18 year old with a 2 year old child
A client walks into your office to have her taxes prepared and informs you:

- She is 18 years old and never been married.
- She has a 2 year old daughter and lives with her parents.
- She has earnings of $3,000 from a part-time job.
- She wants to claim EITC.
Can the client be claimed by her parents for EITC?
- Since she is 18 years old, she meets age requirement of a qualifying child.
- She meets the relationship requirement since she is their daughter.

The grandchild may also be the qualifying child for the grandparents for EITC.

It does not matter if the client tells you he or she wants EITC – as a preparer you need to determine whether they qualify according to all legal requirements – and you have to ask all necessary questions to make the determination.
Questions and Answers -

Take 1
What Questions Should You Ask?

You ask--

When did you move in with your parents?

She says--
November last year.

So, now you think your client could claim EITC with her daughter as a qualifying child. She is not the qualifying child of her parents since she moved in with them late in the year. But, you need to ask more questions--
What Questions Should You Ask?

You ask--
Did your daughter live with you all year?

She says--
No, she lived with my parents.

Is her daughter a qualifying child for your client?
Does She Qualify for EITC?

No--
Why?
• The child had to live with her for more than half the year, so she does not meet the residency test.

But--
Does She Qualify for EITC?

Does She Qualify For EITC without a Qualifying Child?

No--

• She is only 18 and must be at least 25 to claim EITC without a qualifying child.
Questions and Answers -

Take 2
What Questions Should You Ask?

You ask--
When did you move in with your parents?

She says--
I have always lived with my parents.

So, you are thinking, she has a problem.
You do not qualify for EITC because you are the qualifying child of your parents.

- Why is she qualifying child of her parents?
  - She meets age, relationship, residency and joint return requirements.

- What about the grandchild?
  - Grandchild is qualifying child of your client’s parents too because she meets age, relationship, residency and joint return tests.

- What if the parents do not claim the client?
  - Does not matter if they claim or not. The 18 year old still cannot claim EITC because she is the qualifying child of another person.
Questions and Answers -

Take 3
What Questions Should You Ask?

You ask--

When did you move in with your parents?

She says--

I moved home in November last year. It was too hard raising my daughter on my own.

So, your client is not the qualifying child of her parents since she did not meet the residency test. Now, you need to find out if her child is her qualifying child for EITC.
What Questions Should You Ask?

You ask--
Did your child live with you from January to November?

She says--
  Yes.
  You ask--
Did you live with anyone else during that time?
  She Says--
  No

So, her daughter meets the residency test for your client.
Does your client qualify for the credit?
It looks like you may qualify for EITC. I’ll go through the rest of the questions and do the computations to make sure.