

EITC Tax Preparer Toolkit

22 Year Old Client with
two Sons

Example 3

Your client informs you:

- He is 22 years old.
- He has two sons, ages 10 and 11.
- He wants to claim EITC.



What Comes To Mind In This Scenario?

The children's ages appear inconsistent with the client's age.

There might be a perfectly logical explanation.

In today's society, family situations are complicated and many times non-traditional.

- It is necessary for preparers to ask additional questions - and get all the facts!

Questions and Answers -



Take 1

What Questions Should You Ask?

You ask--

What is your relationship to these children?

He says--

They're my girlfriend's sons but I paid all the bills.

You are thinking – doesn't seem to meet
relationship test

What Questions Should You Ask?

You ask--

Were you ever married to the mother?

He says--

No!

You can eliminate stepsons as possible relationship.

What Questions Should You Ask?

You ask--

Were the children placed in your home for adoption or as foster children by a court or authorized agency?

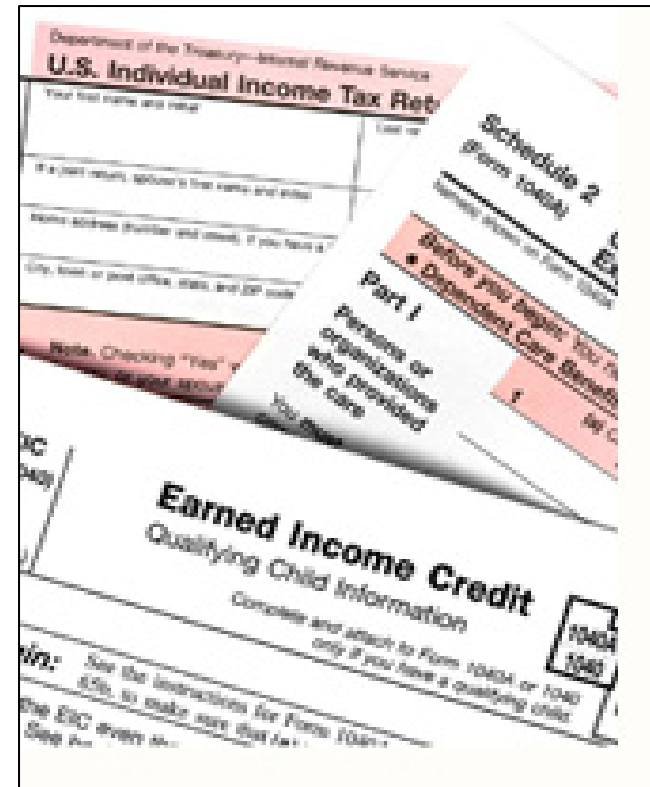
He says--

No.

So, what will you tell him?

You Say--

Sorry, you do not qualify for EITC because your girlfriend's sons do not meet one of the defined EITC relationships.



Questions and Answers -



Take 2

What Questions Should You Ask?

You ask--

What is your relationship to these children?

He says--

They're my girlfriend's sons but I paid all the bills.

You are thinking there might be a problem with
relationship test

What Questions Should You Ask?

You ask--

Were you ever married to the mother?

He says--

Yes, but we divorced two years ago.

- The children are still his stepsons, even though parents are divorced. This is a qualified relationship.
- But you are wondering where the mother is--

What Questions Should You Ask?

You ask--

Did the mother live with you last year?

He says--

Yes, we got back together.

Might there be a problem with mother also trying to claim the stepsons? You need to ask more questions--

What Questions Should You Ask?

You ask--

When did she move in?

He says--

Late summer, August.

So, you know mother will not be able to claim the children since she does not meet the residency test. But you might want to ask the client to be sure – so he has no problems with more than one person claiming the same qualifying child.

What Questions Should You Ask?

You ask--

How long did the children live with you?

He says--

All year.

So, you know your client meets residency test.

You Say--

You may qualify for EITC, I need to ask you some additional questions.

The IRS may ask for documentation. You may need proof the children lived with you, like school or doctor records.

The image shows Form 8867, 'Paid Preparer's Earned Income Credit Checklist'. It is a multi-page document with several sections. The main section contains a checklist of questions (1-7) that a paid preparer must answer to determine if a taxpayer is eligible for the EITC. The questions cover various criteria such as the taxpayer's status, age, investment income, and the number of children. Each question has a 'Yes' or 'No' checkbox. To the right of the main section are three smaller sections: 'Part 2' (a table with columns for 'Child 1' and 'Child 2'), 'Page 2' (a checklist of questions 8-11), and 'Page 3' (a checklist of questions 12-14). At the bottom, there are instructions for the preparer and a warning about the penalty for non-compliance.

Customer Service Opportunity

You know these situations often result in both claiming a child for EITC.

It is good service to advise client of what to expect.

