table 2.</p> <p>What allows Todd to claim Eva and her children as a dependent?</p> <p>What in Tab B-10 disqualifies Eva and any of her children from Todd claiming Head of Household?</p>	<p><i>List the table & steps:</i></p>

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Exercise Question 1 (page 7-6): All the facts are the same as in the previous example with Todd, except that Eva's gross income is \$25,000, and she is required to file a return. In this situation, is Todd allowed to claim the children as qualifying relatives? " Yes " No	<p>Answer 1: No, since Eva has a filing requirement and her children meet the tests to be Eva's qualifying children, Todd cannot claim the children as qualifying relatives.</p> <p>Checkout Tab C, Table 2. What disallows Todd to claim Eva and her children as a dependent?</p>	List the table & steps:
Pub 4491 Example (page 7-6): Sally has been supporting her friend, Ann, and Ann's young son, Bobby. Ann and Bobby lived with Sally the entire year and meet all the tests to be Sally's qualifying relatives. Ann worked part-time and made \$3,100 in wages. Ann files a return only to have her withholding refunded. Sally can claim Ann and Bobby as dependents.	<p>Checkout Tab C, Table 2.</p> <p>What allows Ann to claim Sally and Bobby as dependents?</p>	List the table & steps:
Pub 4491 Example (page 7-7): Susan and Ted are married and file a joint return. They supported Ted's parents throughout the tax year. Even though Ted's parents do not live with Ted and Susan, Ted's parents meet the member of household or relationship test.	<p>Checkout Tab C, Table 2.</p> <p>What allows Susan and Ted to claim Ted's parents as dependents?</p>	List the table & steps:
Pub 4491 Example (page 7-7): Mary is a live-in nanny for Jack and Jane in exchange for room and board for the entire year. Mary does not meet the test for qualifying relative.	<p>Checkout Tab C, Table 2.</p> <p>Why does Mary not meet the qualifying relative test?</p>	List the table & steps:
Pub 4491 Example (page 7-7): Joe is 65 years old and lives with his son and daughter-in-law. Joe's taxable pension income for the year was \$10,000. Joe is not a qualified relative because his income exceeds the threshold amount.	<p>Checkout Tab C, Table 2.</p> <p>What is the threshold amount that Joe's taxable pension exceeds?</p>	List the table & steps:

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<p>Pub 4491 Example (page 7-8): Sherrie's father received \$2,700 from Social Security and investments. He put \$300 in a savings account and spent only \$2,400 for his own support. Sherrie spent \$2,600 of her income for his support. Sherrie provided over half of her father's support for the year.</p>	<p>Checkout Tab C, Table 2 and the Worksheet for Determining Support.</p> <p>What allows Sherrie to claim she provided over half of her father's support?</p>	<p><i>List the table & steps:</i></p>
<p>Pub 4491 Example (page 7-8): Steve provided \$4,000 toward his mother's support during the year. His mother had nontaxable Social Security benefit payments of \$4,800 and tax-exempt interest of \$800. She used all of these for her support. Steve's mother provided more than half of her total support of \$9,600. Therefore, Steve cannot claim his mother as a dependent.</p>	<p>Checkout Tab C, Table 2 and the Worksheet for Determining Support.</p> <p>What disallows Steve from claiming his mother as a dependent?</p>	<p><i>List the table & steps:</i></p>
<p>Pub 4491 Example (page 7-9): Fred's father, Charlie, lives with him and receives 27% of his support from Social Security, 40% from Fred, 24% from Charlie's brother Ray, and 9% from one of Charlie's friends. Charlie may be a qualifying relative for either Fred or Ray because they each provided more than 10% of Charlie's support, and together contributed more than 50% toward his support. If they agree that Fred will claim Charlie as a dependent, Ray will sign Form 2120 and Fred will attach the form to his tax return.</p>	<p>Checkout Tab C, Table 2 and the Worksheet for Determining Support.</p> <p>What allows Fred to claim his father as a dependent exemption?</p>	<p><i>List the table & steps:</i></p>

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<p>Exercise Question 2 (page 7-9): Diane and her brother each provided 20% of their grandmother's support for the year. Two persons who are not related to Diane's grandmother, and who do not live with her, provided the remaining 60% of her support equally. Who is entitled to claim the grandmother as a dependent? Who is entitled to claim the dependency exemption for the grandmother?</p>	<p>Answer 2: No one is entitled to claim the grandmother as a dependent. The individuals that provided more than half of the grandmother's support are not eligible to claim her because they are not related to her and did not live in the same household all year.</p> <p>Checkout Tab C, Table 2 and the Worksheet for Determining Support.</p> <p>What disallows Diane and her brother from claiming their grandmother as a dependent?</p>	<p><i>List the table & steps:</i></p>
<p>Pub 4491 Example (page 7-10): Chloe has one child, Timmy, and is divorced. During the tax year, Timmy lived with Chloe 210 nights and with his father 155 nights. Chloe is the custodial parent because Timmy lived with her more nights during the year.</p>	<p>Checkout Tab C, Table 3.</p> <p>What determines the custodial parent and what are the consequences?</p>	<p><i>List the table & steps:</i></p>
<p>Exercise Question 3 (page 7-10): Ted is divorced and has a daughter who lived with him and his ex-spouse for an equal number of nights. Ted's adjusted gross income is \$45,000 and his ex-spouse's adjusted gross income is \$30,000. Who is considered the custodial parent?</p>	<p>Answer 3: Ted is his daughter's custodial parent because he had a higher adjusted gross income.</p> <p>Checkout Tab C, Table 3.</p> <p>What determines the custodial parent and what are the consequences?</p>	<p><i>List the table & steps:</i></p>

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<p>Pub 4491 Example (page 7-10):</p> <p>When Troy turned age 18 in May, he became emancipated under the law of the state in which he lives. As a result, he is not considered in the custody of his parents for more than half of the year. The special rule for children of divorced or separated parents does not apply.</p>	<p>Checkout Tab C, Table 3.</p> <p>What determines the custodial parent and what are the consequences?</p>	<p><i>List the table & steps:</i></p>
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Learning Review

Dependents

1. Steve and Lucinda had been married 30 years when Steve died in January 2018. Since then Lucinda has lived alone. She comes to your site for help with her taxes. What is her filing status for 2018?	
2. Mary and John are married with three children. They have lived together all year. What filing status choices do they have?	
<p>3. Judy and Joe are married, but they didn't live together at all in 2018. They have one child, who lives with Judy, and Judy pays all the household expenses. What is their filing status:</p> <p>a. If Joe is deployed with the army in Turkey?</p> <p>b. If Joe is working in Turkey for a civilian contractor?</p> <p>c. If Joe left last June without saying good-bye, and Judy doesn't even know where he is?</p> <p>d. If Joe and Judy signed a separate maintenance agreement in 2018 between themselves without court decree and are planning to divorce soon?</p>	

<p>4. Mary and Tom are divorced. The divorce decree doesn't say anything about tax dependents, but Tom pays child support for their two young children, who live with Mary. Neither has re-married. What is Mary's filing status? What is Tom's?</p> <p>a. Same situation as above. Mary and Tom's divorce decree won't be final until January 2019. Tom moved out of the house in March 2018. What is Mary's filing status? What is Tom's?</p> <p>b. Same situation as above. Mary and Tom's divorce decree doesn't go into effect until January 2019. Tom didn't move out of the house until August 2018. What is Mary's filing status? What is Tom's?</p>	
<p>5. Dan and Elizabeth are married and have one son, Jake, aged 16. Jake spent eight months in juvenile detention last year.</p> <p>a. Can Dan and Elizabeth claim the child tax credit?</p> <p>b. Can they claim the credit for other dependents?</p> <p>c. Can they claim him for EIC?</p>	
<p>6. Lynn and Les live together with Lynn's daughter Lori, age 4. Les has a good job and pays most of the bills. Lynn works part time and made \$8,000 last year. She pays for her own and Lori's clothes, for her car and helps with the groceries.</p> <p>a. What is Les' filing status?</p> <p>b. Can Les claim Lori as a dependent?</p> <p>c. Can Les claim the credit for other dependents for Lynn?</p> <p>d. Can Les claim EIC for Lori?</p> <p>e. Can Lynn claim EIC for Lori?</p> <p>f. Who can claim child tax credit for Lori?</p> <p>g. Who can file as Head of Household?</p>	

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7. Marybeth lives with her father Saul in a house that Saul owns. Saul's only income is Social Security, which he gives to Marybeth to help with household expenses. Marybeth provides all of the rest of the household income. How do you decide if Marybeth is providing more than half of Saul's support?	
8. Andrea (25) and her children, Jane (3), Elaine (5) and Tony (7), lived with Andrea's mother, Juliet, most of the year. Andrea's AGI is \$18,000. Juliet's AGI is \$25,000. Andrea's husband died three years ago. All three children are qualifying children of both Andrea and Juliet. Which statement(s) are true? a. Juliet can claim the children because she has the higher AGI. b. Andrea can claim the children because she is the parent. c. They can reach an agreement between themselves as to who will claim each child.	
9. Vic and Val divorced in September. Val paid all the household costs from August to December for herself and her young daughter, Vickie. What is Val's filing status? What is Vic's filing status?	
10. Maria is a U.S. citizen and earns \$35,000 from her job. She supports her widowed mother Elsa who lives in Mexico and has an ITIN. Elsa has no income and relies solely on Maria. What is Maria's filing status? Can Maria claim Elsa as her dependent? Can Maria claim the credit for other dependents for Elsa?	

Feedback:

Please email: selfstudy@aarpdfntaxaide.org. Appreciate suggestions and comments.

Learning Review Answers

1. Lucinda can file Married Filing Jointly (MFJ) with Steve because he was alive during part of 2018, they were married the day he died and she did not remarry.
2. Mary and John can file MFJ, or they can choose to file Married Filing Separately (MFS), which is usually not advantageous.
3. Questions:
 - a. MFJ or MFS – Judy does not qualify for HoH as Joe is temporarily away and considered to live with Judy.
 - b. MFJ or MFS – Judy does not qualify for HoH as Joe is temporarily away and considered to live with Judy.
 - c. Judy can file as HoH, and Joe would file as MFS (assuming he does not have a qualifying person for HoH).
 - d. MFJ if they wish OR Judy can file as HoH and Joe would file MFS (assuming he does not have a qualifying person for HoH). Joe cannot file as Single until a court grants a decree of separate maintenance or divorce.
4. Mary will file as HoH, assuming she provided more than half the cost of keeping up the home for the children. Tom will file as Single since neither of the children lived with him for more than half the year.
 - a. Mary and Tom can file MFJ if they wish, OR, since Mary lived apart from Tom the last half of the year, she can file as HoH if she provided more than half the cost of keeping up the home. Tom will have to file MFS if they don't file MFJ.
 - b. Mary and Tom can file MFJ if they wish. Otherwise, both will have to file MFS because they lived together some part of the last six months of the tax year.
5. Questions:
 - a. Yes, Dan and Elizabeth can claim Jake for the child tax credit because Jake is considered temporarily away while in juvenile detention (and meets the requirements of a qualifying child).
 - b. No, because Jake qualifies for the child tax credit, the credit or other dependents is not available.
 - c. Yes, Dan and Elizabeth can claim Jake for EIC. (*Pub 596, Rule 8*).

6. Questions:

- a. Les will file as Single because neither Lynn nor Lori is a qualifying person for the purpose of HoH status.
- b. Lori could be Les' dependent. If Lynn chooses to not claim any refundable credits, she isn't a taxpayer, so Lori could be a qualifying relative for Les.
- c. No, Les cannot claim Lynn because she made too much money to be a qualifying relative.
- d. Les cannot claim Lori for EIC – she does not meet the relationship test to be a qualifying child.
- e. Lynn is not required to file a return. She is not considered a "taxpayer" unless she chooses to file and claim a refundable credit (EIC). If she claims a refundable credit, then she becomes a "taxpayer," and Lori becomes the qualifying child of a "taxpayer." In this case Lynn could claim Lori for EIC and child tax credit.
- f. Only Lynn could claim a child tax credit for Lori. Les cannot claim a child tax credit for Lori on his return. She does not meet the relationship test to be his qualifying child.
- g. Neither can file as HoH because Les has no qualifying person, and Lynn didn't pay more than half the cost of keeping up the home.

7. Using the Worksheet for Determining Support in Pub 4012, Tab C, determine the total household costs by adding the fair rental value for the house to all the other household costs (groceries, utilities, repairs but not taxes, insurance, or interest). Divide the total household costs by the number of people living in the house. Then add Saul's personal expenses (clothing, travel, entertainment, medical expenses, etc.) to determine the total cost of his support. Compare the total to the Social Security payments that Saul gives to Marybeth.

8. All three statements are true. Each child can be claimed by only one taxpayer. The tie breaker rules give the child to Andrea (the parent) but also allow her to **choose** to let her mother claim one or more – but only if Juliet's AGI is greater than Andrea's, which it is.

9. Val and Vickie lived together more than half the year, and Val provided more than half the household costs starting when Vic moved out. Val can file as Head of Household. Vic would file as Single.

10. Maria can claim Elsa as her dependent and file using HoH status because Elsa is her qualifying person and Maria provides more than half of Elsa's support and household costs. Maria cannot claim the credit for other dependents for Elsa because she is not a U.S. citizen, national or resident.