





Lesson Plan

Dependents

Time Required: 15 minutes

| Introduction | Objectives | Topics |
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| Identifying and determining the correct number of dependents is a critical component of completing the taxpayer's return. | Determine if a taxpayer may claim an exemption for a dependent by applying the applicable dependency test |   Dependents Qualifying Child Tests Qualifying Relative Tests Children of Divorced or Separated Parents Entering Dependent Exemptions |

Key Terms

Dependency Tests: Tests used for identifying qualifying children or qualifying relatives as dependents.

Dependents: Dependents are either a qualifying child or a qualifying relative of the taxpayer. The taxpayer's spouse cannot be claimed as a dependent. Some examples of dependents include a child, stepchild, brother, sister, or parent.

Exemptions (Personal or Dependency): The deduction for personal and dependency exemptions is suspended for tax years 2018 through 2025 by the Tax Cuts and Jobs Act. Although the exemption amount is zero, the ability to claim a dependent may make taxpayers eligible for other tax benefits. For example, the following tax benefits may all be associated with a dependent: child tax credit, additional child tax credit, credit for other dependents, earned income credit, dependent care credit, head of household filing status, and other tax benefits.

Qualifying Child: To be identified as a qualifying child dependent, a person must meet these tests: U.S. citizen or resident test, Joint return test, Dependent taxpayer test, Relationship test, Age test, Support test, Residence test, and Qualifying child of more than one person test.

Qualifying Relative: To be identified as a qualifying relative dependent, a person must meet these tests: U.S. citizen or resident test, Joint return test, Dependent taxpayer test, Not a qualifying child test, Member of household or relationship test, Support test, and Gross income test.

Teacher Tips

Guidelines for Lesson

| Guideline | Instructor Notes | Presentation Aids |
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| Lesson background info | Review the online demo of TaxSlayer on entering the taxpayer's basic information. | TaxSlayer® Demo: From the Practice Lab, select : <ul style="list-style-type: none"> • TaxSlayer IRS training • Click the appropriate demo. |
| Provide details and engage the students | Discuss all tips and cautions in detail. Ask students to read and/or role-play examples and sample interviews. | Internet: Link & Learn Taxes (L<) Skills Workout: Dependents |

Topic-specific Tips

| Topic Name | Instructor Notes | Presentation Aids |
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| Introduction | <p>Review lesson objectives.</p> <p>Explain that a dependent must be either a qualifying child or a qualifying relative. The taxpayer's spouse cannot be claimed as a dependent. Some examples of dependents include a child, stepchild, brother, sister, or parent.</p> <p>Review list of references.</p> <p>State the presentation time.</p> | <p>Visual: Form 1040, Dependents section Form 13614-C, Page 1, marital status section</p> |

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| Dependents | <p>Explain how claiming dependents affects the taxpayer's return.</p> <p>Ask questions and prompt students to share what they know about determining who may be claimed as a dependent.</p> <p>Discuss the differences between a qualifying child and qualifying relative.</p> <p>Explain the three rules that apply to both qualifying child and qualifying relative:</p> <ul style="list-style-type: none"> • Dependent taxpayer test • Joint return test • Citizen or resident test <p>Refer students to Pub 17, Dependents.</p> | <p>Visuals:</p> <p>L&LT Dependents Student Landing Page questions</p> <p>Pub 4012, Dependents tab, Overview of the Rules for Claiming a Dependent</p> <p>Pub 17</p> <p>Internet:</p> <p>FAQs about Dependents and Exemptions</p> |
| Qualifying Child Tests | <p>Explain details of the five tests that must be met for a qualifying child:</p> <ul style="list-style-type: none"> • Relationship • Age • Residency • Support • Qualifying child of more than one person <p>Walk through the steps in Pub 4012, Table 1: All Dependents.</p> <p>Point out the special circumstances for kidnapping or birth and death of a child.</p> <p>Discuss the tie-breaker rules that apply to a qualifying child of more than one person.</p> | <p>Visuals:</p> <p>Pub 4491, Dependents lesson, Qualifying Child Tests</p> <p>Form 13614-C, Page 1, Part II - Marital Status and Household Information</p> <p>Pub 4012, Dependents tab, Table 1: All Dependents</p> <p>Pub 4012, Dependents tab, Qualifying Child of More Than One Person</p> |
| Qualifying Relative Tests | <p>Explain details of the four tests that must be met for a qualifying relative:</p> <ul style="list-style-type: none"> • Not a qualifying child • Member of household or relationship test • Gross income • Support <p>Review the steps in Pub 4012, Table 2: Qualifying Relative Dependents.</p> <p>Discuss examples of not a qualifying child.</p> <p>Discuss the different relationships that meet the member of household test.</p> | <p>Visuals:</p> <p>Pub 4491, Dependents lesson, Qualifying Relative Tests</p> <p>Pub 4012, Dependents tab, Table 2: Qualifying Relative Dependents</p> <p>Pub 4012, Dependents tab, Worksheet for Determining Support</p> <p>Internet:</p> <p>Form 2120, Multiple Support Declaration</p> |

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| | Discuss a multiple-support situation, and when Form 2120 is appropriate. | |
| Children of Divorced or Separated Parents | <p>Point out that special rules apply if the dependent is supported by parents who are divorced, separated, or live apart.</p> <p>Ask students to explain the difference between custodial and noncustodial parents.</p> <p>Review the steps in Pub 4012, Children of Divorced or Separated Parents or Parents Who Live Apart table.</p> <p>Ask: Who is the custodial parent if the child lived with each parent for an equal number of nights during the year? Answer: The custodial parent is the parent with the higher adjusted gross income.</p> <p>Explain how custodial parents can revoke a release of claim to exemption they previously provided to the noncustodial parent on Form 8332.</p> | <p>Visuals: L&LT Dependents, Children of Divorced or Separated Parents</p> <p>Pub 4012, Dependents tab, Table 3: Children of Divorced or Separated Parents or Parents Who Live Apart table</p> <p>Internet: Form 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent</p> |
| Summary | <p>Review the lesson summary with the class.</p> <p>Ask students how exemptions impact the taxpayer's return. Answer: Claiming a dependent no longer results in an exemption that lowers taxable income, but dependents make the taxpayer eligible for certain credits and other tax benefits.</p> <p>Review determination of a taxpayer's qualifying child or qualifying relative.</p> | <p>Visuals: Pub 4012, Dependents tab, Overview of the Rules for Claiming a Dependent</p> <p>Pub 17, Personal Exemptions and Dependents</p> |

References

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| Pub 4491 | Dependents lesson |
| Form 1040 | Form 1040 , Dependents Section |
| Form 13614-C | Form 13614-C , Intake/Interview & Quality Review Sheet, Page 1 |
| Pub 4012 | Pub 4012 , Volunteer Resource Guide, Dependents tab Basic Information section Overview of the Rules for Claiming a Dependent Qualifying Child of More Than One Person Table 1: All Dependents Table 2: Qualifying Relative Dependents Table 3: Children of Divorced or Separated Parents or Parents Who Live Apart Worksheet for Determining Support |
| Pub 17 | Pub 17 , Chapter 3, Personal Exemptions and Dependents |

Optional

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| Pub 501 | Pub 501 , Exemptions for Dependents chapter |
| Form 2120 | Form 2120 , Multiple Support Declaration |
| Form 8332 | Form 8332 , Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent |

Recommended Classroom Activities



Skills Workout



Certification Warm Up



Media: Videos & Audio



TaxSlayer Tutorial



Job Aids



Practice Lab



Skills Workout: Link & Learn Taxes Dependency Exemptions

Click Skills Workout to access L< Dependents.



Certification Warm Up – Exercises

Click Certification Warm Up to access the exercises in L< Dependents.



Media: Video & Audio for Lesson

There is no media associated with this lesson.



TaxSlayer Tips and Resources for Lesson

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| TaxSlayer Training Video | Starting a Tax Return |
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| Practice Lab Tutorial | From the Practice Lab : |
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1. Enter the universal password (if you do not have the password, you can request it from your site coordinator or SPEC relationship manager).
 2. Sign in to Practice Lab or create an account.
 3. Select the appropriate tutorial.
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Job Aids

ITA and FAQs for Lesson

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| ITA | Interactive Tax Assistant – Whom May I Claim as a Dependent? |
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| | https://www.irs.gov/help/ita/whom-may-i-claim-as-a-dependent |
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| FAQs | FAQs – Dependents |
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| | https://www.irs.gov/faqs/filing-requirements-status-dependents-exemptions |
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Practice Lab

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| Practice Lab | https://vita.taxslayerpro.com/IRSTraining/en/Account/Access |
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