

DEPENDENTS

HOW A CHILD OR OTHER QUALIFYING PERSON AFFECTS A CLIENT'S TAX RETURN FAST ANSWER CHARTS

TAX YEAR **2023**

Dependency Tests for 2023

All seven of the following tests must be met in order for a taxpayer to claim another person as a dependent. Test numbers 4 through 7 vary depending on whether the person is a qualifying child or a qualifying relative.

1) **Dependent taxpayer test.** To claim another person as a dependent, the taxpayer, or spouse of the taxpayer if filing jointly, cannot be eligible to be claimed as a dependent on someone else's tax return.

2) **Joint return test.** A person cannot be treated as a dependent if he or she files a joint return with a spouse. This rule does not apply if the joint return was filed only to claim a refund of withheld income tax or estimated tax paid.

3) **Citizen or resident test.** The person claimed as a dependent must be either a U.S. citizen, U.S. national, U.S. resident alien, or a resident of Canada or Mexico. **Exception:** An adopted child (or child lawfully placed for legal adoption) who is not a U.S. citizen, U.S. resident alien, or U.S. national that lived with the taxpayer all year passes this test if the taxpayer is a U.S. citizen or U.S. national.

Qualifying Child

4) **Relationship test.** The child must be the taxpayer's son, daughter, stepchild, foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of these, such as a grandchild, niece, or nephew.

Note: If a child meets tests 4 through 7 for more than one taxpayer, see *Qualifying Child of More Than One Person*, page 42-3.

5) **Residency test.** The child must have lived with the taxpayer for more than half of the year. See *Exceptions to Time Lived With Taxpayer*, below.

6) **Age test.** The child must be:

- Under age 19 at the end of the year and younger than the taxpayer (or spouse, if MFJ), or
- A student under age 24 at the end of the year and younger than the taxpayer (or spouse, if MFJ), see *Student*, below, or
- Permanently and totally disabled at any time during the year, regardless of age. See *Permanently and Totally Disabled*, below.

7) **Support test.** The child cannot provide over half of his or her own support during the year.

Note: Third party payments (foster care payments, welfare, TANF, etc.) and scholarships received by a student are not considered support provided by the child.

Qualifying Relative

4) **Relationship or member of household test.** A relative of the taxpayer must be:

- A son, daughter, stepchild, foster child, or a descendant of any of these (such as a grandchild),
- A brother, sister, half brother, half sister, or a son or daughter of either of these (such as a niece or nephew),
- A father, mother, or a direct ancestor or sibling of either of them (such as a grandmother, grandfather, aunt, or uncle), but not foster parent,
- A stepbrother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law, or
- Any other person (other than the spouse) who lived with the taxpayer all year as a member of the taxpayer's household if the relationship does not violate local law. See *Exceptions to Time Lived With Taxpayer*, below.

5) **Not a qualifying child test.** The relative must not be a qualifying child of any other taxpayer for the year. For this purpose, a person is not a taxpayer if he or she is not required to file a tax return and either does not file a return or only files a return to get a refund of withheld income tax or estimated tax paid.

6) **Gross income test.** The relative must have gross income of less than \$4,700 in 2023.

Gross income defined. Gross income is all income (money, property, services) that is not exempt from tax. Gross income includes all taxable unemployment compensation, taxable Social Security benefits, and certain scholarships and fellowship grants. Scholarships received by degree candidates that are used for tuition, fees, supplies, books, and equipment required for particular courses are generally not included in gross income. See *Exception to Gross Income Test*, below.

7) **Support test.** The taxpayer must provide over half of the relative's total support during the year. This test does not apply for persons who qualify as dependents under the children of divorced or separated parents rule, the multiple support agreements rules, and the rule for kidnapped children. See *Dependent Parent Special Rule*, below.

Note: If a taxpayer's child is not a dependent under the qualifying child rules, the child may still qualify as a dependent under the qualifying relative rules. However, claiming the child as a dependent under the qualifying relative rules will not qualify the taxpayer for the Earned Income Credit or the Child Tax Credit.

Exceptions to Time Lived With Taxpayer | Temporary absences for special circumstances, such as school, vacation, business, medical care, military service, or detention in a juvenile facility, count as time the person lived in the home. A child who was born or died during the year is treated as having lived with the taxpayer for more than half of the year if the taxpayer's home was the child's home for more than half the time he or she was alive. A stillborn child does not qualify as a dependent. A child kidnapped by a non-family member may still be a qualifying child. See *Kidnapped Child*, page 42-2.

Student | A student must be enrolled full time during some part of each of any five calendar months during the year at a school, or taking a full-time on-farm training course given by a school, or a state, county, or local government agency. See *School Defined*, page 42-2.

Permanently and Totally Disabled | A person is permanently and totally disabled if, at any time during the year, he or she cannot engage in any substantial gainful activity because of a physical or mental condition, and a doctor has determined that this condition has lasted, or can be expected to last, continuously for at least a year or can be expected to lead to death.

Exception to Gross Income Test | If the taxpayer's qualifying relative is permanently and totally disabled at any time during the year, certain income for services performed at a sheltered workshop is excluded for this test. Sheltered workshops are schools operated by tax-exempt organizations that provide training designed to alleviate disabilities.

Dependent Parent Special Rule | If the taxpayer's qualifying person is the taxpayer's father or mother, the taxpayer may be able to claim the father and mother as a dependent even if the father or mother does not live with the taxpayer. The taxpayer must pay more than half the cost of keeping up a home that was the main home for the entire year for the father or mother. This includes paying more than half the cost of keeping the parent in a rest home or home for the elderly.