Lesson Plan

Unique Filing Situations

Time Required: 15 minutes

Introduction	Objectives	Topics
This lesson addresses: • Filing status issues you may encounter when assisting taxpayers who are not U.S. citizens • Exemption issues related to taxpayers who may have a nonresident alien spouse or nonresident alien stepchildren	Determine whether an individual is a resident or nonresident alien. Apply the support test and citizen or resident test to determine whether an individual can be claimed as a dependent. Apply special rules for Head of Household status when the spouse is a nonresident alien.	 Determining alien status Exemption for nonresident alien spouse Dependents

Key Terms

Dependent: An individual who may be claimed as a dependent on another person's tax return; that is, someone who meets all applicable dependency tests.

Dual status alien: An alien who is both a nonresident and resident alien during the same tax year. The most common dual-status tax years are the years of arrival and departure.

Earned Income Credit (EIC): A credit that can be paid to low-income workers, even if no income tax was withheld from the worker's pay. To receive the credit, a taxpayer must file a tax return.

Exemptions (Personal or Dependency): Amount that taxpayers can claim for themselves, their spouses, and eligible dependents. An exemption is a dollar amount that can be deducted from an individual's total income, thereby reducing the taxable income. The elimination of the personal exemption was made permanent.

Green card test: The determination that an individual has been issued a "green card" by the United States Citizenship and Immigration Services (USCIS), generally making that person a lawful, permanent resident of the United States.

Head of Household Filing Status: This filing status is generally for unmarried taxpayers who paid more than half the cost of keeping up a home for a qualified dependent relative during the tax year.

Married Filing Jointly: Filing status for taxpayers who are married to each other or live together in a common law marriage and combine their income and deductions on the same tax return. The status also applies to taxpayers who are separated but not divorced and to taxpayers whose spouse died during the tax year and have not remarried, as long as one tax return is used for both individuals.

Married Filing Separately: Filing status for taxpayers who are married to each other or live together in a common law marriage and report their own incomes and deductions on separate returns.

Nonresident alien: A residency status of an individual who does not meet the Green Card Test or the Substantial Presence Test.

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

Resident alien: An individual is considered to be a resident alien if he or she meets either the Green Card Test or the Substantial Presence Test.

Substantial presence: The criteria that an individual without a green card must meet in order to be considered a resident alien; the criteria relate to specific numbers of days physically present in the U.S.

Teacher Tips

Guidelines for Lesson

Guideline	Instructor Notes	Presentation Aids
Lesson background info	**Review** the online demo of TaxSlayer on entering the taxpayer's basic information. **Indicate** the entries affected when taxpayers are not U.S. citizens or when taxpayers have a nonresident alien spouse or nonresident alien stepchildren.	**TaxSlayer® Demo:** From the Practice Lab, select : • 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. **Review** answers to each exercise; ask students how they arrived at their answers.	**Internet:** Link & Learn Taxes (L&LT) Unique Filing Situations

Topic-specific Tips

Topic Name	Instructor Notes	Presentation Aids
Introduction	**Review** lesson objectives. **Review** list of references. **State** the presentation time.	**Visuals:** Form 1040, filing status and EIC Form 13614-C, Page 1, Personal Information, Marital Status and Household Information Publication 4012, Resident/NR Aliens, Starting a Return and Filing Status, and Dependents tabs

Determining alien status	**Prompt** students to share what they know about resident and nonresident aliens using the Student Landing Page questions. **Inform** students that nonresident aliens are taxed differently from resident aliens **Ask** students to find the parts of the intake and interview sheet where taxpayers indicate: • Whether or not they and their spouse are U.S. citizens. • Citizenship or residency of family members and dependents **Direct** students to Pub 4012: • Resident/NR Alien tab, Resident or Nonresident Alien decision chart • Starting a Return and Filing Status tab, Filing Status Interview Tips **Ask:** When a green card has been issued, what is the residency status? **Answer:** Resident alien	**Visuals:** Student Landing Page Questions Form 13614-C, Page 1, Marital Status and Household Information Pub 4012, Resident/NR Alien tab, Resident or Nonresident Alien Decision Chart Pub 4012, Starting a Return and Filing Status tab, Determination of Filing Status – Decision Tree Pub 4012, Starting a Return and Filing Status, Entering Basic Information **Internet:** Interactive Tax Assistant: What is my filing status?

Nonresident alien spouse	**Review** L&LT topic Nonresident Alien Spouse. **Ask** a volunteer to read the case study in this topic. Answer any student questions. **Ask:** What are two ways citizens or resident aliens who are married to nonresident aliens can treat their spouses on their returns? **Answer:** Either treat the spouse as resident alien on a joint return or treat the spouse as a nonresident alien on a Head of Household or Married Filing Separately return. **Show** table for Ending the Choice from Pub 54 when discussing choice to treat nonresident alien spouse as a U.S. resident. **Ask:** Can a taxpayer filing Head of Household who is married to and living with a nonresident alien spouse claim the earned income credit? **Answer:** No	**Visuals:** L&LT Unique Filing Situations Pub 4012, Starting a Return and Filing Status: • Entering Basic Information • Entering Dependent/Qualifying Person Pub 4012, Starting a Return and Filing Status tab: • Determination of Filing Status – Decision Chart • Filing Status Interview tips Pub 17, Head of Household, Nonresident alien spouse Pub 54, Table for ending choice to be treated as a resident alien
Dependents	**Review** L&LT topic Dependents **Refer** students to Pub 17, Chapter 3, Citizen or Resident Test when discussing adopted children. **Direct** students to: • Interactive Tax Assistant	**Visuals:** Pub 17, Chapter 3, Citizen or Resident Test **Internet:** Interactive Tax Assistant: Whom May I Claim as a Dependent?
Summary	**Review** the lesson summary with the class. **Remind** students that resident aliens follow the same tax laws as U.S. citizens. Nonresident aliens follow another set of tax laws, most of which are outside the scope of the VITA/TCE program.	**Visuals:** L&LT Unique Filing Situations: Click Certification Warm Up icon to review the exercises

References	
L&LT	Unique Filing Situations
Form 1040	Form 1040
Form 13614-C	Form 13614-C, Intake/ Interview & Quality Review Sheet, Page 1
Pub 4012	Pub 4012, Volunteer Resource Guide, Resident/NR Aliens, Starting a Return and Filing Status, and Dependents tabs Resident or Nonresident Alien Decision Chart Filing Status Interview Tips Determination of Filing Status – Decision Tree Table 1: All Dependents
Pub 17	Pub 17, Chapters 1-3
Optional	
Pub 3	Armed Forces' Tax Guide
Pub 54	Tax Guide for U.S. Citizens and Resident Aliens Abroad
Pub 519	U.S. Tax Guide for Aliens
Form 1040-NR	U.S. Nonresident Alien Income Tax Return

Recommended Classroom Activities



Skills Workout: Link & Learn Taxes Unique Filing Situations

Click Skills Workout to access Link & Learn Taxes Unique Filing Situations.

Certification Warm Up –Exercises

Click Certification Warm Up to access the exercises in Link & Learn Taxes Unique Filing Situations.

Media: Video & Audio for Lesson

There is no media associated with this lesson.

TaxSlayer Tips and Resources for Lesson

Practice Lab Tutorial	From the Practice Lab: 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.

Job Aids

ITA and FAQs for Lesson

Interactive Tax Assistant	What is My Filing Status? https://www.irs.gov/help/ita/what-is-my-filing-status Whom May I Claim as a Dependent? https://www.irs.gov/help/ita/whom-may-i-claim-as-a-dependent