

General Requirements

1. A taxpayer who can be claimed as a dependent on someone else's tax return **cannot** claim any dependents on their own tax return.
2. The dependent **must be** a US citizen, US national, US resident alien or a resident of Canada or Mexico.
3. A dependent **cannot** file a joint return, unless it is only to claim a refund of income tax withheld or estimated tax paid. The Married Filing Joint dependent must not have a filing requirement.
4. Must have a Social Security number (SSN) or Individual Taxpayer Identification Number (ITIN).



LITC

Alaska Business Development Center's Low Income Taxpayer Clinic provides assistance year round to low income and English-as-a-Second Language taxpayers. Assistance includes education on taxpayer rights and responsibilities, consultation on IRS issues and representation on IRS disputes. Tax preparation is not conducted under the Low Income Taxpayer Clinic.



VTLP Proudly Serving Rural Taxpayers Since 1995

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Understanding...

DEPENDENT LAWS

Who can be claimed as a dependent and how claiming dependents can benefit you.



Brought to you by:
Alaska Business Development Center
Low Income Taxpayer Clinic

Why Claim a Dependent?

Claim a dependent to lower your tax.

You may be allowed a credit for each qualifying dependent. Each person you claim as a dependent may lower your tax or increase your refund. A dependent can only be claimed by one taxpayer.

More credits means:
LESS tax!!!

Who Can be Claimed?

A child or adult if they qualify under IRS rules as a:

Qualifying Child or

Qualifying Relative
(not always related)

Follow the guidelines in this brochure to determine which kind of dependency the dependent qualifies for. Begin with Qualifying Child.

Qualifying Child Requirements:

Proposed dependent must...

1. Be your son, daughter, stepchild, foster child, brother, sister, half-brother, half-sister, step-sibling or a descendent of any of them (i.e. grandchild, niece, nephew, etc.).
2. Be under age 19 at the end of the tax year and younger than you **OR** under age 24, younger than you and a full time student for at least 5 months of the year **OR** any age if they are totally and permanently disabled.
3. Not have provided more than half of their own support.
4. Have lived with you for more than half of the year, except for qualifying temporary absences.



NOTE...

If the person is a Qualifying Child of more than one person, the IRS tie breaker rules apply. For details read IRS Publication 501.

Qualifying Relative Requirements:

Proposed dependent...

1. Must not be your qualifying child or the qualifying child of any other taxpayer
2. Must have gross income of less than \$4,400 in 2021
3. **Qualifying Relatives that do not have to live with you include:** your son, daughter, stepchild, foster child or a descendent of any of them (i.e. grandchild)
OR your brother, sister, half-brother or half-sister or a son or daughter of any of them (i.e. niece, nephew)
OR your father, mother or an ancestor or sibling of either of them (i.e. grandparent)
OR stepsibling, stepparent, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law
4. **Qualifying Relatives** may be any other person (other than your spouse) that lived with you all year as a member of your household.
5. **More than half** of the qualifying relative's total support for the year must be provided by you. There are special rules that apply when two or more people provide for more than half of an individual's support.

Benefits to You

- Decrease amount you owe
- Increase your credits
- Increase your refund

Who do you support?

You may provide support to individuals that qualify as your dependent.

For example: a girlfriend/boyfriend that lived with you all year and made less than \$4,400 in gross income; or a parent that has less than \$4,400 in gross income, even if they do not live with you.

Claiming the correct dependents

Identifying the appropriate number of dependents that you support may increase your credits and lower your tax or increase your refund.

Higher credits = less tax due



Common Myths

Myth 1

You can choose not to claim your child so that they may claim themselves.

If a child qualifies as a dependent, they cannot claim themselves even if no one claims them.

Myth 2

You cannot claim your child once they turn 18 years of age.

Many children who are 18 or older may still be claimed as a dependent by their parents. They may be a Qualifying Child or a Qualifying Relative. Follow the guidelines outlined in this brochure to determine if they can be claimed.

Myth 3

You can claim your child as a dependent since you paid child support for them.

Federal law regulates who can claim the dependent. For a taxpayer to claim the dependent the child must pass all 4 Qualifying Child tests or a pre-2009 custody agreement must state who can claim the child for tax purposes.

If a divorce or separation occurred in 2009 or later the custodial parent must sign a release of exemption (Form 8332) for the non-custodial parent to claim the child as a dependent.