

# Claiming Dependent Exemptions

This playbook outlines the steps to claim dependents on your tax return, which can help reduce your taxable income. It includes rules and the procedural process to correctly apply these exemptions.

## Step 1: **Determine eligibility**

Verify if the person you are considering claiming as a dependent meets the Internal Revenue Service (IRS) criteria. To be a qualifying child, they must be related to you, under age 19 (or under 24 and a full-time student), live with you for more than half the year, and not provide more than half of their own support. For a qualifying relative, they must live with you all year or be on the list of relatives who do not have to live with you, make less than \$4,300 in 2020 (\$4,400 in 2021), and you must provide more than half of their total support over the year.

## Step 2: **Gather documentation**

Collect necessary supporting documents that demonstrate your relationship and support provided to the dependent. This includes birth certificates, school records, and financial documents showing the amount of support provided.

## Step 3: **File tax forms**

Complete your tax return forms, including Form 1040 or 1040A. Use the IRS instructions to correctly report your dependents and their Social Security numbers, and to understand how this affects your adjusted gross income.

## Step 4: **Apply exemptions**

On your tax form, enter the appropriate information for each dependent to claim the exemptions. This typically involves listing each dependent's Social Security number and relationship to you.

## Step 5: **Review and submit**

Carefully review your tax return to ensure all information is accurate and all eligible dependents are included. Submit your tax return to the IRS before the deadline, which typically is April 15 unless an extension is filed.

## **General Notes**

### **Keep records**

Maintain all documentation supporting your claim for each dependent for at least three years in case of an IRS audit.

### **Taxpayer Identification Number**

Ensure that each dependent has a valid Taxpayer Identification Number (TIN), which is required to claim the exemption.

### **COVID-19 impact**

Be aware that recent legislation due to the COVID-19 pandemic might affect tax credits and exemptions related to dependents. Check the latest tax guidelines and Coronavirus-related tax relief measures.