

## Worksheet Instructions for Qualifying Children

### Earned Income Tax Credit (EITC)/Child Tax Credit (CTC)/Additional Child Tax Credit (ACTC) College Tuition Credits (AOC – Lifetime Learning)/ Head of Household Filing Status

#### **PLEASE READ THROUGH ALL SECTIONS !!**

**For all Filers;** the tax code requires all taxpayers to maintain adequate books and records to substantiate all expenses or credits taken on a return. Preparer regulations now require our firm to make reasonable inquiries as to the existence and accuracy of your books, records and other documentation before we can prepare your return. We are also required to make additional inquiries if any of the information you furnish appears to be incorrect, inconsistent or incomplete. Therefore, we require you to furnish us with a written statement providing information to help determine your qualification for any of the credits/filing status listed above. The law governing these requires inquiry into: your personal living arrangements; marital status and divorce decree terms; age, custody and living arrangements of dependents including birth and residency documentation. We are providing you with a questionnaire and worksheet for these purposes and require that you complete them and bring them and certain documentation with you when you come in. Failure to answer these questions truthfully or failure to maintain adequate records will, upon audit, result in disallowance of the EITC or CTC, loss of exemption deductions and change in filing status. In addition you may be banned from the EITC program for a period of time and will also result in repayment of the EITC, additional taxes, interest, and negligence penalties. Preparer penalties of up to \$5,000 are assessed if we are found to have failed to make these inquiries or fail to further question any discrepancies. While we are not required to audit your return, our responsibilities have been significantly elevated. We cannot prepare a return for which we have not been provided with written statements of fact, documentation and certifications provided by you. If you do not provide this information, we will not be able to complete your return until we have that documentation. While these questions may seem to be very personal, we ask them to protect not only our firm but to protect you in case of an audit, as the IRS will be asking the very same questions and want the very same documentation.

**Worksheet Instructions;** Please start with worksheet page 1, starting with question #1 and keep going until you first reach either a “Stop” instruction or finish all the way through question #4 and the tie breaker rules. Answer these as best you understand your situation and bring the worksheet along when you come in. If you are uncertain about any question or the tie breaker discuss it with your preparer and we will get you through to the correct answers.

At any “Stop” instruction or at the finish after question 4, **you must now go to page 2 of the worksheet.** Start at the top and answer the questions regarding you in section A. If you operated a Business (Schedule C) during the year also complete that worksheet and bring along any applicable documentation on both worksheets.

If your filing status is normally Head of Household complete section B and bring along applicable documentation. If not, skip section B and go to section C.

Answer section C for each child in his/her column. Write the first name of the child so we can match with what is in our computer record. Gather any applicable documentation and bring it along when you come in.

Answer section D only if the Child is over 18 (like a college student perhaps), and answer section E only if the child is NOT your son or daughter.

Bring the worksheet pages plus any applicable documentation with you when you come in to have your return prepared.



# QUALIFYING CHILD/EITC/CTC/ACTC/AOTC/HEAD OF HOUSEHOLD QUESTIONNAIRE/WORKSHEET PAGE 1

1. HAVE YOU (OR SPOUSE) EVER HAD YOUR EITC or CTC/ACTC or AOTC CLAIM DENIED OR DISALLOWED?

YES? (Inform your preparer. A Form 8862 will be required, and your current EITC claim may or may not be allowed, **go on to next question**) NO? (**go on to next question**)

2. ARE THERE ANY OTHER ADULTS (OVER 18 AND NOT YOUR SPOUSE) LIVING IN YOUR HOUSEHOLD?

**YES?** (**go on to next question**)

**NO?** (Stop! **Now complete worksheet on page 2**)

3. IS (ARE) YOUR CHILD(REN) A QUALIFYING CHILD OF THIS OTHER ADULT ? APPLY THREE TESTS.

A. RELATIONSHIP TEST- IS THE CHILD THE OTHER ADULT'S:

SON, DAUGHTER, STEPCHILD, BROTHER, SISTER, 1/2 BROTHER, 1/2 SISTER, STEPBROTHER, STEP SISTER OR A DESCENDANT OF ANY OF THESE ? OR

AN ADOPTED CHILD ? (incl. a child placed for adoption by an authorized placement agency even if adoption is not final) OR AN ELIGIBLE FOSTER CHILD ? ( meaning that the child lived with the other adult all 12 months of the current tax year AND was placed with the taxpayer by an authorized placement agency or by judgement/decreed of a court?)

**YES?** (**go on to test B** )

**NO?** (Stop ! not a qualifying child of the other adult)  
**Now complete worksheet on page 2**

B. RESIDENCY TEST - DID THE CHILD LIVE WITH YOU AND THE OTHER ADULT **FOR 183 OR MORE DAYS** DURING THE TAX YEAR, AND WAS THAT HOME IN ONE OF THE 50 STATES OR D.C.?

**YES?** (**go on to test C** )

**NO?** (Stop! not a qualifying child of other adult)  
**Now complete worksheet on page 2**

C. AGE TEST - AS OF THE END OF THE TAX YEAR, WAS THE CHILD UNDER 19, **OR** UNDER AGE 24 AND A FULL TIME (meaning any 5 months at full time load) STUDENT, **OR** ANY AGE AND PERMANENTLY AND TOTALLY DISABLED??

**YES?** (**go on to next question**)

**NO?** (Stop! not a qualifying child of other adult)  
**Now complete worksheet on page 2**

4. THE CHILD OR CHILDREN IN QUESTION **ARE** QUALIFYING CHILDREN OF MORE THAN ONE PERSON, BUT ONLY ONE OF THESE PERSONS MAY CLAIM THE CHILD AS A QUALIFYING CHILD FOR ONE OR MORE OF SIX TAX BENEFITS. EACH BENEFIT THEN HAS ITS OWN ADDITIONAL RULES, EACH OF WHICH MUST BE SATISFIED INDIVIDUALLY IN ORDER TO FINALLY CLAIM THAT BENEFIT. THE PERSON **NOT** TREATING THE CHILD(REN) AS THEIR QUALIFYING CHILD **CANNOT** TAKE ANY OF THESE BENEFITS WITH RESPECT TO THAT CHILD(REN). THE BENEFITS MAY **NOT** BE SPLIT BETWEEN THEM UNLESS THE SPECIAL RULES FOR DIVORCED OR SEPARATED PARENTS APPLY. EVEN UNDER THOSE RULES, ONLY THE DEPENDENCY EXEMPTION AND THE CHILD TAX CREDIT (AS ONE UNIT) MAY BE SPLIT BETWEEN PARTIES. THE OTHER FOUR BENEFITS REMAIN WITH THE CUSTODIAL PARENT. YOU MUST FIRST QUALIFY OVER THE OTHER PERSON UNDER ONE OF THE TIEBREAKER RULES THAT FOLLOW. **READ THESE CAREFULLY AND CIRCLE THE ONE THAT APPLIES TO YOU.** IF NONE APPLY TO YOU, THEN YOU CANNOT USE THE CHILD(REN) FOR ANY OF THESE TAX BENEFITS.

I QUALIFY TO CLAIM THE CHILD(REN) AS A QUALIFYING CHILD(REN) ON MY RETURN OVER THE OTHER PERSON WHO MAY ALSO CLAIM THE CHILD(REN), UNDER THE TIE-BREAKER RULE CIRCLED BELOW;

1. I AM THE PARENT OF THE CHILD AND THE OTHER ADULT IS NOT THE CHILDS OTHER PARENT.
2. I AND THE OTHER ADULT ARE THE PARENTS OF THE CHILD, BUT THE CHILD LIVED WITH ME FOR A LONGER PERIOD OF TIME DURING THE YEAR THAN THE OTHER PARENT, AND I AM NOT FILING A JOINT RETURN WITH THE CHILD'S OTHER PARENT.
3. I AND THE OTHER ADULT ARE THE PARENTS OF THE CHILD, THE CHILD LIVED WITH EACH PARENT AN EQUAL AMOUNT OF TIME DURING THE YEAR, BUT MY INCOME IS HIGHER THAN THE CHILDS OTHER PARENT, AND I AM NOT FILING A JOINT RETURN WITH THE CHILD'S OTHER PARENT.
4. NO PARENT QUALIFIES TO CLAIM THE CHILD(REN) AND MY INCOME IS HIGHER THAN THE OTHER PERSON.
5. I AM NOT THE PARENT OF THE CHILD(REN), THE PARENT(S) CAN, BUT ARE NOT CLAIMING THE CHILD(REN), AND MY INCOME IS HIGHER THAN THE HIGHEST INCOME OF EITHER PARENT, OR 1/2 OF THE PARENTS JOINT INCOME.

## **NOW GO TO PAGE 2 AND COMPLETE THE WORKSHEET**

MARRIED COUPLES ARE TREATED AS ONE PERSON SUCH AS GRANDPARENTS LIVING IN THE SAME HOUSEHOLD. COMBINED INCOME IS USED UNLESS FILING MFS AND/OR ONE SPOUSE DID NOT LIVE IN HOUSEHOLD.SEE PUB 596 AND 501

Under penalties of perjury, I/we, the taxpayer(s) declare that I/we have examined the information provided by me/us as reflected by this form, the EIC verification information and Form 8867, and to the best of my/our knowledge and belief, it is true, correct and complete. I/we further certify that this information was provided by me/us to Acc-U-Rite Tax Service Inc. on the date indicated below by face to face and /or telephonic oral interview.

Date \_\_\_\_\_

Taxpayer \_\_\_\_\_

Taxpayer \_\_\_\_\_

## Questionnaire/Worksheet Page 2

### A. Questions regarding you;

Were you a nonresident alien for any part of the year	Yes	No
Could you or your spouse be a qualifying child of another?	Yes	No
Was your main home in the USA more than ½ the year?	Yes	No
Are you or your spouse an eligible dependent to another?	Yes	No
Did you operate a business (Schd. C) during the year?	Yes	No

If yes, complete and bring in the Schd C. worksheet from our website after reviewing the instruction sheet. Also bring along any of the following you have;

Business or occupational License if required    Any forms 1099misc    Bank Statements from business account    Business cards/stationary  
Sales tax or Employer tax returns    Copies of any advertisements for your business

### **B. Is your normal filing status Head of Household?**

Yes    No (if no skip to section C)

If yes, please answer the following questions and/or provide additional documentation as below;

Please circle your marital status from these choices    1.    2.    3.    4.  
Never Married    Widow/Widower    Divorced/Separated    Married, did not live with last 6mo

If divorced (status #3), bring along a copy of your divorce decree

If married but did not live with (status #4), bring along one or more of the following to verify that your spouse did not live with you;

Lease    Real Estate Tax bill    Utility bills    Letter from clergy or social services

Did you provide more than half the cost of keeping up your home for the year?    Yes - continue below.    No - skip to Section C if applicable

Is there anyone else paying any part of your household expenses, either living with you in your home or not?

Yes - you must provide documentation of the total amounts of the household expenses below, and the portion of each that **YOU** paid for the year.

Property Taxes or Rent, Mortgage Interest, Utilities, Property Insurance, Food eaten in the home, Other household expenses incl. maintenance

No - Continue to Section C if applicable

### **C. Did you receive any non taxable support/income?**

Yes    No

Examples of this would be Family Support, Food Stamps, Housing/Childcare Assistance, VA Benefits

If yes provide details and amounts of any benefits received

### **D. Questions regarding your Qualifying Child(ren);**

Use additional worksheets if > 3 Children

	Child 1		Child 2		Child 3
	Name _____		Name _____		Name _____
Did the child reside in your home more than half the year ie.184 days or more?	Yes    No		Yes    No		Yes    No
If Yes, have you signed an 8332 to another person?	Yes    No		Yes    No		Yes    No
If No, do you have a signed form 8332 for this child?	Yes    No		Yes    No		Yes    No
Is this child unmarried or married but not filing joint?	Yes    No		Yes    No		Yes    No

You will need to produce or obtain any of the following to prove residency of this child. Bring along at least one or more of any of these marked Yes

School Records or letter showing address of child	Yes	No	Yes	No	Yes	No
Health care provider statement showing address of child	Yes	No	Yes	No	Yes	No
Medical records showing address	Yes	No	Yes	No	Yes	No
Child Care Provider records	Yes	No	Yes	No	Yes	No
Placement agency or social services records	Yes	No	Yes	No	Yes	No
Letter from school/agency/church etc. verifying residency	Yes	No	Yes	No	Yes	No

### **E. If your Qualifying Child is over age 18;**

If a student, what school do they attend? \_\_\_\_\_

Can you provide documentation proving full time

Student status more than 5 months of the year?    Yes    No    Yes    No    Yes    No

If yes, please bring documentation along

Is your child is permanently & totally disabled?    Yes    No    Yes    No    Yes    No

If yes, do you have medical records or letters

to document their condition?    Yes    No    Yes    No    Yes    No

If yes, please bring those documents along

### **F. If your Qualifying Child is other than your son or daughter;**

If a biological parent is NOT living with the child;

Where is/are the parent(s)?    Mother    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_  
Father    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

**Adopted or Foster children;** Please bring along copies of adoption agency placement papers and/or court documents verifying placement.

**Brother-sister niece nephew grandchild or step relation;** Please bring copies of birth or marriage certificates or other documents to verify the relationship.