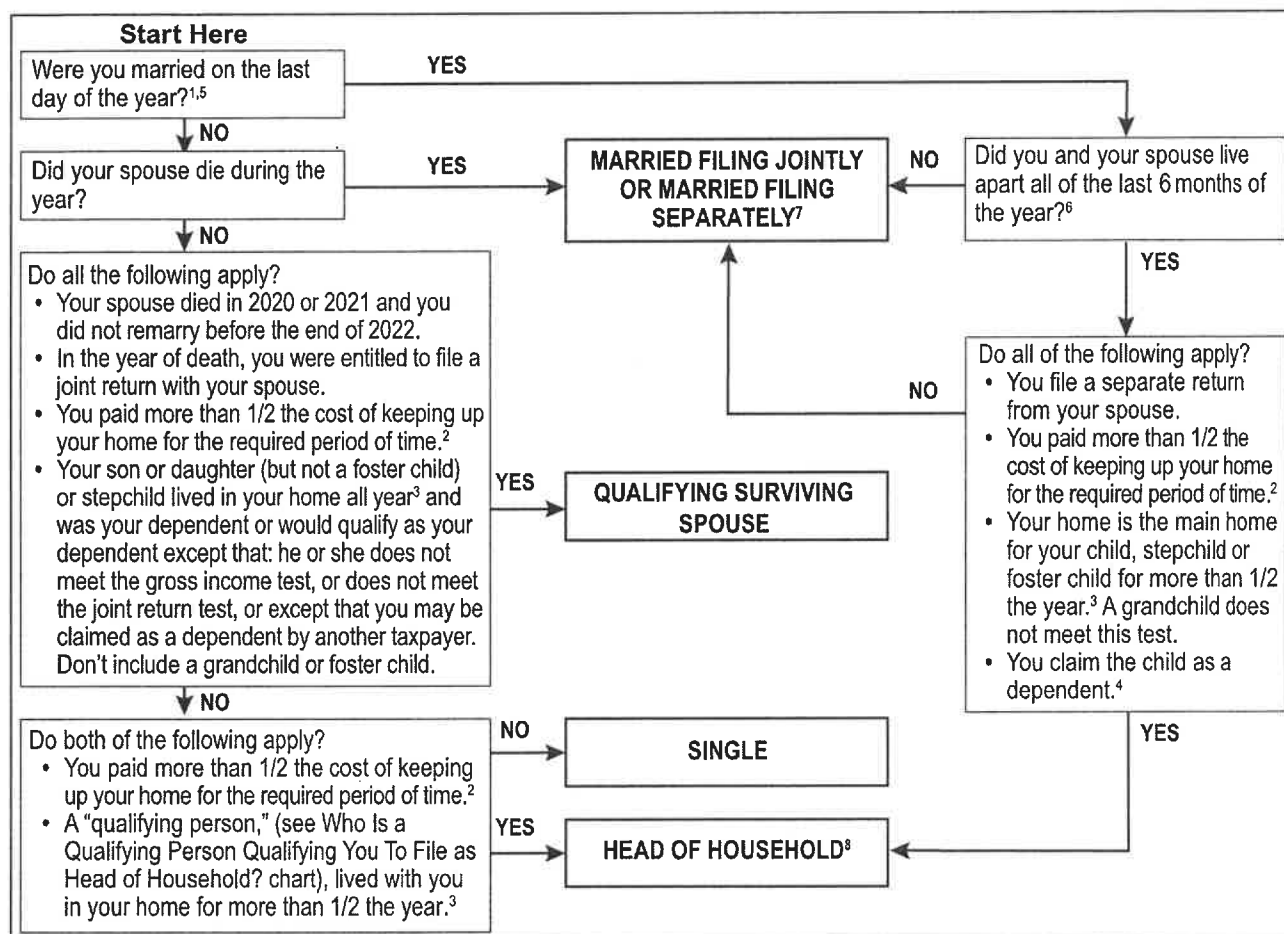


Determination of Filing Status - Decision Tree

See TaxSlayer entries later in this tab.



Footnotes

¹ Answer "NO" to this question if, on the last day of the year, you were legally separated from your spouse under a divorce or separate maintenance decree. Answer "NO" for individuals who have entered into a registered domestic partnership, civil union, or other similar relationship that is not called a marriage under state (or foreign) law. Answer YES if taxpayer is married regardless of where the spouse lives.

² Include in the cost of upkeep expenses such as rent, mortgage interest, real estate taxes, insurance on the home, repairs, utilities and food eaten in the home. Under proposed regulations, a taxpayer may treat a home's fair market rental value as a cost of maintaining a household instead of the sum of payments for mortgage interest, property taxes and insurance. See "Cost of Keeping Up a Home" worksheet later in this tab.

³ See Publication 17, Your Federal Income Tax For Individuals, Filing Status, for rules applying to birth, death, or temporary absence during the year. There are special rules for claiming your parent as a qualifying person for head of household. See the Who Is a Qualifying Person Qualifying You To File as Head of Household? Chart later in this tab.

⁴ Unless the child's other parent claims him or her under rules for children of divorced or separated parents or parents who lived apart.

⁵ You are considered unmarried for head of household purposes if your spouse was a nonresident alien at any time during the year and you do not choose to treat your nonresident spouse as a resident alien. However, your spouse is not a qualifying person for head of household purposes. You must have another qualifying person (see the Who Is a Qualifying Person Qualifying You To File as Head of Household? chart later in this tab) and meet the other tests to be eligible to file as a head of household. You are considered married if you choose to treat your nonresident alien spouse as a resident alien. See chapter 1 of Pub 519, U.S. Tax Guide For Aliens.

⁶ Your spouse is considered to live in your home even if he or she is temporarily absent due to illness, education, business, vacation, military service, or incarceration.

⁷ If the taxpayer wants to file MFS, emphasize the advantages to Married Filing Jointly and the possibility of filing Form 8379, Injured Spouse Claim & Allocation (if appropriate). See Pub 17, Filing Status, MFS Special Rules for list of disadvantages. Respect a taxpayer's decision to file MFS. If domiciled in a community property state see Pub 555, Community Property.

⁸ There may be multiple filing statuses (for example, two heads of household) within a shared living quarter if each household meets their determined filing requirements.



If one spouse dies and the other remarries in the same year, the deceased spouse files Married Filing Separately.

Filing Status - Interview Tips

Step	Probe or Ask the taxpayer:	Action
1	Were you married on December 31 of the tax year? ⁶ You are considered unmarried if, on the last day of the year, you were legally separated from your spouse under a divorce or separate maintenance decree. State law governs whether you are married or legally separated under a divorce or separate maintenance decree. Individuals who have entered into a registered domestic partnership, civil union, or other similar relationship that is not called a marriage under state (or foreign) law are not considered married. A taxpayer is married regardless of where the spouse lives.	If YES , go to Step 2. If NO , go to Step 4.
2	Do you and your spouse wish to file a joint return?	If YES , your filing status is married filing jointly . If NO , go to Step 3. ²
3	Do all the following apply? <ul style="list-style-type: none"> You file a separate return from your spouse You paid more than half the cost of keeping up your home for the required period of time.¹ Your spouse didn't live in your home during the last 6 months of the tax year³ Your home was the main home of your child, stepchild, or foster child for more than half the year (a grandchild doesn't meet this test) You claim an exemption for the child (unless the noncustodial parent claims the child under rules for divorced or separated parents or parents who live apart) 	If YES , STOP. You are considered unmarried and your filing status is head of household . If NO , STOP. Your filing status is married filing separately ⁵ .
4	Did your spouse die in 2020 or 2021?	If YES , go to Step 5. If NO , go to Step 6.
5	Do all the following apply? <ul style="list-style-type: none"> You were entitled to file a joint return with your spouse for the year your spouse died You didn't remarry before the end of this tax year You have a child or stepchild who lived with you all year, except for temporary absences or other limited exceptions, and who is your dependent or who would qualify as your dependent except that: he or she does not meet the gross income test, does not meet the joint return test, or except that you may be claimed as a dependent by another taxpayer. Don't include a grandchild or foster child. You paid more than half the cost of keeping up the home for the required period of time.¹ 	If YES , STOP. Your filing status is Qualifying Surviving Spouse . If NO , go to Step 6.
6	Do both of the following apply? <ul style="list-style-type: none"> You paid more than 1/2 the cost of keeping up your home for the required period of time.¹ A "qualifying person," (see Who Is a Qualifying Person Qualifying You To File as Head of Household? chart), lived with you in your home for more than 1/2 the year.⁴ 	YES – Head of Household ⁷ NO – Single

Footnotes

¹ Include in the cost of upkeep expenses such as rent, mortgage interest, real estate taxes, insurance on the home, repairs, utilities and food eaten in the home. Under proposed regulations, a taxpayer may treat a home's fair market rental value as a cost of maintaining a household instead of the sum of payments for mortgage interest, property taxes and insurance. See "Cost of Keeping Up a Home" worksheet later in this tab.

² You are considered unmarried for head of household purposes if your spouse was a nonresident alien at any time during the year and you do not choose to treat your nonresident spouse as a resident alien. However, your spouse is not a qualifying person for head of household purposes. You must have another qualifying person (see Who Is a Qualifying Person Qualifying You To File as Head of Household? chart later in this tab) and meet the other tests to be eligible to file as a head of household.

³ Your spouse is considered to live in your home even if he or she is temporarily absent due to illness, education, business, vacation, military service, or incarceration.

⁴ You can't use head of household filing status based on any person who is your dependent only because he or she lived with you for the entire year (for example, a companion or a friend).

⁵ If filing a MFS return in a community property state, allocate income and expense according to state law. This situation may be treated as Out of Scope.

⁶ If your spouse died during the year, you are considered married for the whole year for filing status purposes. If you didn't remarry before the end of the year, you can file a joint return for yourself and your deceased spouse. If you remarried before the end of the tax year, you can file a joint return with your new spouse. In that case, your deceased spouse's filing status is married filing separately for that year.

⁷ There may be multiple filing statuses (for example, two heads of household) in shared living quarters if each household meets their determined filing requirements.

Who Is a Qualifying Person Qualifying You To File as Head of Household?¹

DON'T use this chart alone. Use as directed by the interview tips on the previous page.

IF the person is your ...	AND ...	THEN that person is ...
qualifying child (such as a son, daughter, or grandchild who lived with you more than half the year and meets certain other tests) ²	he or she is single	a qualifying person, whether or not the child meets the Citizen or Resident Test ⁷ .
	he or she is married <u>and</u> you can claim him or her as a dependent	a qualifying person.
	he or she is married <u>and</u> you can't claim him or her as a dependent	not a qualifying person. ³
qualifying relative ⁴ who is your father or mother	you can claim him or her as a dependent ⁵	a qualifying person. ⁶
	you can't claim him or her as a dependent	not a qualifying person.
qualifying relative ⁴ other than your father or mother.	he or she lived with you more than half the year, <u>and</u> you can claim him or her as a dependent, <u>and</u> is one of the following: son, daughter, stepchild, foster child, or a descendant of any of them; your brother, sister, half brother, half sister or a son or daughter of any of them; an ancestor or sibling of your father or mother; or step-brother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law ⁵	a qualifying person.
	he or she didn't live with you more than half the year	not a qualifying person.
	he or she isn't related to you in one of the ways listed above <u>and</u> is your qualifying relative only because he or she lived with you all year as a member of your household (for example, a companion or a friend)	not a qualifying person.
	you can't claim him or her as a dependent	not a qualifying person.

Footnotes

¹ A person can't qualify more than one taxpayer to use the head of household filing status for the year.

² The term "qualifying child" is covered in Tab C, Dependents. Note: If you are a noncustodial parent, the term "qualifying child" for head of household filing status doesn't include a child who is your dependent only because of the rules described in the Children of Divorced or Separated Parents table. If you are the custodial parent and those rules apply, the child generally is your qualifying child for head of household filing status even though the child isn't a qualifying child who you can claim as a dependent. A grandchild is not a qualifying person for HOH status if the taxpayer is married filing a separate return from their spouse.

³ This person is a qualifying person if the only reason you can't claim him or her as a dependent is that you can be claimed as a dependent on someone else's return.

⁴ The term "qualifying relative" is covered in Tab C, Dependents.

⁵ If you can claim a person as a dependent only because of a multiple support agreement, that person isn't a qualifying person.

See Multiple Support Agreement, in Publication 17.

⁶ You are eligible to file as head of household even if your parent, whom you can claim as a dependent, doesn't live with you. You must pay more than half the cost of keeping up a home that was the main home for the entire year for your parent. This test is met if you pay more than half the cost of keeping your parent in a rest home or home for the elderly.

⁷ The Citizen or Resident Test states: You generally can't claim a person as a dependent unless that person is a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico.

Cost of Keeping Up a Home

Keep for Your Records

	Amount You Paid	Total Cost
Property Taxes*	\$ _____	\$ _____
Mortgage interest expenses*	\$ _____	\$ _____
Rent	\$ _____	\$ _____
Utility charges	\$ _____	\$ _____
Property insurance*	\$ _____	\$ _____
Food eaten in the home	\$ _____	\$ _____
Other household expenses	\$ _____	\$ _____
Fair market rental value*	\$ _____	\$ _____

*Under proposed regulations, fair market rental value may be used (instead of the sum of payments for property taxes, mortgage interest expenses, and property insurance)

Totals

Minus total amount you paid (_____)

Amount others paid \$ _____

If the total amount you paid is more than the amount others paid, you meet the requirement of paying more than half the cost of keeping up the home



Costs you include. Include in the cost of keeping up a home expenses such as rent, mortgage interest, real estate taxes and insurance on the home, repairs, utilities, and food eaten in the home. As an alternative to including mortgage interest, real estate taxes, and insurance under proposed regulations, you may include the fair market rental value of the home.

Costs you don't include. Don't include the cost of clothing, education, medical treatment, vacations, life insurance, or transportation. Also, don't include the value of your services or those of a member of your household.



Payments received under Temporary Assistance for Needy Families or other public assistance programs used to pay the costs of keeping up the home can be counted as money you paid. Amounts paid out of funds received in the child's or qualifying person's name, such as social security, are considered paid by the child, not you.

Overview of the Rules for Claiming a Dependent



This table is only an overview of the rules. For details, see Publication 17, Your Federal Income Tax For Individuals.

- You can't claim any dependents if you, or your spouse if filing jointly, could be claimed as a dependent by another taxpayer.
- You can't claim a married person who files a joint return as a dependent unless that joint return is only to claim a refund of income tax withheld or estimated tax paid.
- You can't claim a person as a dependent unless that person is a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico.¹
- You can't claim a person as a dependent unless that person is your **qualifying child** or **qualifying relative**.

Tests To Be a Qualifying Child	Tests To Be a Qualifying Relative
1. The child must be your son, daughter, stepchild, foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them. An adopted child is always treated as your own child. The term "adopted child" includes a child who was lawfully placed with you for legal adoption.	1. The person can't be your qualifying child or the qualifying child of any other taxpayer. A child isn't the qualifying child of any other taxpayer if the child's parent (or any other person for whom the child is defined as a qualifying child) isn't required to file an income tax return or files an income tax return only to get a refund of income tax withheld.
2. The child must be: (a) under age 19 at the end of the year and younger than you (or your spouse, if filing jointly), (b) under age 24 at the end of the year, a full-time student, and younger than you (or your spouse, if filing jointly), or (c) any age if permanently and totally disabled.	2. The person either (a) must be related to you in one of the ways listed under Relatives who don't have to live with you (see Table 2, step 2), or (b) must live with you all year as a member of your household ² (and your relationship must not violate local law).
3. The child must have lived with you for more than half of the year. ²	3. The person's gross income for the year must be less than \$4,400. ³ Gross income means all income the person received in the form of money, goods, property and services, that isn't exempt from tax. Don't include Social Security benefits unless the person is married filing a separate return and lived with their spouse at any time during the tax year or if 1/2 the Social Security benefits plus their other gross income and tax exempt interest is more than \$25,000 (\$32,000 if MFJ).
4. The child must not have provided more than half of his or her own support for the year. ⁵	4. You must provide more than half of the person's total support for the year. ^{4,5}
5. The child isn't filing a joint return for the year (unless that joint return is filed only to claim a refund of income tax withheld or estimated tax paid).	
6. If the child meets the rules to be a qualifying child of more than one person, you must be the person entitled to claim the child as a qualifying child. See the "Qualifying Child of More Than One Person" chart.	

Footnotes

¹ There is an exception for certain adopted children.

² There are exceptions for temporary absences, children who were born or died during the year, children of divorced or separated parents or parents who live apart, and kidnapped children. If you obtained a final decree of divorce or separate maintenance during the year, you can't take your former spouse as a dependent. This rule applies even if you provided all of your former spouse's support.

³ There is an exception if the person is disabled and has income from a sheltered workshop.

⁴ There are exceptions for multiple support agreements, children of divorced or separated parents or parents who live apart, and kidnapped children.

⁵ A worksheet for determining support is provided later in this tab. If a person receives Social Security benefits and uses them toward his or her own support, those benefits are considered as provided by the person. Benefits provided by the state to a needy person are generally considered support provided by the state. A proposed rule on which taxpayers may choose to rely treats governmental payments made to a recipient that the recipient uses, in part, to support others as support of the others provided by the recipient, whereas any part of such payment used for the support of the recipient would constitute support of the recipient by a third party. For example, if a mother receives Temporary Aid to Needy Families (TANF) and uses the TANF payments to support her children, the proposed regulations treat the mother as having provided that support.

Qualifying Child of More Than One Person

Tiebreaker Rules

If the child meets the conditions to be the qualifying child of more than one person, only one person can claim the child as a qualifying child dependent for all tax benefits associated with an exemption unless the special rule for children of divorced or separated parents applies¹.

- | | |
|--|---|
| <ul style="list-style-type: none"> • Credit for other dependents • Head of Household • Credit for Child and Dependent Care Expenses | <ul style="list-style-type: none"> • Child Tax Credit • Earned Income Credit • Exclusion from income for Dependent Care Benefits |
|--|---|

No other person can take any of the six tax benefits listed above unless he or she has a different qualifying child. To determine which person can treat the child as a qualifying child to claim these six tax benefits, the following tiebreaker rules apply. Subject to these tiebreaker rules, the taxpayer and the other person may be able to choose which person claims the child as a qualifying child.

If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent.

If the parents file a joint return together and can claim the child as a qualifying child, the child is treated as the qualifying child of the parents.

If the parents don't file a joint return together but both parents claim the child as a qualifying child, the IRS will treat the child as the qualifying child of the parent with whom the child lived for the longer period of time during the year. If the child lived with each parent for the same amount of time, the IRS will treat the child as the qualifying child of the parent who had the higher adjusted gross income (AGI) for the year.

If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for the year.

If a parent can claim the child as a qualifying child but no parent claims the child, the child is treated as the qualifying child of the person who had the highest AGI for the year, but only if that person's AGI is higher than the highest AGI of any of the child's parents who can claim the child. If the child's parents file a joint return with each other, this rule can be applied by dividing the parents' combined AGI equally between the parents.

Example: Your daughter meets the conditions to be a qualifying child for both you and your mother. Under the rules above, you are entitled to treat your daughter as a qualifying child for all of the six tax benefits listed above for which you otherwise qualify. Your mother isn't entitled to take any of the six tax benefits listed above unless she has a different qualifying child. However, if your mother's AGI is higher than yours, you can let your mother treat your daughter as her qualifying child. If you do that, your daughter isn't your qualifying child for any of the six benefits.

For more details and examples, see Publication 17 and Publication 501, Exemptions, Standard Deduction, and Filing Information.

Footnote

¹ When the special rule for children of divorced or separated parents applies (see Table 3, later in this tab) and the noncustodial parent claims the child as a dependent, the noncustodial parent may also claim the child tax credit and any educational benefit, if all other rules are met. The custodial parent should enter the child as a nondependent in the software (see software entries in Tab B, Starting a Return and Filing Status), because they may be eligible for the EIC, Child and Dependent Care Credit, Exclusion from income for Dependent Care Benefits and Head of Household filing status.

Table 1: All Dependents

Begin with this table to determine both Qualifying Child and Qualifying Relative dependents.

Step	Probe/Ask the taxpayer:	Action
1	Can you or your spouse (if filing jointly) be claimed as a dependent on another taxpayer's tax return this year? ⁵	If YES : If you can be claimed as a dependent by another taxpayer, you may not claim anyone else as your dependent. If NO : Go to Step 2
2	Was the person married as of December 31, 2022?	If YES : Go to Step 3 If NO : Go to Step 4
3	Is the person filing a joint return for this tax year? (Answer "NO" if the person is filing a joint return only to claim a refund of income tax withheld or estimated tax paid.)	If YES : You can't claim this person as a dependent. If NO : Go to Step 4
4	Was the person a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico? (Answer "YES" if you are a U.S. citizen or U.S. national and you adopted a child who lived with you as a member of your household all year.)	If YES : Go to Step 5 If NO : You can't claim this person as a dependent.
5	Was the person your son, daughter, stepchild, eligible foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (i.e., your grandchild, niece, or nephew)? ⁴	If YES : Go to Step 6 If NO : This person isn't your qualifying child. Go to Table 2: Qualifying Relative Dependents
6	Was the person: • under age 19 at the end of the year and younger than you (or your spouse, if filing jointly) OR • under age 24 at the end of the year, a full-time student (see definition in the glossary) and younger than you (or your spouse, if filing jointly) OR • any age if permanently and totally disabled ¹ at any time during the year?	If YES : Go to Step 7 If NO : This person isn't your qualifying child. Go to Table 2: Qualifying Relative Dependents
7	Did the person live with you as a member of your household, except for temporary absences ² , for more than half the year? (Answer "YES" if the child was born or died during the year.)	If YES : Go to Step 8 (Use Table 3 to see if the dependency for children of divorced or separated parents or parents who live apart applies.) If NO : This person isn't your qualifying child. Go to Table 2: Qualifying Relative Dependents
8	Did the person provide more than half of his or her own support ³ for the year?	If YES : You can't claim this person as a dependent If NO : Go to Step 9
9	Is the person a qualifying child of any other taxpayer?	If YES : Go to the chart: Qualifying Child of More Than One Person If NO : You can claim this person as a qualifying child dependent

Footnotes

¹ A person is permanently and totally disabled if he or she can't engage in any substantial gainful activity because of a physical or mental condition, AND a doctor determines the condition has lasted or can be expected to last continuously for at least a year or can lead to death.

² A child is considered to have lived with you during periods of time when one of you, or both, are temporarily absent due to illness, education, business, vacation, military service, institutionalized care for a child who is permanently and totally disabled, or incarceration. In most cases a child of divorced or separated parents is the qualifying child of the custodial parent. See Table 3: Children of Divorced or Separated Parents or Parents Who Live Apart to see if an exception applies. There is an exception for kidnapped children. See Publication 17.

³ A worksheet for determining support is included later in this tab. If a child receives Social Security benefits and uses them toward his or her own support, those benefits are considered as provided by the child. Benefits provided by the state to a needy person (welfare, food stamps, housing, SSI) are generally considered support provided by the state.

⁴ An adopted child is treated the same as a natural child for the purposes of determining whether a person is related to you in any of these ways. For example, an adopted brother or sister is your brother or sister. An adopted child includes a child who was lawfully placed with a person for legal adoption.

⁵ 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.

Table 2: Qualifying Relative Dependents

You must start with Table 1. (To claim a qualifying relative dependent, you must first meet the Dependent Taxpayer, Joint Return and Citizen or Resident Tests in steps 1-4 of Table 1)

Step	Probe/Ask the taxpayer:	Action
1	Is the person your qualifying child or the qualifying child of any other taxpayer? A child isn't the qualifying child of any other taxpayer if the child's parent (or any other person for whom the child is defined as a qualifying child) isn't required to file a U.S. income tax return or files an income tax return only to get a refund of income tax withheld.	If YES , the person isn't a qualifying relative. (See Table 1: All Dependents) If NO , go to Step 2.
2	Was the person your son, daughter, stepchild, foster child, or a descendant of any of them (i.e., your grandchild)? OR Was the person your brother, sister, half brother, half sister, or a son or daughter of any of them? OR Was the person your father, mother, or an ancestor or sibling of either of them? OR Was the person your stepbrother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law? ¹	If NO , go to Step 3. If YES , go to Step 4. Note: The relatives listed in Step 2 are considered "Relatives who don't have to live with you" Note: To enter into TaxSlayer a qualifying relative who did not live with the taxpayer more than 6 months, choose "Other reasons" from the months dropdown menu.
3	Was the person any other person (other than your spouse) who lived with you all year as a member of your household? ²	If NO , you can't claim this person as a dependent. If YES , go to Step 4. Exceptions: There are exceptions for kidnapped children; a child who was born or died during the year; certain temporary absences—school, vacation, medical care, etc. Divorced or separated spouse. If you obtained a final decree of divorce or separate maintenance during the year, you can't take your former spouse as a dependent. This rule applies even if you provided all of your former spouse's support.
4	Did the person have gross income of less than \$4,400 in 2022? ³	If NO , you can't claim this person as a dependent. If YES , go to Step 5.

continued on next page

Footnotes

¹ An adopted child is treated the same as a natural child for the purposes of determining whether a person is related to you in any of these ways. For example, an adopted brother or sister is your brother or sister. An adopted child includes a child who was lawfully placed with a person for legal adoption. Any of these relationships that were established by marriage aren't ended by death or divorce.

² A person doesn't meet this test if at any time during the year the relationship between you and that person violates local law.

³ For purposes of this test, the gross income of an individual who is permanently and totally disabled at any time during the year doesn't include income for services the individual performs at a sheltered workshop. Gross income means all income the person received in the form of money, goods, property and services, that isn't exempt from tax. Don't include Social Security benefits unless the person is married filing a separate return and lived with their spouse at any time during the tax year or if 1/2 the Social Security benefits plus their other gross income and tax exempt interest is more than \$25,000 (\$32,000 if MFJ).

Table 2: Qualifying Relative Dependents

Step	Probe/Ask the taxpayer:	Action
5	Did you provide more than half the person's total support for the year? See Worksheet for Determining Support on page C-7 to calculate the total support for the year.	If YES , you can claim this person as your qualifying relative dependent. (Use Table 3 to see if the exception for children of divorced or separated parents or parents who live apart applies.) If NO , go to Step 6.
6	Did another person provide more than half the person's total support?	If YES , you can't claim this person as a dependent. If NO , go to Step 7.
7	Did two or more people, each of whom would be able to take the dependent but for the support test, together provide more than half the person's total support?	If YES , go to Step 8. If NO , you can't claim this person as a dependent.
8	Did you provide more than 10% of the person's total support for the year?	If YES , go to Step 9. If NO , you can't claim this person as a dependent.
9	Did the other person(s) providing more than 10% of the person's total support for the year provide you with a signed statement agreeing not to claim the dependent?	If YES , you can claim this person as a dependent. You must file Form 2120, Multiple Support Declaration, with your return. If NO , you can't claim this person as a qualifying child dependent.

Footnotes

See Table 3, Children of Divorced or Separated Parents or Parents Who Live Apart, for the exception to the support test.

If a child receives Social Security benefits and uses them toward his or her own support, those benefits are considered as provided by the child. Benefits provided by the state to a needy person are generally considered support provided by the state. A proposed rule, on which taxpayers may choose to rely, treats governmental payments made to a recipient that the recipient uses, in part, to support others as support of the others provided by the recipient, whereas any part of such payment used for the support of the recipient would constitute support of the recipient by a third party. For example, if a mother receives TANF and uses the TANF payments to support her children, the proposed regulations treat the mother as having provided that support.

**Table 3: Children of Divorced or Separated
Parents or Parents Who Live Apart**

Use this table when directed from Table 1 or Table 2 to determine if the exception applies to the qualifying child residency test or the qualifying relative support test

Step	Probe/Ask the taxpayer:	Action
1	Did the child receive over half of his or her support ⁴ from the parents who are: Divorced OR Legally separated under a decree of divorce or separate maintenance OR Separated under a written separation agreement OR Lived apart at all times during the last 6 months of the year?	If YES , go to Step 2. If NO , Table 3 doesn't apply.
2	Was the child in the custody of one or both parents for more than half the year? ¹	If YES , go to Step 3. If NO , Table 3 doesn't apply.
3	Did the custodial parent (parent with whom the child lived for the greater number of nights during the year) provide the taxpayer a signed written declaration (Form 8332, Release/Revocation of Release of Claim to Exemption to Child by Custodial Parent, a copy of Form 8332, or similar document) releasing his or her claim to the child as a dependent?	If YES , the Table 3 exception applies. ² Return to the appropriate step in Table 1 or Table 2. If NO , go to Step 4.
4	Are either of the following statements true? The taxpayer has a post-1984 and pre-2009 decree ³ or agreement that is applicable for the current tax year and states <i>all three of the following</i> : 1. The noncustodial parent can claim the child as a dependent without regard to any condition, such as payment of support. 2. The other parent won't claim the child as a dependent for the year. 3. The years for which the noncustodial parent can claim the child as a dependent. OR The taxpayer has a pre-1985 decree of divorce or separation maintenance or written separation agreement between the parents that provide that the noncustodial parent can claim the child as a dependent, and the noncustodial parent provides at least \$600 for support of the child during the current tax year.	If YES , the Table 3 exception applies. Return to the appropriate step in Table 1 or Table 2. If NO , Table 3 doesn't apply.

Footnotes

¹ If the child is emancipated under state law, either by reaching age of majority or other means, child is treated as not living with either parent (see Publication 17).

² Post-2008 decree or agreement. If the divorce decree or separation agreement went into effect after 2008, the noncustodial parent can't attach pages from the decree or agreement instead of Form 8332. The custodial parent must sign, and the noncustodial parent must attach to his or her return, either Form 8332, or a copy of Form 8332 or a substantially similar statement the only purpose of which is to release the custodial parent's claim to a child. For an e-filed return, attach and submit the Form 8332 with Form 8453, U.S. Individual Income Tax Transmittal for an IRS e-file Return. Alternatively, scan Form 8332 and upload to the return as a Scanned Document. See Tab K.

³ Post-1984 and Pre-2009 divorce decrees or agreements: The noncustodial parent must attach all of the following pages from the decree or agreement.

- Cover page (include the other parent's SSN on that page)
- The pages that include all the information identified in (1) through (3) above
- Signature page with the other parent's signature and date of agreement.

⁴ If you remarry, the support provided by your new spouse is treated as provided by you.

Release of certain tax benefits revoked

A custodial parent who has revoked his or her previous release of a claim to certain tax benefits for a child must attach a copy of the revocation to his or her return. For the revocation to be effective for the current tax year, the custodial parent must have given (or made reasonable efforts to give) written notice of the revocation to the noncustodial parent in the prior tax year or earlier. (See Form 8332 for more details)

Other decrees or agreements that don't meet step 4:

Noncustodial parents must attach the Form 8332, or a copy of Form 8332 or similar statement to their return.

Form 1099-R Box 7 Distribution Codes

Box 7 Distribution Codes	Explanations
1 — Early distribution, no known exception	<ul style="list-style-type: none"> • If this amount was rolled over within 60 days of the withdrawal and—if the distribution was from an IRA—no prior rollover was made in the same 12-month period. Check the box under Rollover or Disability on Form 1099-R, and enter the amount rolled over. Trustee to trustee transfer isn't considered a prior rollover. If more than one rollover from an IRA in the 12-month period, return is Out of Scope. • If this wasn't rolled over, a 10% additional tax will be applied unless the taxpayer qualifies for an exception. See Tab H, Other Taxes, Payments and Refundable Credits, for a list of exceptions. If the taxpayer qualifies for an exception, go to Form 5329, Additional Taxes on Qualified Plans and Other Tax-Favored Accounts, enter the amount that qualifies for an exception and select the reason for the exception from the dropdown list.
2 — Early distribution, exception applies	<p>Code 2 applies if the taxpayer is under 59 ½ but the payer knows that an exception to the additional tax applies. If the IRA/SEP/SIMPLE box ISN'T checked, no further action needed. If the IRA/SEP/SIMPLE box IS checked, ask the taxpayer if any non-deductible contributions were made. If so, the return is Out of Scope.</p>
3 — Disability	<p>Code 3 is for a disability pension.</p> <ul style="list-style-type: none"> • If the taxpayer is under the minimum retirement age for the company he retired from, then check the box under Rollover or Disability that says, "Check here to report as wages on the Form 1040." This will reclassify the disability income as wages. It will also include the amount in earned income for calculation of the earned income credit, the dependent care credit and the additional child tax credit. • If the taxpayer has reached the minimum retirement age, no further action is needed.
4 — Death	<p>Code 4 is for a survivor's benefit or an inherited IRA. If it's a pension, the original retiree has died, and the survivor is receiving his or her share of the pension. If the original pensioner was using the Simplified Method, continue to use it for the survivor. If it's an inherited IRA and the original owner had a basis, the survivor takes over that basis (Out of Scope).</p>
7 — Normal distribution	<p>Code 7 is for normal distributions. It may occur in several different situations:</p> <ul style="list-style-type: none"> • If the amounts in Box 1 and 2a are the same, and Box 2b isn't checked, the pension is fully taxable. • If the taxpayer makes a rollover from one IRA to another and holds the money less than 60 days, enter the amount rolled over into the Rollover or Disability field. • If the Box 2b is checked and there is an amount in Box 9b, complete the Simplified Method. Be sure to use the taxpayer's age at the time of retirement—not current age. • If there is an amount in Box 2 that is different than Box 1, no further action is needed. • If there is no amount (or zero) in Box 2a, check to see if there is an amount in Box 5. If this is the same amount as Box 1, the distribution is the taxpayer's own money coming back. None of the distribution will be taxed. • If any portion of this distribution was sent directly from the trustee to a charity, and the taxpayer is over 70 1/2 years old, enter the net taxable amount in box 2a (which may be zero). Select Continue and at the IRA/Pensions Distributions page, select Nontaxable Distributions and check the box to mark that there is a Qualified Charitable Distribution (QCD). No charitable deduction may be taken for the donation. If taxpayers receive or expect to receive a state or local tax credit for their QCD, the amount treated as a QCD may be reduced by the amount of the state or local tax credit. See Publication 526, Charitable Contributions, for details. • If the IRA/SEP/SIMPLE box IS checked, ask the taxpayer if any non-deductible contributions were made. If so, the return is Out of Scope.
B — Designated Roth account distribution	<p>Code B is for a distribution from a designated Roth account. This code is in scope only if taxable amount has been determined.</p>

Form 1099-R Box 7 Distribution Codes (continued)

Box 7 Distribution Codes	Explanations
D — Annuity payments from nonqualified annuities	Code D is used for a distribution from a private annuity in conjunction with the regular code. The distribution is subject to the net investment income tax. If the taxpayer has AGI over a threshold amount (\$200,000 for a single taxpayer or HoH; \$250,000 MFJ or QW; \$125,000 MFS), then this code means the return is Out of Scope. If the AGI is less than the threshold amount the return is in scope and no further action is needed.
F — Charitable gift annuity	Code F is used for the annuity payments from a charitable gift annuity. To determine the amount to enter in Box 2a (Taxable amount), subtract the amount in Box 3 Capital gain, and Box 5 (Employee contributions) from the Gross distribution (Box 1) and enter that difference in the Form 1099R screen Box 2a. Also, navigate to Income>Capital Gains and Losses>Additional Capital Gain Distributions and enter the amount in Box 3 as a long-term capital gain.
G — Direct rollover of distribution and direct payment	Code G is for a direct rollover from a qualified plan to an eligible retirement plan. If Box 2a, taxable amount, is zero or blank, it won't be taxed. If there is an amount in Box 2a, the direct rollover is fully or partially taxable. No further action is needed.
H — Direct rollover of a designated Roth account distribution to a Roth IRA	Code H is for a direct rollover of a distribution from a designated Roth account to a Roth IRA. It won't be taxed. No further action is needed. Box 2a should be blank.
L — Loans treated as deemed distributions	Code L is for loans treated as deemed distributions. This code could possibly be combined with codes 1, 4, or B. For more information on how it is treated see the codes on this chart.
M - Qualified plan loan offset	Code M is used for a qualified plan loan offset distribution due to plan termination or severance from employment. The taxpayer has until the due date, including extensions, to rollover any of the amount. It is always used with another code 1,2,4,7 or B. Treat the distribution based on the other code.
Q — Qualified distribution from a Roth IRA	This distribution isn't taxable. Box 2a should be blank. TaxSlayer enters the distribution amount on Form 1040 on the IRAs, pensions, and annuities line. No further action is needed.
S — Early distribution from a SIMPLE IRA in the first 2 years, no known exception	A 25% additional tax will be applied unless the taxpayer qualifies for an exception. See Tab H, Other Taxes, Payments, and Refundable Credits, for a list of exceptions. If the taxpayer qualifies for an exception, go to Form 5329 and enter the amount of the distribution not subject to the additional tax and the code for the exception and the amount that qualifies for it.
5, 6, 8, 9, A, E, J, K, N, P, R, T, U, W	These codes are Out of Scope.

Form 1099-R



Federal Section>Income>1099-R, RRB-1099, RRB-1099-R, SSA-1099>Add or Edit a 1099-R; or
Keyword "R"



See the Box 7 Distribution Codes later in this tab for scope limitations.



Box 2a will automatically fill in with the amount in Box 1. If a different amount is shown on the document, enter that amount directly. You may need to use the Simplified Method to calculate the taxable amount of the distribution if:

- Box 2a is zero or blank and an amount is shown in Box 9b.
- Box 1 and 2a contain the same amount and Taxable amount not determined box is marked.

Refer to the Taxable Amount Not Determined and Form 1099-R Simplified Method sections later in this Tab.

Form 1099-R

CANCEL

SAVE & ENTER ANOTHER

CONTINUE

☒ Check here if this is a standard 1099-R.
☐ Check here if this is a substitute 1099-R.

Only the amount entered in box 2a will be considered taxable.

Whose 1099-R is this?

Recipient *

☐ Taxpayer Sample **1**

☐ Spouse Sample

Payer Information

Payer's ID *

3

Payer Name *

☐ Check here if foreign address

Address (street number & name) *

ZIP code *

City, town, or post office *

1099-R Information

1 Gross Distribution *

\$

2 2a Taxable Amount

\$

4 ☐ Does not carry to Form 8880

5 Do you need to calculate your taxable amount?
Click here for options.

2b

6 ☐ Taxable amount not determined
☐ Total distribution

3 Capital gain

\$

4 Federal income tax withheld

\$

1 If a joint return, choose who the document belongs to.

2 After completing the Simplified Method Worksheet or entering the Public Safety Officer Exclusion for Health Insurance Premiums, the taxable portion of the distribution will carryover to Box 2a. Manual adjustments are required to make sure Box 2a reflects changes due to rollovers, qualified charitable distributions, return of excess contributions, etc.

3 EIN must be entered accurately. Incorrect EIN is a common e-file reject.

4 If marked, the taxable amount will not carry to Form 8880, Credit for Qualified Retirement Savings Contributions, line 4 as a current year distribution. See Tab G, Nonrefundable Credits.

5 If Simplified Method is required or if the taxpayer has public safety officer health insurance deduction, click here for worksheet.

6 Box 2b indicates "Taxable amount not determined" and "Total distribution". Mark exactly as shown on document.

7 If Box 4 has an entry, ensure that the tax withheld is entered and is correct.

D-37

Form 1099-R (continued)

Box 5 on the document may be current year's amount of employee contributions or insurance premiums (recovery of cost basis or investment in the contract). If Box 5 is the same as Box 1, none of the distribution is taxable. If the payer has calculated the taxable amount of the pension in Box 2a, generally the difference between Boxes 1 and 2a will appear in Box 5. If Box 5 is the amount of health insurance premiums, (typically only on a CSA 1099-R) you must manually carry the amount to the Schedule A, Itemized Deductions, Medical or Dental Expenses.

<div>State *</div> <div>- Please Select -</div> <div>Phone Number</div> <div>* Optional</div> <div>() -</div> <div>Recipient Information</div> <div><input type="checkbox"/> Check here if foreign address</div> <div>Address (street number & name) *</div> <div>ZIP code *</div> <div>30904 -</div> <div>City, town, or post office *</div> <div>Augusta</div> <div>State *</div> <div>Georgia</div> <div>Rollover or Disability</div> <div><input type="checkbox"/> Check here if all/part of the distribution was rolled over, and enter the rollover amount.</div> <div><input type="checkbox"/> Check here to report on Form 1040, Line 1 (Distribution code must be a "3")</div>	<div>5 Employee contributions or insurance premiums</div> <div>\$</div> <div>6 Net unrealized appreciation in employer</div> <div>\$</div> <div>7 Distribution Code(s) *</div> <div><input type="checkbox"/> IRA/SEP/Simple</div> <div>8 Other (Not collected)</div> <div>9a Your percentage of total distribution</div> <div></div> <div>9b Total employee contributions</div> <div>\$</div> <div>10 Amount allocable to RRR within 5 years Not needed for e-filing</div>
--	--

Box 7 is a required entry – Enter exactly as shown on document. If IRA/SEP/Simple is marked, check to enter exactly as on document. See Distribution Codes Chart in this tab. The simplified method cannot be used for code "D" or other non-qualified plan distributions.

Box 9b shows the total employee contributions and may be needed if Box 2 has no entry – usually requires Simplified Method Worksheet (see Box 2a).

Taxable Amount Not Determined



Federal Section>Income>1099-R, RRB-1099, RRB-1099-R, SSA-1099>Add or Edit a 1099-R>Calculate taxable amount; or Keyword "R"

Special Circumstances

The following screen is displayed when "Click here for options" link under "Do you need to calculate your taxable income?" is selected.

Calculate Taxable Amount

Simplified Method Worksheet **1** **BEGIN**

Public Safety Officers Distribution **2** **BEGIN**

CONTINUE

Public Safety Officers Distribution

Public Safety Officer Exclusion for Health Insurance Premiums *

\$ **3**

CANCEL **CONTINUE**

1 Select begin for the Simplified Method Worksheet. If the taxpayer has both retired public safety officer (PSO) health insurance exclusion and Simplified Method features, select the Simplified Method Worksheet.

2 If the retired PSO does not need a Simplified Method calculation, select the PSO Distribution.

3 Enter the amount of PSO health insurance premiums paid from the pension (up to \$3,000). Deduct any amount of premiums paid in excess of \$3,000 as an itemized deduction.

Distributions Used To Pay Insurance Premiums for Public Safety Officers

If the taxpayer is an eligible retired public safety officer (police/law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew), they can elect to exclude from income distributions made from an eligible retirement plan used to pay the premiums for accident or health insurance or long-term care insurance. The premiums can be for coverage for the taxpayer, spouse, or dependents. The distribution must be made directly from the plan to the insurance provider. The taxpayer can exclude from income the smaller of the amount of the insurance premiums or \$3,000. The taxpayer can only make this election for amounts that would otherwise be included in their income. The amount excluded from their income can't be used to claim a medical expense deduction.

The definition of qualified public safety employees also includes federal law enforcement officers, federal customs and border protection officers, federal firefighters, air traffic controllers, nuclear materials couriers, members of the United States Capitol Police or Supreme Court Police, and diplomatic security special agents of the Department of State.

Form 1099-R Simplified Method



Federal Section>Income>1099-R, RRB-1099, RRB-1099-R, SSA-1099>Add or Edit a 1099-R>"Click here for options" (under Box 2a Taxable Amount); or Keyword "R"

If the taxpayer made after-tax contributions toward a pension, a portion of the annuity payment has already been taxed and isn't taxable now. Generally, if the starting date of the payments was prior to July 2, 1986, the Simplified Method wouldn't apply. If the taxpayer used the 3-year rule, the annuity is fully taxable. If they used the general rule, refer the taxpayer to a professional tax preparer.

Simplified Method Worksheet	
<p>CANCEL CONTINUE</p> <p>Gross distribution amount (from 1099-R) \$25,000.00</p> <p>Plan cost at annuity start date \$ <input type="text"/> 1</p> <p>Starting date of annuity* MM <input type="text"/> DD <input type="text"/> YYYY <input type="text"/> 2</p> <p><input type="checkbox"/> Check here if this is a Joint or Survivor Annuity.</p> <p>Death benefit exclusion \$ <input type="text"/></p> <p>Age of recipient at start date* If joint or survivor annuity, add ages of recipients 3 <input type="text"/></p> <p>Number of months paid in 2020* <input type="text"/></p> <p>Amounts previously recovered 4 \$ <input type="text"/></p> <p>Public Safety Officer Exclusion \$ <input type="text"/></p>	<p>1 Enter the Plan cost (shown in Box 9b of 1099-R).</p> <p>2 Enter the annuity start date. If the disability benefits were paid under this plan during the tax year, enter the date beginning after the taxpayer reached minimum retirement age as the annuity start date. The plan administrator should issue two separate 1099-R statements. If not, prorate the amount to be treated as wages based on the annuity start date.</p> <p>3 Enter the age of the taxpayer on the date the pension started – this may be different than the taxpayer's age at the end of that year.</p> <p>3 For a joint and survivor annuity, add the ages of both spouses on the start date. For the beneficiary of an employee who died, see Publication 575, Pensions and Annuities.</p> <p>3 For a joint and survivor annuity that starts:</p> <ul style="list-style-type: none"> • After the death of the employee, use only the survivor's age. • Before the death of either beneficiary, continue with the same exclusion amount after the first death. <p>4 Enter the amount that could have been recovered tax free in prior years even if not claimed. Look at last year's tax return to find this amount, or calculate the amount using the monthly tax free amount computed by Tax-Slayer for the 2022 tax year times the number of months prior to 2022. For annuitants who retired between July 2, 1986 and Dec. 31, 1986, enter zero.</p> <p>The taxable amount is calculated and carried to Box 2a on Form 1099-R.</p>

Form CSA 1099-R - Civil Service Retirement Benefits -

The Office of Personnel Management issues Form CSA 1099-R for annuities paid or Form CSF 1099-R for survivor annuities paid. The CSA-Form 1099-R box numbers reflect the standard numbering on a Form 1099-R. If the taxable amount isn't calculated in Box 2 the Simplified Method must be used.



If you use TaxSlayer's simplified method worksheet, enter a note with the taxpayer's annuity start date, age at the start date, and amounts previously recovered to help next year's preparer.

To make a note that will not be transmitted to the IRS but will stay with the file, select the pulldown arrow to the right of the taxpayer's name in top right corner. Choose Notes. Then give the note a name and enter details. This note will be attached to the page where you created it and it will also be accessible from the Client Search List.

Child Tax Credit



Make sure the taxpayer's credit hasn't been disallowed previously. If previously disallowed, see Form 8862, Information To Claim Certain Credits After Disallowance, in Tab I, Earned Income Credit.

This is a credit intended to reduce tax. This part of the credit isn't refundable. The credit is up to \$2,000 per qualifying child and calculates automatically.

Qualifying child:

1. Under age 17 at the end of the tax year.
2. A U.S. citizen or U.S. national* or resident alien of the United States. See Tab L, Resident/NR Alien.
3. Child must be claimed as your dependent.**
4. Your:
 - a. son or daughter, adopted child, stepchild, eligible foster child, or a descendant of any of them
 - b. brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (for example, your niece or nephew)
5. Didn't provide over half of his or her own support.
6. Lived with the taxpayer for more than half of the tax year. (See Exception to Time Lived with You section on the Child Tax Credit chart on the following page.)
7. Must have a Social Security number that is valid for employment issued before the due date of the return, including extensions.

* A national is an individual who, although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens.

**Refer to the tables in Tab C, Dependents, for the rules governing who may be claimed as a dependent.



If the taxpayer is able to claim the dependent under the rules for divorced and separated parents, he or she is the only parent entitled to claim the child tax credit or additional child tax credit.

Schedule 8812 (Form 1040), Credits for Qualifying Children and Other Dependents, is intended to be filed by all taxpayers claiming the child tax credit, the additional child tax credit, or the credit for other dependents. See Tab C, Dependents, for additional information (including definitions and special rules relating to an adopted child, foster child, or qualifying child of more than one person).

Additional Child Tax Credit (ACTC) – General Eligibility

The child tax credit is generally a nonrefundable credit; however, certain taxpayers may be entitled to a refundable additional child tax credit:

- Taxpayers with more than \$2,500 of taxable earned income may be eligible for the additional child tax credit if they have at least one qualifying child.
- Taxpayers with three or more children may also be eligible for additional child tax credit regardless of their income.
- Limited to \$1,500 per qualifying child.



The IRS cannot issue refunds before mid-February for returns that claim the earned income credit (EIC) or the ACTC.



Taxpayers may not file an amended return to retroactively claim the additional child tax credit for a qualifying child if a valid SSN for the child is issued after the due date of the tax return.



(International Certification only) If you claim the foreign earned income exclusion, the housing exclusion, or the housing deduction on Form 2555, you can't claim the additional child tax credit.



See Disallowance of Certain Credits in Tab I, Earned Income Credit, if the taxpayer received a letter saying they had to complete Form 8862.

Table 1: Does Your Qualifying Child Qualify You for the Child Tax Credit or Credit for Other Dependents?

Remember to apply the steps for each dependent. To claim the child tax credit and/or the credit for other dependents, you can't be a dependent of another taxpayer.

Step	Probe/Ask the taxpayer:	Action
1	Is this person your qualifying child dependent? See Tab C, Dependents, Table 1: All Dependents	If YES , go to Step 2. If NO , you can't claim the child tax credit for this person. This person may qualify for the credit for other dependents, go to Table 2.
2	Did the child have an SSN, ITIN, or adoption taxpayer identification number (ATIN) issued on or before the due date of your return (including extensions)? (Answer "Yes" if you are applying for an ITIN or ATIN for the child on or before the due date of your return (including extensions).)	If YES , go to Step 3. If NO , you can't claim the child tax credit or the credit for other dependents for this child.
3	Was the child a U.S. citizen, U.S. national, or U.S. resident alien? (See Pub. 519, U.S. Tax Guide for Aliens, for the definition of a U.S. national or U.S. resident alien. If the child was adopted, see Exception to citizen test, below.)	If YES , go to Step 4. If NO , you can't claim the child tax credit or the credit for other dependents for this child.
4	Was the child under age 17 at the end of 2022?	If YES , go to Step 5. If NO , you can claim the credit for other dependents for this child.
5	Does this child have a Social Security Number valid for employment issued before the due date of the return (including extensions)?	If YES , you can claim the child tax credit for this person. Use Schedule 8812 to calculate the credit. If NO , you can claim the credit for other dependents for this child.

Modified Adjusted Gross Income Limits

- Married filing jointly - \$400,000
- All other filing statuses - \$200,000

Children of Divorced or Separated Parents

If the noncustodial parent can claim the child as a dependent, the noncustodial parent can also claim the child as a qualifying child for the child tax credit, the credit for other dependents, or the additional child tax credit.

Exception to Citizen Test

If you are a U.S. citizen or U.S. national and your adopted child lived with you all year as a member of your household, that child meets the citizen test.

Credit for Other Dependents

There is a \$500 credit for other dependents who do not qualify for the child tax credit. The dependent must be a U.S. citizen, U.S. national, or resident of the U.S. The dependent must have a valid identification number (ATIN, ITIN, or SSN).

The \$500 nonrefundable credit is available for dependents who don't qualify for the child tax credit, such as children who are age 17 and above, dependents with other relationships (such as elderly parents), or children who do not have a valid SSN. Taxpayers cannot claim the credit for themselves (or a spouse if Married Filing Jointly).



Dependents who are not U.S. citizens or U.S. nationals, but are residents of Canada or Mexico do not qualify for either the Child Tax Credit or the Credit for Other Dependents.



If previously disallowed, see Form 8862, Information To Claim Certain Credits After Disallowance, in Tab I, Earned Income Credit.

Table 2: Does Your Qualifying Relative Qualify You for the Credit for Other Dependents?

Step	Probe/Ask the taxpayer:	Action
1	Is this person your qualifying relative dependent? See Tab C, Dependents, Table 2: Qualifying Relative Dependents.	If YES , go to Step 2. If NO , you can't claim the credit for other dependents for this person.
2	Did your qualifying relative have a SSN, ITIN, or ATIN issued on or before the due date of your 2022 return (including extensions)? (Answer "Yes" if you are applying for an ITIN or ATIN for the qualifying relative on or before the return due date (including extensions).)	If YES , go to Step 3. If NO , you can't claim the credit for other dependents for this person.
3	Was your qualifying relative a U.S. citizen, U.S. national, or U.S. resident alien?	If YES , you can claim the credit for other dependents for this person. If NO , stop. You can't claim the credit for other dependents for this person.

Earned Income Table

Earned Income for EIC

Includes	Doesn't include
<ul style="list-style-type: none"> • Taxable wages, salaries, and tips • Union strike benefits • Taxable long-term disability benefits received prior to minimum retirement age • Net earnings from self-employment • Gross income of a statutory employee • Household employee income • Nontaxable combat pay election • Nonemployee compensation • The rental value of a home or a housing allowance provided to a minister as part of the minister's pay (Out of Scope) 	<ul style="list-style-type: none"> • Interest and dividends • Social Security and railroad retirement benefits • Welfare benefits • Workfare payments • Pensions and annuities (except if disability pension and taxpayer is under minimum retirement age) • Veteran's benefits (including VA rehabilitation payments) • Workers' compensation benefits • Alimony • Child support • Nontaxable foster-care payments • Unemployment compensation • Taxable scholarship or fellowship grants that aren't reported on Form W-2 • Earnings for work performed while an inmate at a penal institution or on work release¹ • Salary deferrals (for example, under a 401(k) or 403(b) plan or the Federal Thrift Savings Plan) • The value of meals or lodging provided by an employer for the convenience of the employer • Disability Insurance payments • Excludable dependent care benefits (line 25 of Form 2441) • Salary reductions such as under a cafeteria plan • Excludable employer-provided educational assistance benefits (may be shown in box 14 of Form W-2)

¹ This particular income is entered as other income on the return and not counted as earned income.

Common EIC Filing Errors

- Claiming a child who doesn't meet the residency and relationship requirements
- Married taxpayers incorrectly filing as a single or head of household
- Incorrectly reporting income, particularly income and expenses from self-employment
- Incorrect Social Security numbers

Summary of EIC Eligibility Requirements

Part A Rules for Everyone	Part B Rules If You Have a Qualifying Child	Part C Rules If You Don't Have a Qualifying Child	Part D Earned Income and AGI Limitations
Taxpayers & qualifying children must all have SSN that is valid for employment by the due date of the return (including extensions). ¹	Child must meet the relationship, age, residency test and joint return tests but not the support test. The child doesn't have to be your dependent. ²	Must be at least age 25 but under age 65 as of December 31. ³	<p>You must have earned income to qualify for this credit.</p> <p>Your earned income and AGI must be less than:</p> <ul style="list-style-type: none">• \$53,057 (\$59,187 for married filing jointly) if you have three or more qualifying children,• \$49,399 (\$55,529 for married filing jointly) if you have two qualifying children,• \$43,492 (\$49,622 for married filing jointly) if you have one qualifying child, or• \$16,480 (\$22,610 for married filing jointly) if you don't have a qualifying child.
Filing status can't be married filing separately unless you meet an exception. ³	Qualifying child can't be used by more than one person to claim the EIC.	Can't be the dependent of another person.	
Must be a U.S. citizen or resident alien all year.	The taxpayer can't be a qualifying child of another person.	Must have lived in the United States more than half the year.	
Can't file Form 2555 (relating to foreign earned income).		Can't be a qualifying child of another person.	
Investment income must be \$10,300 or less.			
Can't be a qualifying child of another person.			



Taxpayers cannot file an amended return to claim the credit for a year they did not originally have a valid Social Security number.

¹ If the taxpayer's Social Security card says "VALID FOR WORK ONLY WITH INS OR DHS AUTHORIZATION," the taxpayer can use the Social Security number to claim EIC if they otherwise qualify.

If taxpayer (or spouse, if filing a joint return) or dependent has an individual taxpayer identification number (ITIN), they can't get the EIC. ITINs are issued by the IRS to noncitizens who can't get an SSN. Singles and couples who have Social Security numbers can claim the credit, even if their children don't have SSNs. In this instance, they would get the smaller credit available to childless workers. In the past, these filers didn't qualify for the credit.

If the taxpayer's Social Security card has a "NOT VALID FOR EMPLOYMENT" imprint, and if the card-holder obtained the SSN to get a federally funded benefit, such as Medicaid, they can't get the EIC.

² To meet the joint return test, the child cannot file a joint return for the year unless it's only to claim a refund of income tax withheld or estimated tax paid.

³ Taxpayers turning 25 on January 1st are considered to be 25 as of December 31st. Taxpayers reaching the age 65 on January 1st are still considered to be 64 as of December 31st.

⁴ Taxpayers can claim EIC who are married, not filing a joint return, had a qualifying child living with them for more than 1/2 the year and either lived apart from their spouse for the last 6 months of the year or are legally separated according to state law under legal separation agreement or a decree of separate maintenance and didn't live in the same household as the spouse at the end of the year.

EIC General Eligibility Rules

Step	Probe/Ask the taxpayer	Action
1	Calculate the taxpayer's earned income and adjusted gross income (AGI) for the tax year. Are both less than: <ul style="list-style-type: none"> • \$53,057 (\$59,187 married filing jointly) with three or more qualifying children; • \$49,399 (\$55,529 married filing jointly) with two qualifying children; • \$43,492 (\$49,622 married filing jointly) with one qualifying child; or • \$16,480 (\$22,610 married filing jointly) with no qualifying children? 	If YES , go to Step 2. If NO , STOP. You can't claim the EIC.
2	Do you (and your spouse, if filing jointly) have a Social Security number (SSN) that allows you to work? ¹ Answer "NO" if the taxpayer's Social Security card has a "NOT VALID FOR EMPLOYMENT" imprint, and if the cardholder obtained the SSN to get a federally funded benefit, such as Medicaid.	If YES , go to Step 3. If NO , STOP. You can't claim the EIC.
3	Is your filing status married filing separately?	If YES , You can't claim the EIC unless you meet an exception. See Footnote 4 on page I-2. If NO , go to Step 4
4	Are you (or your spouse, if married) a nonresident alien? Answer "NO" if the taxpayer is married filing jointly, and one spouse is a citizen or resident alien and the other is a nonresident alien.	If YES and you are either unmarried or married but not filing a joint return, STOP. You can't claim the EIC. If NO , go to Step 5.
5	Are you (or your spouse, if filing jointly) filing Form 2555 (Foreign Earned Income) to exclude income earned in a foreign country?	If YES , STOP. You can't claim the EIC. If NO , go to Step 6.
6	Is your investment income (interest, tax exempt interest, dividends, capital gains distributions & capital gains) more than \$10,300?	If YES , STOP. You can't claim the EIC. If NO , go to Step 7.
7	Are you (or your spouse, if filing jointly) the qualifying child of another taxpayer?	If YES , STOP. You can't claim the EIC. If NO , go to the interview tips for EIC—With a Qualifying Child or EIC—Without a Qualifying Child.

¹ If the taxpayer's Social Security card says **VALID FOR WORK ONLY WITH INS OR DHS AUTHORIZATION**, the taxpayer can use the Social Security number to claim EIC if they otherwise qualify.



Taxpayer must check the checkbox on Schedule EIC for MFS treated as not married for purpose of claiming EIC to claim the credit.



If the taxpayer is filing MFS and meets the requirements to claim EIC, go to Basic Information>Personal Information>Filing Married Filing Separate and meets the requirements to claim the EIC.

EIC With a Qualifying Child

Step	Probe/Ask the taxpayer	Action
1	Does your qualifying child have an SSN that allows him or her to work? Answer NO if the child's Social Security card says "NOT VALID FOR EMPLOYMENT" and his or her SSN was only obtained to get a federally funded benefit.	If YES , go to Step 2. If NO , STOP. You can't claim the EIC on the basis of this qualifying child, however, you may qualify to claim the childless EIC if you meet the requirements.
2	Is the child your son, daughter, stepchild, adopted child, or eligible foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them?	If YES , go to Step 3. If NO , STOP. This child isn't your qualifying child. Go to interview tips for EIC Without a Qualifying Child.
3	<ul style="list-style-type: none"> Was the child any of the following at the end of the tax year? Under age 19 and younger than the taxpayer (or spouse, if filing jointly) Under age 24 and a full-time student and younger than the taxpayer (or spouse, if filing jointly), or Any age and permanently and totally disabled 	If YES , go to Step 4. If NO , STOP. This child isn't your qualifying child. Go to interview tips for EIC Without a Qualifying Child.
4	Did the child file a joint return for the year? ¹ Answer NO if the child and his or her spouse filed a joint return only to claim a refund of income tax withheld or estimated tax paid.	If NO , go to Step 5. If YES , STOP. This child isn't your qualifying child (failed the joint return test). Go to interview tips for EIC Without a Qualifying Child.
5	Did the child live with you in the United States for more than half (183 days for 2022) of the tax year? ² Active duty military personnel stationed outside the United States are considered to live in the United States for this purpose.	If YES , go to Step 6. If NO , STOP. This child isn't your qualifying child. Go to interview tips for EIC Without a Qualifying Child.
6	Is the child a qualifying child of another person? There may be a case when a qualifying child can't be claimed by anyone. Example: The only parent that the child lives with doesn't work or file a tax return and another adult can't meet the general eligibility rules. In this example, no one qualifies to claim this child as a qualifying child for EIC.	If YES , explain to the taxpayer what happens when more than one person claims the EIC using the same child (Qualifying Child of More than One Person rule). If the taxpayer chooses to claim the credit with this child, compute the EIC using the appropriate EIC worksheets. If NO , compute the EIC using the appropriate EIC worksheet.

¹ If your child was married at the end of the year, he or she doesn't meet the joint return test unless you can claim the child as a dependent or you can't claim the child as a dependent because you gave that right to the child's other parent.

² Temporary absences. Count time that you or your child is away from home on a temporary absence due to a special circumstance as time the child lived with you. Examples of a special circumstance include illness, school attendance, business, vacation, military service, and detention in a juvenile facility.

EIC Without a Qualifying Child

Step	Probe/Ask the taxpayer	Action
1	Can you (or your spouse, if filing jointly) be claimed as a dependent by another person?	If NO , go to Step 2. If YES , STOP. You can't claim the EIC.
2	Were you (or your spouse, if filing jointly) at least 25 but under age 65 on December 31 of the tax year?	If NO , STOP. You can't claim the EIC unless an exception applies. See the Note below. If YES , go to Step 3.
3	Did you (and your spouse, if filing jointly) live in the United States for more than half (at least 183 days) of the tax year?	If NO , STOP. You can't claim the EIC. If YES , compute EIC using the appropriate EIC worksheet.



Taxpayers born on January 1st are considered to be of age as of December 31st. Taxpayers reaching the age of 65 on January 1st are still considered 64 as of December 31st.

Qualifying Child of More than One Person

If the child meets the conditions to be the qualifying child of more than one person, only one person can claim the child. The tiebreaker rules, which follow, explain who, if anyone, can claim the EIC when more than one person has the same qualifying child. However, the tiebreaker rules don't apply if the other person is your spouse and you file a joint return. Review all of the conditions to see which one applies.

- If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent.
- If the parents don't file a joint return together but both parents claim the child as a qualifying child, the IRS will treat the child as the qualifying child of the parent with whom the child lived for the longer period of time in 2022. If the child lived with each parent for the same amount of time, the IRS will treat the child as the qualifying child of the parent who had the higher adjusted gross income (AGI) for 2022.
- If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for 2022.
- If a parent can claim the child as a qualifying child but no parent does so claim the child, the child is treated as the qualifying child of the person who had the highest AGI for 2022, but only if that person's AGI is higher than the highest AGI of any of the child's parents who can claim the child.



If the taxpayers can't claim the EIC because their qualifying child is treated under the tiebreaker rules as the qualifying child of another person for 2022, they may be able to take the EIC using a different qualifying child, or take the EIC if they qualify using the rules for people who don't have a qualifying child.



Subject to these tiebreaker rules, the taxpayer and the other person may be able to choose which of them claims the child as a qualifying child. See Publication 596, Earned Income Credit (EIC), for examples. Only parents have the option to choose which parent will claim the child. All other taxpayers wanting to claim the qualifying child must follow the tiebreaker rules. See Pub 596 for examples. The IRS will apply the tiebreaker rules when the child is claimed by multiple taxpayers.

Education Credits



Federal Section>Deductions>Credits Menu>Education Credits; or Keyword "EDUCA" or "886"

Probe/Action: To determine if a taxpayer qualifies for the education credit.



Taxpayers who claim the American opportunity credit even though they are not eligible can be banned from claiming the credit for up to 10 years.

Comparison of Education Credits

Credit Conditions	American Opportunity Credit	Lifetime Learning Credit
Maximum credit	Up to \$2,500 credit per eligible student	Up to \$2,000 credit per return
Limit on modified adjusted gross income (MAGI)	\$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying surviving spouse	\$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying surviving spouse
Refundable or nonrefundable	40% of credit may be refundable ¹ ; the rest is nonrefundable	Nonrefundable—credit limited to the amount of tax you must pay on your taxable income
Number of years of postsecondary education	Available ONLY if the student had not completed the first 4 years of post secondary education before 2022. See Completion of first 4 years in Publication 970.	Available for all years of postsecondary education and for courses to acquire or improve job skills
Number of tax years credit available	Available ONLY for 4 tax years per eligible student (including any year(s) Hope credit was claimed)	Available for an unlimited number of tax years
Type of program required	Student must be pursuing a program leading to a degree or other recognized education credential	Student does not need to be pursuing a program leading to a degree or other recognized education credential
Number of courses	Student must be enrolled at least half-time ² for at least one academic period beginning during 2022 (or the first 3 months of 2023 if the qualified expenses were paid in 2022)	Available for one or more courses
Felony drug conviction	As of the end of 2022, the student had not been convicted of a felony for possessing or distributing a controlled substance	Felony drug convictions do not make the student ineligible
Qualified expenses	Tuition, required enrollment fees, and course materials that the student needs for a course of study whether or not the materials are bought at the educational institution as a condition of enrollment or attendance	Tuition and required enrollment fees (including amounts required to be paid to the institution for course-related books, supplies, and equipment)
Payments for academic periods	Payments made in 2022 for academic periods beginning in 2022 or beginning in the first 3 months of 2023	Payments made in 2022 for academic periods beginning in 2022 or beginning in the first 3 months of 2023
TIN needed by filing due date	Filers and students must have a TIN by the due date of their 2022 return (including extensions)	
Educational institution's EIN	You must provide the educational institution's employer identification number (EIN) on your Form 8863, Education Credits.	

¹ None of the credit is refundable if (1) the taxpayer claiming the credit is (a) under age 18 or (b) age 18 at the end of the year, and their earned income was less than one-half of their own support or (c) a full time student over 18 and under 24 and their earned income was less than one-half of their own support; and (2) the taxpayer has at least one living parent, and; (3) the taxpayer doesn't file a joint return.

² The standard for what is half of the normal full-time workload is determined by each eligible educational institution.

Education Credits (continued)



Emergency financial aid grants used for a component of the cost of attendance or for unexpected expenses, unmet financial need, or expenses related to the disruption of campus operations on account of the COVID-19 pandemic, such as food, housing, health care (including mental health care), or child care, are not included in gross income. Taxpayers may claim the American Opportunity Credit or the Lifetime Learning Credit for eligible expenses paid with emergency financial aid grant funds if they otherwise meet the requirements for the credit. The grants may not be reported on Form 1098-T. See **Higher Education Emergency Grant FAQs** for details.

Who Can Claim the Credit?

- Taxpayers who paid qualified educational expenses of higher education for an eligible student unless filing MFS.
- Taxpayers who paid the education expenses for a student enrolled at or attending an eligible educational institution. To determine if eligible, go to the U.S. Department of Education's Office of Post-secondary Education (OPE) website.
- The eligible student is either the taxpayer, taxpayer's spouse or their dependent.



Qualified education expenses are considered paid by the taxpayer if paid by their dependent or a third party on behalf of the dependent. If a student isn't claimed as a dependent (even if eligible to be claimed), only the student can claim an education credit no matter who paid the expenses. Anyone paying the expenses (even directly to the institution) are considered to have given a gift to the student who in turn is treated as having paid the expenses.



There are two 4-year tests for the American opportunity credit. First, the credit can be taken for only 4 tax years. Second, the student must not have completed four years of academic credit before the beginning of this tax year. Follow the examples in the "Who is an Eligible Student for the American Opportunity Credit" section in Publication 970 for additional information.

Who Can Claim a Dependent's Expenses?

If the taxpayer...	Then only...
Has a dependent who is an eligible student	The taxpayer can claim the credit based on that dependent's expenses. The dependent can't claim the credit.
Doesn't claim the dependent on the tax return	The dependent can claim the credit. The taxpayer can't claim the credit based on the dependent's expenses.

Who Can't Claim the Credit?

- Married filing separately filing status
- Anyone listed as a dependent on another person's tax return
- Taxpayers whose modified AGI is more than the allowable income limits
- Taxpayer (or the spouse) was a nonresident alien for any part of the tax year unless one of the exceptions listed in Publication 519, U.S. Tax Guide for Aliens, applies

Education Credits (continued)

What Expenses Qualify?

- Expenses paid for an academic period starting in 2022 or the first 3 months of 2023
- Expenses not refunded when the student withdraws from class
- Expenses paid with the proceeds from a loan

What are Qualifying Expenses?

- For the American opportunity credit, course-related materials are books, supplies, and equipment needed for a course of study whether or not the materials are purchased from the educational institution as a condition of enrollment or attendance. The purchase of computer or peripheral equipment, computer software, or Internet access and related services qualify for the credit if the student needs the computer for attendance at the educational institution.

What is Tax-Free Educational Assistance?

- Tax-free parts of scholarships and fellowships
- Pell Grants (see Publication 970)
- Employer-provided educational assistance (see Publication 970)
- Veterans' educational assistance
- Any other nontaxable payment (other than gifts or inheritances) received as educational assistance



Don't reduce the qualified education expenses by any scholarship or fellowship reported as income on the student's tax return if the use of the scholarship isn't restricted and used to pay education expenses that aren't qualified (such as room and board).



Taxpayers must have a Form 1098-T from an eligible educational institution to claim education benefits.



If the student includes the tax free educational assistance in income, has a filing requirement, and unearned income (including the taxable scholarship) over \$2,300, the student may need to file Form 8615, Tax for Certain Children Who Have Unearned Income (Kiddie Tax). In that case, the return is Out of Scope.

Determining Qualified Education Expenses

Box 1 may include nontaxable scholarship and grant amounts. Some students may choose to pay nonqualifying expenses with scholarship/Pell Grant funds, making the scholarship/Pell Grant taxable. This is true even if the scholarship/grant was paid directly to the school. This may increase the amount of qualifying expenses that can be used in calculating an education credit. Examples can be found in Coordination with Pell grants and other scholarships or fellowship grants in Publication 970.

Determine the amount paid by verifying the payment received from the student account statement with the amount shown in Box 1 of Form 1098-T. Remember to include books, supplies, course related materials and equipment if claiming the American opportunity credit. Also remember to include out of pocket payments made by the student or on the student's behalf. This includes student loans, payments, credit cards and taxable portions of scholarships/grants.

Example – Bill and Sue are eligible to claim the American opportunity credit for their daughter Sarah, who is in her first year of college. They have a Form 1098-T with \$7,000 in box 1 and a \$3,000 Pell Grant in box 5. During your interview with Bill and Sue, you determine that \$3,000 was paid by Pell Grant and \$4,000 was paid by loan proceeds. They paid \$500 for books in 2022. To calculate the eligible expenses for their credit, take the \$7,000 (\$3,000 grant + \$4,000 loan) paid in 2022, plus the \$500 for books and enter on line 1 of the worksheet below. The \$3,000 Pell Grant will be entered on line 2a. The line 3 amount is \$3,000. Subtracting line 3 from line 1, you get qualified education expenses of \$4,500. If the resulting qualified expenses are less than \$4,000, the student may choose to treat some of the grant as income to make more of the expenses eligible for the credits.

<input type="checkbox"/> CORRECTED		OMB No. 1545-1574	
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number Clark University 150 Learning Drive Memphis, TN 38101		1 Payments received for qualified tuition and related expenses \$ 7,000 2	2022 Form 1098-T
FILER'S employer identification no. 98-000XXXX		STUDENT'S TIN 800-00-XXXX	
STUDENT'S name Sarah Pine		3	
Street address (including apt. no.) 123 Main Street		4 Adjustments made for a prior year \$ OOS	
City or town, state or province, country, and ZIP or foreign postal code Memphis, TN 38101		5 Scholarships or grants \$ 3,000	
Service Provider/Acct. No. (see instr.)		6 Adjustments to scholarships or grants for a prior year \$ OOS	
8 Checked if at least half-time student <input checked="" type="checkbox"/>		7 Checked if the amount in box 1 includes amounts for an academic period beginning January–March 2022 <input type="checkbox"/>	
9 Checked if a graduate student <input type="checkbox"/>		10 Ins. contract reimb./refund \$	
Form 1098-T (keep for your records)		www.irs.gov/Form1098T Department of the Treasury - Internal Revenue Service	

Tuition Statement

Copy B For Student

This is Important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.

Adjusted Qualified Education Expenses Worksheet (Form 8863 instructions)

1. Total qualified education expenses paid for on behalf of the student in 2022 for the academic period	7,500
2. Less adjustments:	
a. Tax-free educational assistance received in 2022 allocable to the academic period	3,000
b. Tax-free educational assistance received in 2023 (and before you file your 2022 tax return) allocable to the academic period	0
c. Refunds of qualified education expenses paid in 2022 if the refund is received in 2022 or in 2023 before you file your 2022 tax return	0
3. Total adjustments (add lines 2a, 2b, and 2c)	3,000
4. Adjusted qualified education expenses. Subtract line 3 from line 1. If zero or less, enter -0-	4,500



If the student doesn't have a copy of their student account statement, ask them to go online through their college or university to get this information.



Forms 1098-T with amounts listed in boxes 4 and 6 are Out of Scope (OOS).