EITC Tax Preparer Toolkit

2009 Qualifying Child Scenario 1

Take 1

Joan:

- Has income from wages of $13,500.
- Wants to claim Susie for EITC.
- Asks you to prepare her return.

Susie:

- Is 6 years old.
- Lived with her father and her Aunt Joan in the same house for the full year in the United States.

What Questions Would You Ask?

- Do you know how much income Susie's father earned last year from wages, pensions and other income?
- Do you know if Susie's father is claiming her as a dependent or as a qualifying child for EITC?
- Is Susie's father married?
- Where is Susie's mother?

You find out—

- Father’s only income was from a part time job, just over $5,000.
- No, he’s not claiming the EITC.
- Susie’s mother died in a car accident over a year ago.

Is Susie Joan's Qualifying Child?

Susie meets the age, relationship and residency requirements to be a qualifying child of both Joan and her father. The tax law change for the 2009 tax year requires a person other than the parent to have a higher adjusted gross income than any of the parents of the child to qualify for EITC. Joan's adjusted gross income is higher than the father's. Joan and the father can choose who claims the credit.

You Find Out—Take 2

- Father earned just over $5,000 in wages.
- Father received interest of $27,000.
- No, he’s not claiming the EITC.
- Susie’s mother died in a car accident over a year ago.

Is Susie Joan's Qualifying Child? (Take 2)

Susie meets the age, relationship and residency requirements to be a qualifying child of both Joan and her father. But, Susie's father has a higher adjusted gross income and Joan cannot take the credit even if he cannot or chooses not to claim EITC.

Recap

The tax law change for the 2009 tax year requires a person other than the parent to have a higher adjusted gross income than any of the parents of the child to qualify for EITC.