

(answer sheet to questions pages 62 - 64)

WHO CAN THEY CLAIM?

1. The following people lived together in the U.S. for all of 2009. They all have SSNs. Tom and Teresa are married. They both worked. Tom earned \$12,000 and Teresa earned \$14,000. They have three children: Tammy, age 18, Teddy, age 14, and Tory, age 10. All three kids were full time students and none of them had any income. Tom and Teresa are going to file a joint return.

Who are Tom and Teresa eligible to claim?

Dependents? **Tammy, Teddy, Tory**

Qualifying child for EITC? **Tammy, Teddy, Tory**

Qualifying child for child tax credit? **Teddy, Tory**

Qualifying child for child care credit? **Tory**

Qualifying person for head of household? **Not applicable – married.**

2. The following people lived together in the U.S. for all of 2009. They all have SSNs. Harriet, age 52, is a single mom with one son, Alan, age 33. Alan is totally disabled and receives SSI (supplemental security income) that totaled \$9,400 for 2009. Harriet worked part time and earned \$4,100. She received about \$3,000 in food stamps. They pooled all their resources and spent it all on support for both of them.

Who is Harriet eligible to claim?

Dependents? **none**

Qualifying child for EITC? **Alan**

Qualifying child for child tax credit? **none**

Qualifying child for child care credit? **none**

3. The following people lived together in the U.S. for all of 2009. They all have SSNs. Hank is a single dad with one child, Max, age 14. Hank earned \$30,000 – his only income. Max's only income was from his summer job where he earned \$4,550.

Who is Hank eligible to claim?

Dependents? **Max**

Qualifying child for EITC? **Max**

Qualifying child for child tax credit? **Max**

Qualifying child for child care credit? **none**

Qualifying person for head of household? **Max**

*How many exemptions can Max claim on his tax return? **0***

4. The following people lived together in the U.S. for all of 2009. They all have ITINs. Juanita and Alex are married and have two children, Sam and Hector. Sam is 3 and Hector was born in November, 2009.

Who are Juanita and Hector eligible to claim?

Dependents? **Sam and Hector**

Qualifying child for EITC? **Not applicable because taxpayers have ITINs.**

Qualifying child for child tax credit? **Sam and Hector**

Qualifying child for child care credit? **Sam and Hector**

5. Franklin and Mona, both age 26, lived together in the U.S., with Mona's sons, Bobby, age 3, and Billy, age 4, for all of 2009. They all have SSNs. Franklin and Mona are not married and Franklin is not the father of Bobby or Billy. Franklin earned \$39,000 and provided most of the support for the family. Mona earned \$11,000 in 2009. This was their only income.

Who is Franklin eligible to claim? **Can't claim anybody for anything. The kids are the qualifying children of another taxpayer (Mona) She is a taxpayer because she is required to file a tax return.**

6. Ethel and Don got divorced in November of 2009. Ethel and their son, Donnie Jr., age 10, have lived on their own together since Don moved out in the summer of 2008. They all have SSNs. In 2009 Ethel earned about \$4,000, Don earned \$41,000 and Don paid Ethel \$9,000 in child support. Don was supposed to pay her more child support, so she decided she does not want Don to claim Donnie Jr. on his taxes this year. The divorce decree says that Don *can* claim Donnie Jr. as his dependent and as his qualifying child for the child tax credit.

Ethel can claim Donnie for which tax benefits? **ALL**
dependency EITC child tax credit child care credit head of household

Don can claim Donnie for which tax benefits? **NONE**
dependency EITC child tax credit child care credit head of household

What could happen that would change your answer? **She changes her mind and gives him an 8332.**

7. Julia, age 38, Grandma Grace (Julia's mother), and Rory, Julia's 16-year-old daughter, are all single and lived together in the U.S. for all of 2009. They all have SSNs. Grandma Grace worked part time and earned \$8,000 and received \$14,000 in social security retirement. Julia worked full time and earned \$32,000. Rory had no income.

Who is Grandma Grace eligible to claim? **AGI is less than Julia, so no one.**

Dependents? **NONE**

Qualifying child for EITC? **NONE**

Qualifying child for child tax credit? **NONE**

Qualifying child for child care credit? **NONE**

Assume that Grandma Grace's wage income was actually \$35,000.

Who is Grace eligible to claim? **Then they have a choice. All benefits go to same taxpayer.**

8. The following people lived together in the U.S. for all of 2009. They all have SSNs. Jonathon is single and has no children. He earned \$25,000 in 2009, his only income. In 2008, his old college roommate, Tony, lost his job and moved in with Jonathon. Tony has not been able to find a job and he had no income in 2009. Jonathon feels sorry for Tony and let him live with him all year. Jonathon provided all of the financial support for both himself and Tony. Tony ate chips, drank beer, and watched TV. Jonathon and Tony are both 28 years old.

Who is Jonathon eligible to claim?

Dependents? **Tony – as a qualifying relative.**

Qualifying child for EITC? **None**

Qualifying child for child tax credit? **None**

Qualifying child for child care credit? **None**

Qualifying person for head of household? **None (Tony is not related to John.)**

(answer sheet)

WHO WILL GET THE MAKING WORK PAY/GOVERNMENT RETIREE CREDIT?

1. Bob and Tanya are married, both have SSNs, and they will file jointly. Bob's income was unemployment compensation, \$11,000, and Tanya's income was \$10,000 in wages. This was their only income.
*Will they receive the MWP/GR credit? **YES** How much? **\$ 620***
2. John and Mary are married, both have ITINs, and they will file jointly. John's income was wages of \$25,000 and Mary's income was wages of \$22,000. This was their only income.
*Will they receive the MWP/GR credit? **NO (ITINs)** How much? **\$ 0***
3. Joe is 21, has an SSN, and is a full time college student. He lives with his parents who provided over half of his support for 2009. Joe had a summer job and earned about \$10,000. This was his only income.
*Will he receive the MWP/GR credit? **NO (dependent)** How much? **\$ 0***
4. Ralph and Susan are married, both have SSNs, and they will file jointly. John's income was wages of \$15,000 and Susan's income was wages of \$18,000. This was their only income.
*Will they receive the MWP/GR credit? **YES** How much? **\$ 800***
5. Salvador and Teresa are married and they will file jointly. Salvador has an ITIN and Teresa has an SSN. Salvador's income was wages \$13,500 and Teresa's income was unemployment \$4,000. This was their only income.
*Will they receive the MWP/GR credit? **YES** How much? **\$ 800***
6. Sonja is 21, has an SSN, and works part time. She is not a student. She earned \$6,000, her only income. She lives with her parents, who provided housing and many of her meals at no charge.
*Will she receive the MWP/GR credit? **YES** How much? **\$ 372***
7. Bill is 67, single, and has an SSN. He received social security benefits all year, totaling \$9,000. He also has interest income of \$1,200, and \$7,500 in wages. This was his only income.
*Will he receive the MWP/GR credit? **YES** How much? **\$ 150 (\$400 - \$250)***
8. Maria is 33 years old and has an ITIN. She is a widow with three young children. She earned \$3,000, her only income.
*Will she receive the MWP/GR credit? **NO (ITIN)** How much? **\$ 0***
9. Julia, age 85, is a widow. She received \$1,000 in bank interest and \$23,000 in a state government pension. This was his only income. Will she receive the MWP/GR credit? How much?
*Will she receive the MWP/GR credit? **YES** How much? **\$ 250 (GRC only)***
10. Harry, age 71, is married to Lulu, age 42. They both have SSNs. Harry received social security all year totaling \$9,000. Lulu ran her own design business and after expenses, made \$52,000. This was their only income.
*Will they receive the MWP/GR credit? **YES** How much? **\$ 550 (\$800 - \$250)***