

Qualifying child and dependents

You are allowed one exemption for each person you can claim as a dependent on your tax return. A dependent is either a qualifying child or a qualifying relative.

To claim an exemption for a qualifying child or a qualifying relative, three general tests must be met:

- 1) **Dependent taxpayer test.** If you can be claimed as a dependent on another person's tax return, you cannot claim anyone as a dependent on your tax return. This applies even if you have a qualifying child or a qualifying relative.
- 2) **Joint return test.** If your dependent is married, you generally cannot claim that person as a dependent. This test does not apply if the only reason your married dependent is filing a joint return is to claim a refund and no tax liability exists for either spouse on a separate return.
- 3) **Citizen or resident test.** You cannot claim a person as a dependent unless that person is a citizen or resident of the United States. Exceptions apply for adopted children and residents of Mexico and Canada.

Again, these tests must be met whether you are claiming a qualifying child or relative.

Do you have a qualifying child?

Beginning with the 2005 tax year, the child must meet the definition of "qualifying child." If you have a qualifying child, you may be entitled to these tax benefits:

- Earned income tax credit
- Head of household filing status
- Dependency exemption
- Child tax credit
- Credit for child and dependent care expenses

To claim a foster child as a qualifying child for any of the five tax benefits listed above, the child must be placed in your home by an authorized placement agency or by judgment, decree or other order of any court of competent jurisdiction. A foster child no longer qualifies a person to use the qualifying widow(er) filing status.

To be your qualifying child, a person must satisfy four tests:

- 1) **Relationship.** This is your child, stepchild (whether by blood or adoption), foster child, sibling, stepsibling or a descendant of one of these.
- 2) **Residence.** The child must have the same principal residence as you for more than half the tax year. Exceptions apply, in certain cases, for children of divorced or separated parents, kidnapped children, temporary absences and for children who were born or died during the year.
- 3) **Age.** The child must be younger than the individual claiming him/her. Furthermore, the child must either be under age 19, or a full-time student under the age of 24 by the close of the year. If the child is permanently and totally disabled, there is no age requirement, including the rule that the child be younger than the individual claiming him or her.

- 4) **Support.** Your child must not have provided more than one-half of his/her own support for the year.

If a child is claimed as a qualifying child by two or more taxpayers in a given year, the child will be the qualifying child of:

- The child's parent
- If more than one taxpayer is the child's parent, the one with whom the child lived for the longest time during the year, or, if the time was equal, the parent with the highest adjusted gross income
- If no taxpayer is the child's parent (such as a grandparent or foster parent, etc.), the taxpayer with the highest adjusted gross income

Children of divorced or separated parents

If you are the child's noncustodial parent, your child will be treated as your qualifying child or qualifying relative only if all of the following apply:

- You are divorced, legally separated, separated under a written agreement or lived apart from your former spouse at all times during the last six months of the year
- Your child received over half of his or her support for the year from you and your former spouse
- Your child is in the custody of you or your former spouse for more than half of the year
- The custodial parent signs Form 8332

If you meet all of these rules, you can claim the dependency exemption and the child tax credit

for your child. You *cannot* claim the child as a qualifying child for the head of household filing status, the child and dependent care credit and the earned income tax credit.

The rules for divorced or separated parents also apply to parents who never married.

What happens if your child is a qualifying child of more than one person?

If you and another person have the same qualifying child, you and the other person can decide who will treat the child as a qualifying child for tax purposes. Only one can claim the child as a dependent. If you are that person and you qualify, only you are entitled to the following tax benefits mentioned earlier:

- Earned income tax credit
- Head of household filing status
- Dependency exemption
- Child tax credit
- Credit for child and dependent care expenses

If you and the other person cannot agree on who will claim the child, tie-breaker rules apply.

- If only one person is the child's parent, the child is the qualifying child of the parent.
- If both of you are the parents and you do not file a joint return, the child is the qualifying child of the parent with whom the child lived for the longer period during the year. If the child lived with both of you for the same amount of time, the child will be the qualifying child of the parent with the highest adjusted gross income.
- If neither of you are the child's parent, the child will be the qualifying child of the person with the highest adjusted gross income.

Do you have a qualifying relative?

There are four tests that must be met for a person to be your qualifying relative:

- 1) The person must not be your qualifying child
- 2) The person must either be related to you or a member of your household for the entire year
- 3) The person's gross income must be less than the personal exemption amount for the year*
- 4) You must provide over half of the person's support for the year

Each person that you claim as a dependent is required to have a taxpayer identification number. This can either be an individual taxpayer identification number (ITIN) or a social security number (SSN). You are not entitled to claim certain benefits, such as the earned income tax credit, unless your dependents have an SSN.

* **Note:** The IRS only allows the qualifying relative to receive income up to the exemption amount. In tax years where the personal exemption is \$0 (2018–2025), the IRS will publish a dollar amount for the gross income test. For 2018, the dollar amount is \$4,150, adjusted for inflation through 2025.

This brochure contains general tax information for taxpayers. As each tax situation may be different, do not rely upon this information as your sole source of authority. Please seek professional advice for all tax situations.

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