Can I Claim a Child on My Tax Return?

Claiming a child on your tax return can lower your taxes and raise your refund. You can claim a “qualifying child” or “qualifying relative” as dependent. A “qualifying child” can also be claimed for the EITC (Earned Income Tax Credit). There are 3 ways that claiming a child can help on your taxes.

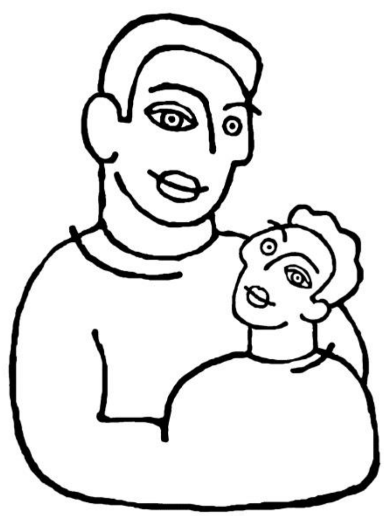
- A child can be your dependent and give you a “deduction.” This is subtracted from your income before your taxes are figured. Lower income means less tax.
- It can put you in a different filing status so you pay a lower tax.
- You can get the child tax credit, and if you meet the rules, you can get the EITC.

There are rules about whether you can claim a child for taxes. You must follow the rules. If you don’t, you can lose the right to file for EITC in the future, or you may have to pay refund money back to the state or the IRS or pay more taxes and other penalties. Some of these things are complicated.

You can get free help with your taxes if you have a low-income or are a senior citizen or disabled. To find help near you, call (651) 297-3724 or First Call for Help statewide at 211, or 1 (800) 543-7709 from a cell phone.   First Call for Help can also help you get information in your native language.

Claiming Someone Else On Your Tax Return

The definitions have changed about who you can claim. There is a “qualifying child” and a “qualifying relative.”



Qualifying Child

- The child must be the taxpayer’s child, stepchild, eligible foster child, brother, sister, stepbrother, stepsister or a descendent of one of these relatives. This includes a child placed with the taxpayer for adoption, even if the adoption is not final. An eligible foster child is any child placed with the taxpayer by an authorized placement agency or court.

- The child must live with the taxpayer **<u>for more than half of the year</u>** in the US. Temporary absences for school, vacation, medical care, military service, or detention in a juvenile facility count as time lived at home. There are exceptions for divorced or separated parents. The exception allows a parent who has not lived with the child for more than half of the year to claim them as a dependent and claim the child tax credit. But only one of the parents can claim the child. This exception does NOT apply to head of household filing status or the Earned Income Credit (EITC).

- The child must be younger than the taxpayer unless they are permanently and totally disabled. There are different age limits for the various credits:

  - **Credit for Child and Dependent Care Expenses –** the child must be under age 13 when the care was provided or any age if the child is disabled and not able to take care of themselves.

  - **Child Tax Credit –** child must be under age 17 on December 31, 2016.

  - **Dependency Exemption, Head of Household filing status, and Earned Income Tax Credit (EITC) –** the child must be under age 19 or a full-time student under age 24 on December 31, 2016, or any age if permanently and totally disabled.

- The child can't have provided over half of his or her own support during the year. Social Security benefits received for a child as the beneficiary of a deceased or disabled parent are included in the child's income. The support test does not apply when determining if the taxpayer has a qualifying child for the EITC.

- If the child can be claimed by a parent as a qualifying child, but neither parent claims the child NO ONE ELSE can claim the child unless their Adjusted Gross Income is higher than the AGI of either parent. This situation can happen when extended family lives together.

- If a child is a qualifying child for more than one taxpayer, and they can't agree on who will claim the child, the parent who lived with the child longest that year should claim the credit. If the child lived with both parents for the same length of time, the parent with the higher income should claim the credit.

If the child:
1. did not live with any parent,
2. is a qualifying child of more than one taxpayer, and
3. the taxpayers can't agree who should claim the child,

then the taxpayer with the highest income will get the credit.

Qualifying Relative

A qualifying relative is someone who is:

- a U.S. Citizen or lived in the United States, Canada or Mexico,
- a member of your household for the whole year, or a family member who may or may not live with you like:
  - your child, grandchild, great grandchild, stepchild,
  - your brother, sister, half-brother, half-sister, stepbrother, stepsister,
  - your parent, grandparent, stepparent,
  - your aunt or uncle, niece or nephew,
  - your father-in-law, mother-in-law, son-in-law, daughter-in-law,
  - brother-in-law, or sister-in-law.

The child or person usually **cannot** be your dependent if:

- They are married and file joint taxes with their spouse.
- They earn more than $4,050 during 2016. **But**, if the person is your child under age 19 or a student under 24, they can still be your dependent and earn more than $4,050.

The rules above are for federal taxes. Minnesota uses rules like these for state income and property taxes. Ask the person who does your taxes.

Can I get the EITC?

The EITC is a tax credit for people who work. The maximum credit is $6,269. Single and married people can get it. You don't have to have children, but the credit is higher if you do. These are rules about which children qualify. See below. *If you break these rules, you can be denied the EITC for up to 10 years.*

You must have worked during 2016. You can't get EITC if you earned money outside the U.S. Your earnings and the "adjusted gross income" on your tax form must be less than:

- $47,955 if you have 3 or more qualifying children
  (or $53,505 if married and filing a joint return)

- $44,648 if you have 2 or more qualifying children
  (or $50,198 if married and filing a joint return)

- $39,296 if you have one qualifying child
  (or $44,846 if married and filing a joint return)

- $14,880 if you have no qualifying children
  (or $20,430 if married and filing a joint return)

Do I meet the EITC rules?

- You must be a U.S. citizen or resident alien for all of 2016.
- You need a valid social security number for **you, your spouse, and children** you claim.
- Your filing status can't be "married filing separate."
- Your investment income must be less than $3,400.
- You can't claim the EITC if someone else can claim you as a "qualifying child."

Can I claim a child for EITC?

Yes, if that child meets the definition of "qualifying child" on the first page of this fact sheet. A "qualifying relative" **cannot** be claimed for the EITC.

What is an exemption?

Exemptions (like deductions) reduce your taxable income. For 2016, taxpayers get a $4,050 exemption for themselves and their spouse (if filing jointly), and $4,050 exemption for each qualifying child or qualifying relative they claim.

Are there other credits I can get?

You may be able to get:

- Child Tax Credit
- Child and Dependent Care Credit
- Working Family Tax Credit
- K-12 Education Credit

Ask the person who does your taxes about these.

This fact sheet applies only to tax year 2016.
Income tax returns must be filed by April 18th, 2017.

Find more fact sheets at www.lawhelpmn.org/LASMfactsheets

Find your local legal aid office at www.lawhelpmn.org/resource/legal-aid-offices