

20____ Child Tax and Other Dependent Credit



Required Due Diligence Questions for Certain Income Tax Positions

- The IRS now requires tax return preparers to complete a due diligence checklist with all income tax returns that contain certain credits and deductions, with steep penalties for noncompliance. Your return qualifies for the following special credits/deductions; therefore, it is imperative you read and understand this entire document. **YOUR RETURN WILL NOT BE FINALIZED UNTIL YOU ANSWER EACH QUESTION BELOW AND SIGN AND RETURN THIS DOCUMENT TO US.**
CHILD TAX CREDIT:

In order for you to qualify for this credit, your dependent child must meet ALL OF the following requirements:

- Be under age 17 at the end of 2022 (if 17 or older, they will be **acknowledged as OTHER DEPENDENT CREDIT**).
- Have a social security number that is valid for employment and issued before the due date of this tax return.
- Be your son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, half-brother, half-sister, or a descendent of any of them.
- Did not provide greater than half of his or her own support for the year.
- Lived with you for more than half of 2022 (except for temporary absences for school, vacation, medical care, or juvenile detention).
- Is claimed as a dependent on your tax return.
- Does not file a joint return for the year.
- Was a US citizen, national, or resident alien.

If the child did not live with you greater than half of the year, even if you supported the child, you may not claim the child tax credit for that child, unless the custodial parent has released to you a claim for exemption of the child for this tax year using Form 8332 which is attached to the tax return.

For children of divorced or separated parents, the child will be treated as the custodial child of the parent with whom they lived the greater number of nights during the year. If the number of nights was equal, the custodial parent is the parent with the higher adjusted gross income. An exception is if the custodial parent signed a Form 8332 to release the claim for exemption of the child for this tax year, and that form is attached to the tax return.

Clients Initials: _____

PLEASE READ AND INITIAL NEXT TO EACH STATEMENT THAT YOU UNDERSTAND AND ACKNOWLEDGE ALL MANDATORY AND PERTINENT INFORMATION REGARDING QUALIFIED DEPENDENTS ANSWER ALL OF THE FOLLOWING QUESTIONS:

- Each dependent included on your tax return who meets the above criteria for 20____.
- If your tax return was to be audited by the IRS, you would need to provide documentation to prove that you qualify for this credit. Would you be able to provide them with such documentation if requested? Yes No

Have you ever been notified by the IRS that this credit was disallowed or reduced in a previous year? Yes No

- **Other Dependent Credit**

This was a new credit starting in 2018 and allows for a smaller credit for a dependent that is not your qualifying child.

- In order for you to qualify for this credit, the dependent must meet **ONE** of the following scenarios:

Scenario 1:

- The dependent meets all the criteria listed on the previous page (Child Tax Credit tab) to be your qualifying child EXCEPT for the age requirement, AND
- Must have been age 17-23 at the end of 2022 and a full-time student during part of at least 5 months of 20____.

Scenario 2:

If the dependent does not meet the requirements of Scenario 1, they may still qualify for the Other Dependent Credit if they meet ALL OF the following requirements:

- Have a social security number that is valid for employment and issued before the due date of this tax return.
- NOT be the qualifying child of anyone else (regardless of whether that person claims them as a dependent)
- The person must either have lived with you for the entire year as a member of the household (a person who is not actually related to you may meet the requirements in this way), or be related to you in one of the following ways: your child, stepchild, grandchild or other descendant of one of your children (or stepchildren or foster children), son-in-law, daughter-in-law, brother, sister, half-brother, half-sister, stepbrother, stepsister, brother-in-law, sister-in-law, parent, stepfather, stepmother, father-in-law, mother-in-law,

Clients Initials: _____

grandparent, and, if related by blood, aunt, uncle, niece, or nephew. For the purposes of this requirement, divorce or death does not change any relationship which was established by marriage (e.g., son-in-law, daughter-in-law, etc.).

- The person must have made less than \$4,200 in gross income during 20____ (not including non-taxable social security, and tax-exempt interest/dividends).
- You must have provided more than half of that individual's support during 20_____.

PLEASE READ, ANSWER, AND INITIAL NEXT TO ALL OF THE FOLLOWING QUESTIONS:

- _____ That each individual included on your tax return meets one of the above criteria for 20____ for either Scenario 1 or Scenario 2: Yes _____ No _____
- _____ If your tax return was to be audited by the IRS, you would need to provide documentation to prove that you qualify for this credit. Would you be able to provide them with such documentation if requested?
Yes _____ No _____
- _____ Have you ever been notified by the IRS that this credit was disallowed or reduced in a previous year? Yes _____ No _____

By signing below, you indicate that you and your spouse, if applicable, have read, understand, acknowledge and agreed to all the answers on the applicable Child Tax Credit and/or Other Dependent Credit Form. By signing below, you acknowledge that all information on this form is true to the best knowledge and that you have not willfully or intentionally provided false information to Tasha's Taxes in order to defraud the Federal Government or any part of its entity thereof.

Clients Name

Clients Signature

Date

Preparer: B.1: To the best of your does the client meet the requirements above? Yes/NO

Preparers Signature:

Date:

Clients Initials: _____