

Clients With Children Tax Review

Learning Objectives/Table of Contents

Chapter

1 Qualifying Person for Dependent Exemption

- 1-A** Verify whether a taxpayer is eligible to claim an exemption for a dependent; and whether the dependent meets the joint return, and citizen or residency tests.
- 1-B** Identify whether a taxpayer's child is a qualifying child for purposes of the dependent exemption.
- 1-C** Identify whether an individual is a qualifying relative for purposes of the dependent exemption.

2 Filing Status With Children or Other Qualifying Persons

- 2-A** Determine eligibility for head of household filing status for taxpayers with qualifying children.
- 2-B** Determine eligibility for head of household filing status for taxpayers with qualifying persons other than qualifying children.
- 2-C** Identify taxpayers who are eligible to use qualifying widow(er) filing status.

3 Child Tax Credit

- 3-A** Recognize dependents who qualify for purposes of claiming the child tax credit and additional child tax credit.
- 3-B** Calculate the phaseout of the child tax credit based on the taxpayer's adjusted gross income.
- 3-C** Determine whether the taxpayer qualifies for the additional child tax credit, and compute the proper credit amount.

4 Earned Income Credit

- 4-A** Identify qualifying children for purposes of claiming the earned income credit.
- 4-B** Explain the process of the advance payment of the earned income credit and how it is reported on the taxpayer's return.
- 4-C** Meet standards necessary to avoid preparer penalties for failure to exercise due diligence.

5 Dependent Care Credit

- 5-A** Determine whether a taxpayer qualifies to claim the credit for child and dependent care expenses.
- 5-B** Identify costs that can be used to compute the credit for child and dependent care expenses.
- 5-C** Properly report employer-provided dependent care benefits on the taxpayer's return.

6 Education Expenses

- 6-A** Recognize allowable education expenses for purposes of computing education credits and deductions.
- 6-B** Compute allowable education credits, including application of adjusted gross income limitations.
- 6-C** Explain options for choice of who claims education credits, and analyze scenarios to provide taxpayers the greatest benefit.

7 Kiddie Tax

- 7-A** Recognize situations where kiddie tax applies to income of a taxpayer's children.
- 7-B** Apply the correct tax rates to portions of income of a child subject to kiddie tax.
- 7-C** Analyze the choice between reporting income of a child subject to kiddie tax on the parents' or the child's return.

8 Divorce or Separation

- 8-A** Analyze the effects of alimony and child support paid on dependency requirements and other tax situations that involve children.
- 8-B** Discuss factors involved with custody issues.
- 8-C** Recognize situations where special rules apply for children of divorced or separated parents.

9 Miscellaneous Children's Issues

- 9-A** Explain special tax provisions that apply to a child's income, including a child employed by his or her parents.
- 9-B** Deduct medical expenses incurred on behalf of a child of divorced or separated parents.
- 9-C** Determine tax provisions that apply to children that were born or died during the year; apply filing requirements to children, and explain the procedure for a minor child to sign a tax return.