

### What Is a Dependent Exemption?

A dependent is a person -- not you or your spouse -- that you support. A dependent exemption reduces your taxable income. Each exemption reduces your income by \$3,400. This may help you pay fewer income taxes. An exemption might even increase your tax refund.

A dependent exemption is not a cash benefit. It will only reduce your taxes. If you do not owe enough taxes, it will not give you money. It is not like the Earned Income Credit, which will give you money even if you owe no taxes.

### Can I Claim a Dependent Exemption?

To claim someone as a dependent, you **must** meet the following tests:

#### 1. Relationship Test

The term "dependent" means a qualifying child, or a qualifying relative, as follows:

- Qualifying Child  
The child must be your son, daughter, stepchild, eligible foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them.

- The child must be (a) under age 19 at the end of the year, (b) under age 24 at the end of the year and a full-time student, or (c) any age if permanently and totally disabled.

- The child must have lived with you for more than half of the year.
- The child must not have provided more than half of his or her own support for the year.

- If the child meets the rules to be a qualifying child of more than one person, you must be the person entitled to claim the child as a qualifying child.

#### Qualifying relative:

- The person cannot be your qualifying child or the qualifying child of anyone else.
- The person must be related to you **OR** live in your household the entire year. Dependents must be related to you in one of the following ways:

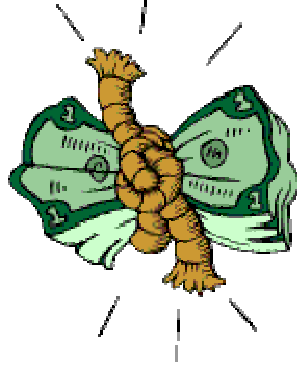
Child, grandchild, great grandchild, step-child, adopted child, son-in-law, or daughter-in-law, brother, sister, stepbrother, stepsister, sister-in-law or brother-in-law.

Parent, grandparent (this does not include a foster parent), step-mother, stepfather, father-in-law or mother-in-law.

Aunt, uncle, niece or nephew.

(Under the relationship test, a cousin is *not* related to you.)

- Foster child. If a foster child has lived with you the entire year and you cared for the child as your own, the foster child is considered your child.
- A legally adopted child is considered your child.
- A relationship established by marriage, such as mother-in-law, does not end with divorce or death.
- The person's gross income for the year must be less than \$3,400.
- You must provide more than half of the person's total support for the year.



#### 2. Citizen or Resident Test

The dependent must be a citizen or resident of the United States (does not have to be a legal resident), or a resident of Mexico or Canada. Residents of Mexico or

Canada do not have to live in the United States to be dependents.

You cannot claim your child as a dependent if your child did not live in the United States, Mexico, or Canada.

#### 3. Joint Return Test

In most cases, your dependent cannot file a joint tax return with a spouse. Please see a tax professional for an exception to this test.

#### If I Do Not Claim the Dependent Exemption, Can I still Get the Earned Income Tax Credit?

Yes. If you cannot claim the dependent exemption, you may be able to claim the same child for the earned income tax credit. The dependent exemption and earned income tax credit have different rules.

Many people fail to claim the earned income tax credit when the other parent claims the dependent exemptions. If your child lived with you for more than six months and you meet the earned income tax credit rules, you should claim the earned income tax credit.

**Please see a tax professional for other relationships that may qualify.**

**Can I Claim Someone as a Dependent if they do not have a Social Security Number?**

The dependent must have a valid Social Security Number OR an Individual Taxpayer Identification Number (ITIN). You cannot claim a dependent who does not have a Social Security Number or an ITIN.

You can get an ITIN even if you do not qualify for a Social Security Number! You can get an ITIN by filling out a W-7 Application. You can get a W-7 Application from the IRS Website ([www.irs.gov](http://www.irs.gov)). Just type "W-7" in the form box. The ITIN is a nine digit number beginning with the number "9". It looks like a Social Security Number. Example: (900-00-0000)

**If I Do Not Claim the Dependent Exemption, Can I Still Get the Child Tax Credit?**

No. You must claim the dependent exemption to get the child tax credit.

**Who Can Claim My Child as a Dependent if I am Divorced or Separated?**

In most cases, the parent who has physical (it does not have to be legal) custody of the child for most of the year is treated as the parent who provides more than half of the child's support.

The parent without physical custody (non-custodial parent) can claim the child as a dependent only if the following are true:

- (1) The non-custodial parent can prove that they provided more than half of the child's support. Even if a parent pays child support payments every month, this does not mean that they paid over one-half of the dependent's support.

AND

- (2) The custodial parent must sign a release (IRS Form 8332). The custodial parent can give the dependent exemption to the non-custodial parent by signing Form 8332. The non-custodial parent must attach Form 8332 to his or her tax return every year. You can get this form on the IRS Website ([www.irs.gov](http://www.irs.gov)).

You should never sign part II of IRS Form 8332. This gives the non-custodial parent the right to claim your child in future years. Your tax situation might change. Part 1-Form 8332, only gives the non-custodial parent the right to claim your child in the current year.

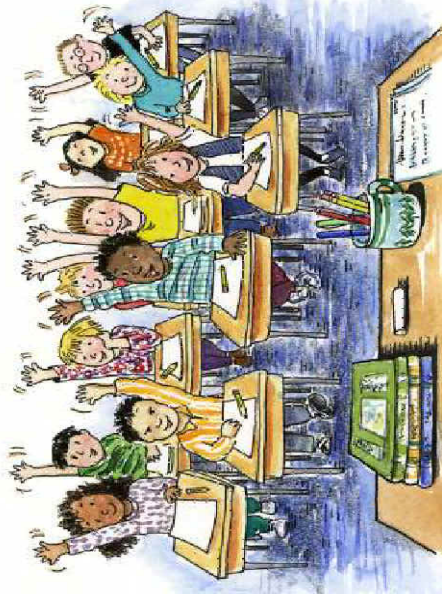
A divorce order can help establish physical custody. It does not bind the IRS if both parents claim the child as a dependent. Even though you have a divorce order, you will still have to meet all five dependent tests.

The parent who is allowed to claim the dependent exemption under the divorce decree can bring a contempt action against the parent who violates the divorce order.

**NOTE:** This information cannot take the place of advice from a lawyer. Each case is different and needs individual legal advice. You should contact a lawyer if you need representation on a tax matter or if you have questions.

***The Rhode Island Legal Services  
Low Income Taxpayer Clinic is  
funded by a grant from the IRS.***

# DEPENDENT EXEMPTIONS



ENGLISH  
TAX YEAR 2008

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