



3. Personal Exemptions and Dependents

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What's New

Exemption amount. The amount you can deduct for each exemption has increased. It was \$3,950 for 2014. It is \$4,000 for 2015.

Exemption phaseout. You lose at least part of the benefit of your exemptions if your adjusted gross income is more than a certain amount. For 2015, this amount is \$154,950 for a married individual filing a separate return; \$258,250 for a single individual; \$284,050 for a head of household; and \$309,900 for married individuals filing jointly or a qualifying widow(er). See [Phaseout of Exemptions](#), later.

Introduction

This chapter discusses the following topics.

- Personal exemptions — You generally can take one for yourself and, if you are married, one for your spouse.
- Exemptions for dependents — You generally can take an exemption for each of your dependents. A dependent is your qualifying child or qualifying relative. If you are entitled to claim an exemption for a dependent, that dependent cannot claim a personal exemption on his or her own tax return.
- Phaseout of exemptions — Your deduction is reduced if your adjusted gross income is more than a certain amount.
- Social security number (SSN) requirement for dependents — You must list the SSN of any dependent for whom you claim an exemption.

Deduction. Exemptions reduce your taxable income. You can deduct \$4,000 for each exemption you claim in 2015. But you may lose at least part of the dollar amount of your exemptions if your adjusted gross income is more than a certain amount. See [Phaseout of Exemptions](#), later.

How to claim exemptions. How you claim an exemption on your tax return depends on which form you file.

If you file Form 1040EZ, the exemption amount is combined with the standard deduction amount and entered on line 5.

If you file Form 1040A, complete lines 6a through 6d. The total number of exemptions you can claim is the total in the box on line 6d. Also complete line 26.

If you file Form 1040, complete lines 6a through 6d. The total number of exemptions you can claim is the total in the box on line 6d. Also complete line 42.

Useful Items - You may want to see:

Publication

- 501 Exemptions, Standard Deduction, and Filing Information

Form (and Instructions)

- 2120 Multiple Support Declaration
- 8332 Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent

Exemptions

There are two types of exemptions you may be able to take:

- Personal exemptions for yourself and your spouse, and
- Exemptions for dependents (dependency exemptions).

While each is worth the same amount (\$4,000 for 2015), different rules apply to each type.

Personal Exemptions

You are generally allowed one exemption for yourself. If you are married, you may be allowed one exemption for your spouse. These are called personal exemptions.

Your Own Exemption

You can take one exemption for yourself unless you can be claimed as a dependent by another taxpayer. If another taxpayer is entitled to claim you as a dependent, you cannot take an exemption for yourself even if the other taxpayer doesn't actually claim you as a dependent.

Your Spouse's Exemption

⁴There are exceptions for multiple support agreements, children of divorced or separated parents (or parents who live apart), and kidnapped children.



Dependent not allowed a personal exemption. If you can claim an exemption for your dependent, the dependent cannot claim his or her own personal exemption on his or her own tax return. This is true even if you do not claim the dependent's exemption on your return. It is also true if the dependent's exemption on your return is reduced or eliminated under the phaseout rule described under [Phaseout of Exemptions](#), later.

Housekeepers, maids, or servants. If these people work for you, you cannot claim exemptions for them.

Child tax credit. You may be entitled to a child tax credit for each qualifying child who was under age 17 at the end of the year if you claimed an exemption for that child. For more information, see [chapter 34](#).

Exceptions

Even if you have a qualifying child or qualifying relative, you can claim an exemption for that person only if these three tests are met.

1. [Dependent taxpayer test](#).
2. [Joint return test](#).
3. [Citizen or resident test](#).

These three tests are explained in detail here.

Dependent Taxpayer Test

If you can be claimed as a dependent by another person, you cannot claim anyone else as a dependent. Even if you have a qualifying child or qualifying relative, you cannot claim that person as a dependent.

If you are filing a joint return and your spouse can be claimed as a dependent by someone else, you and your spouse cannot claim any dependents on your joint return.

Joint Return Test

You generally cannot claim a married person as a dependent if he or she files a joint return.

Exception. You can claim an exemption for a person who files a joint return if that person and his or her spouse file the joint return only to claim a refund of income tax withheld or estimated tax paid.

Example 1—child files joint return.

You supported your 18-year-old daughter, and she lived with you all year while her husband was in the Armed Forces. He earned \$25,000 for the year. The couple files a joint return. You cannot take an exemption for your daughter.

Example 2—child files joint return only as claim for refund of withheld tax.

Your 18-year-old son and his 17-year-old wife had \$800 of wages from part-time jobs and no other income. They lived with you all year. Neither is required to file a tax return. They do not have a child. Taxes were taken out of their pay so they filed a joint return only to get a refund of the withheld taxes. The exception to the joint return test applies, so you aren't disqualified from claiming an exemption for each of them just because they file a joint return. You can claim exemptions for each of them if all the other tests to do so are met.

Example 3—child files joint return to claim American opportunity credit.

The facts are the same as in Example 2 except no taxes were taken out of your son's pay or his wife's pay. However, they file a joint return to claim an American opportunity credit of \$124 and get a refund of that amount. Because claiming the American opportunity credit is their reason for filing the return, they aren't filing it only to get a refund of income tax withheld or estimated tax paid. The exception to the joint return test doesn't apply, so you cannot claim an exemption for either of them.

Citizen or Resident Test

You generally cannot claim a person as a dependent unless that person is a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico. However, there is an exception for certain adopted children, as explained next.

Exception for adopted child. If you are a U.S. citizen or U.S. national who has legally adopted a child who isn't a U.S. citizen, U.S. resident alien, or U.S. national, this test is met if the child lived with you as a member of your household all year. This exception also applies if the child was lawfully placed with you for legal adoption.

Child's place of residence. Children usually are citizens or residents of the country of their parents.

If you were a U.S. citizen when your child was born, the child may be a U.S. citizen and meet this test even if the other parent was a nonresident alien and the child was born in a foreign country.

Foreign students' place of residence. Foreign students brought to this country under a qualified international education exchange program and placed in American homes for a temporary period generally aren't U.S. residents and do not meet this test. You cannot claim an exemption for them. However, if you provided a home for a foreign student, you may be able to take a charitable contribution deduction. See [Expenses Paid for Student Living With You](#) in chapter 24.

U.S. national. A U.S. national is an individual who, although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens.

Qualifying Child

Five tests must be met for a child to be your qualifying child. The five tests are:

1. [Relationship](#).
2. [Age](#).
3. [Residency](#).
4. [Support](#), and
5. [Joint return](#).

These tests are explained next.



If a child meets the five tests to be the qualifying child of more than one person, there are rules you can use to determine which person can actually treat the child as a qualifying child. See [Qualifying Child of More Than One Person](#), later.

Relationship Test

To meet this test, a child must be:

- Your son, daughter, stepchild, foster child, or a descendant (for example, your grandchild) of any of them, or
- Your brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant (for example, your niece or nephew) of any of them.

Adopted child. An adopted child is always treated as your own child. The term “adopted child” includes a child who was lawfully placed with you for legal adoption.

Foster child. A foster child is an individual who is placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Age Test

To meet this test, a child must be:

- Under age 19 at the end of the year and younger than you (or your spouse, if filing jointly),
- A student under age 24 at the end of the year and younger than you (or your spouse, if filing jointly), or
- Permanently and totally disabled at any time during the year, regardless of age.

Example.

Your son turned 19 on December 10. Unless he was permanently and totally disabled or a student, he doesn't meet the age test because, at the end of the year, he wasn't **under** age 19.

Child must be younger than you or spouse. To be your qualifying child, a child who isn't permanently and totally disabled must be younger than you. However, if you are married filing jointly, the child must be younger than you or your spouse but doesn't have to be younger than both of you.

Example 1—child not younger than you or spouse.

Your 23-year-old brother, who is a student and unmarried, lives with you and your spouse, who provide more than half of his support. He isn't disabled. Both you and your spouse are 21 years old, and you file a joint return. Your brother isn't your qualifying child because he isn't younger than you or your spouse.

Example 2—child younger than your spouse but not younger than you.

The facts are the same as in Example 1 except your spouse is 25 years old. Because your brother is younger than your spouse, and you and your spouse are filing a joint return, your brother is your qualifying child, even though he isn't younger than you.

Student defined. To qualify as a student, your child must be, during some part of each of any 5 calendar months of the year:

1. A full-time student at a school that has a regular teaching staff, course of study, and a regularly enrolled student body at the school, or
2. A student taking a full-time, on-farm training course given by a school described in (1), or by a state, county, or local government agency.

The 5 calendar months do not have to be consecutive.

Full-time student. A full-time student is a student who is enrolled for the number of hours or courses the school considers to be full-time attendance.

School defined. A school can be an elementary school, junior or senior high school, college, university, or technical, trade, or mechanical school. However, an on-the-job training course, correspondence school, or school offering courses only through the Internet does not count as a school.

Vocational high school students. Students who work on “co-op” jobs in private industry as a part of a school's regular course of classroom and practical training are considered full-time students.

Permanently and totally disabled. Your child is permanently and totally disabled if both of the following apply.

- He or she cannot engage in any substantial gainful activity because of a physical or mental condition.
- A doctor determines the condition has lasted or can be expected to last continuously for at least a year or can lead to death.

Residency Test

To meet this test, your child must have lived with you for more than half the year. There are exceptions for temporary absences, children who were born or died during the year, kidnapped children, and children of divorced or separated parents.

Temporary absences. Your child is considered to have lived with you during periods of time when one of you, or both, are temporarily absent due to special circumstances such as:

- Illness,
- Education,
- Business,
- Vacation,
- Military service, or
- Detention in a juvenile facility.

Death or birth of child. A child who was born or died during the year is treated as having lived with you more than half of the year if your home was the child's home more than half of the time he or she was alive during the year. The same is true if the child lived with you more than half the year except for any required hospital stay following birth.

Child born alive. You may be able to claim an exemption for a child born alive during the year, even if the child lived only for a moment. State or local law must treat the child as having been born alive. There must be proof of a live birth shown by an official document, such as a birth certificate. The child must be your qualifying child or qualifying relative, and all the other tests to claim an exemption for a dependent must be met.

Stillborn child. You cannot claim an exemption for a stillborn child.

Kidnapped child. You may be able to treat your child as meeting the residency test even if the child has been kidnapped. See Pub. 501 for details.

Children of divorced or separated parents (or parents who live apart). In most cases, because of the residency test, a child of divorced or separated parents is the qualifying child of the custodial parent. However, the child will be treated as the qualifying child of the noncustodial parent if all four of the following statements are true.

1. The parents:
 - a. Are divorced or legally separated under a decree of divorce or separate maintenance,
 - b. Are separated under a written separation agreement, or
 - c. Lived apart at all times during the last 6 months of the year, whether or not they are or were married.
2. The child received over half of his or her support for the year from the parents.
3. The child is in the custody of one or both parents for more than half of the year.
4. Either of the following statements is true.
 - a. The custodial parent signs a written declaration, discussed later, that he or she won't claim the child as a dependent for the year, and the noncustodial parent attaches this written declaration to his or her return. (If the decree or agreement went into effect after 1984 and before 2009, see [Post-1984 and pre-2009 divorce decree or separation agreement](#), later. If the decree or agreement went into effect after 2008, see [Post-2008 divorce decree or separation agreement](#), later.)
 - b. A pre-1985 decree of divorce or separate maintenance or written separation agreement that applies to 2015 states that the noncustodial parent can claim the child as a dependent, the decree or agreement wasn't changed after 1984 to say the noncustodial parent cannot claim the child as a dependent, and the noncustodial parent provides at least \$600 for the child's support during the year.

If statements (1) through (4) are all true, only the noncustodial parent can:

- Claim the child as a dependent, and
- Claim the child as a qualifying child for the child tax credit.

However, this does not allow the noncustodial parent to claim head of household filing status, the credit for child and dependent care expenses, the exclusion for dependent care benefits, the earned income credit, or the health coverage tax credit. See [Applying the tiebreaker rules to divorced or separated parents \(or parents who live apart\)](#), later.

Example—earned income credit.

Even if statements (1) through (4) are all true and the custodial parent signs Form 8332 or a substantially similar statement that he or she will not claim the child as a dependent for 2015, this does not allow the noncustodial parent to claim the child as a qualifying child for the earned income credit. The custodial parent or another taxpayer, if eligible, can claim the child for the earned income credit.

Custodial parent and noncustodial parent. The custodial parent is the parent with whom the child lived for the greater number of nights during the year. The other parent is the noncustodial parent.

If the parents divorced or separated during the year and the child lived with both parents before the separation, the custodial parent is the one with whom the child lived for the greater number of nights during the rest of the year.

A child is treated as living with a parent for a night if the child sleeps:

- At that parent's home, whether or not the parent is present, or
- In the company of the parent, when the child doesn't sleep at a parent's home (for example, the parent and child are on vacation together).

Equal number of nights. If the child lived with each parent for an equal number of nights during the year, the custodial parent is the parent with the higher adjusted gross income (AGI).

December 31. The night of December 31 is treated as part of the year in which it begins. For example, the night of December 31, 2015, is treated as part of 2015.

Emancipated child. If a child is emancipated under state law, the child is treated as not living with either parent. See Examples [5](#) and [6](#).

Absences. If a child wasn't with either parent on a particular night (because, for example, the child was staying at a friend's house), the child is treated as living with the parent with whom the child normally would have lived for that night, except for the absence. But if it cannot be determined with which parent the child normally would have lived or if the child would not have lived with either parent that night, the child is treated as not living with either parent that night.

Parent works at night. If, due to a parent's nighttime work schedule, a child lives for a greater number of days, but not nights, with the parent who works at night, that parent is treated as the custodial parent. On a school day, the child is treated as living at the primary residence registered with the school.

Example 1—child lived with one parent for a greater number of nights.

You and your child's other parent are divorced. In 2015, your child lived with you 210 nights and with the other parent 155 nights. You are the custodial parent.

Example 2—child is away at camp.

In 2015, your daughter lives with each parent for alternate weeks. In the summer, she spends 6 weeks at summer camp. During the time she is at camp, she is treated as living with you for 3 weeks and with her other parent, your ex-spouse, for 3 weeks because this is how long she would have lived with each parent if she had not attended summer camp.

Example 3—child lived same number of nights with each parent.

Your son lived with you 180 nights during the year and lived the same number of nights with his other parent, your ex-spouse. Your AGI is \$40,000. Your ex-spouse's AGI is \$25,000. You are treated as your son's custodial parent because you have the higher AGI.

Example 4—child is at parent's home but with other parent.

Your son normally lives with you during the week and with his other parent, your ex-spouse, every other weekend. You become ill and are hospitalized. The other parent lives in your home with your son for 10 consecutive days while you are in the hospital. Your son is treated as living with you during this 10-day period because he was living in your home.

Example 5—child emancipated in May.

When your son turned age 18 in May 2015, he became emancipated under the law of the state where he lives. As a result, he isn't considered in the custody of his parents for more than half of the year. The special rule for children of divorced or separated parents doesn't apply.

Example 6—child emancipated in August.

Your daughter lives with you from January 1, 2015, until May 31, 2015, and lives with her other parent, your ex-spouse, from June 1, 2015, through the end of the year. She turns 18 and is emancipated under state law on August 1, 2015. Because she is treated as not living with either parent beginning on August 1, she is treated as living with you the greater number of nights in 2015. You are the custodial parent.

Written declaration. The custodial parent must use either Form 8332 or a similar statement (containing the same information required by the form) to make the written declaration to release the exemption to the noncustodial parent. The noncustodial parent must attach a copy of the form or statement to his or her tax return.

The exemption can be released for 1 year, for a number of specified years (for example, alternate years), or for all future years, as specified in the declaration.

Post-1984 and pre-2009 divorce decree or separation agreement. If the divorce decree or separation agreement went into effect after 1984 and before 2009, the noncustodial parent may be able to attach certain pages from the decree or agreement instead of Form 8332. The decree or agreement must state all three of the following.

1. The noncustodial parent can claim the child as a dependent without regard to any condition, such as payment of support.
2. The custodial parent won't claim the child as a dependent for the year.
3. The years for which the noncustodial parent, rather than the custodial parent, can claim the child as a dependent.

The noncustodial parent must attach all of the following pages of the decree or agreement to his or her tax return.

- The cover page (write the other parent's social security number on this page).
- The pages that include all of the information identified in items (1) through (3) above.
- The signature page with the other parent's signature and the date of the agreement.

Post-2008 divorce decree or separation agreement. The noncustodial parent cannot attach pages from the decree or agreement instead of Form 8332 if the decree or agreement went into effect after 2008. The custodial parent must sign either Form 8332 or a similar statement whose only purpose is to release the custodial parent's claim to an exemption for a child, and the noncustodial parent must attach a copy to his or her return. The form or statement must release the custodial parent's claim to the child without any conditions. For example, the release must not depend on the noncustodial parent paying support.



The noncustodial parent must attach the required information even if it was filed with a return in an earlier year.

Revocation of release of claim to an exemption. The custodial parent can revoke a release of claim to exemption. For the revocation to be effective for 2015, the custodial parent must have given (or made reasonable efforts to give) written notice of the revocation to the noncustodial parent in 2014 or earlier. The custodial parent can use Part III of Form 8332 for this purpose and must attach a copy of the revocation to his or her return for each tax year he or she claims the child as a dependent as a result of the revocation.

Remarried parent. If you remarry, the support provided by your new spouse is treated as provided by you.

Parents who never married. This special rule for divorced or separated parents also applies to parents who never married, and who lived apart at all times during the last 6 months of the year.

Support Test (To Be a Qualifying Child)

To meet this test, the child cannot have provided more than half of his or her own support for the year.

This test is different from the support test to be a qualifying relative, which is described later. However, to see what is or isn't support, see [Support Test \(To Be a Qualifying Relative\)](#), later. If you aren't sure whether a child provided more than half of his or her own support, you may find [Worksheet 3-1](#) helpful.

Worksheet 3-1. Worksheet for Determining Support

Funds Belonging to the Person You Supported			
1.	Enter the total funds belonging to the person you supported, including income received (taxable and nontaxable) and amounts borrowed during the year, plus the amount in savings and other accounts at the beginning of the year. Do not include funds provided by the state; include those amounts on line 23 instead	1.	
2.	Enter the amount on line 1 that was used for the person's support	2.	
3.	Enter the amount on line 1 that was used for other purposes	3.	
4.	Enter the total amount in the person's savings and other accounts at the end of the year	4.	
5.	Add lines 2 through 4. (This amount should equal line 1.)	5.	
Expenses for Entire Household (where the person you supported lived)			
6.	Lodging (complete line 6a or 6b):		
	a. Enter the total rent paid	6a.	
	b. Enter the fair rental value of the home. If the person you supported owned the home, also include this amount in line 21	6b.	
7.	Enter the total food expenses	7.	
8.	Enter the total amount of utilities (heat, light, water, etc. not included in line 6a or 6b)	8.	
9.	Enter the total amount of repairs (not included in line 6a or 6b)	9.	
10.	Enter the total of other expenses. Do not include expenses of maintaining the home, such as mortgage interest, real estate taxes, and insurance	10.	
11.	Add lines 6a through 10. These are the total household expenses	11.	
12.	Enter total number of persons who lived in the household	12.	
Expenses for the Person You Supported			
13.	Divide line 11 by line 12. This is the person's share of the household expenses	13.	
14.	Enter the person's total clothing expenses	14.	
15.	Enter the person's total education expenses	15.	
16.	Enter the person's total medical and dental expenses not paid for or reimbursed by insurance	16.	
17.	Enter the person's total travel and recreation expenses	17.	
18.	Enter the total of the person's other expenses	18.	
19.	Add lines 13 through 18. This is the total cost of the person's support for the year	19.	
Did the Person Provide More Than Half of His or Her Own Support?			

20.	Multiply line 19 by 50% (0.50)	20.	
21.	Enter the amount from line 2, plus the amount from line 6b if the person you supported owned the home. This is the amount the person provided for his or her own support	21.	
	Is line 21 more than line 20?		
	<input type="checkbox"/> No. You meet the support test for this person to be your qualifying child. If this person also meets the other tests to be a qualifying child, stop here; do not complete lines 23–26. Otherwise, go to line 23 and fill out the rest of the worksheet to determine if this person is your qualifying relative.		
	<input type="checkbox"/> Yes. You do not meet the support test for this person to be either your qualifying child or your qualifying relative. Stop here.		
	Did You Provide More Than Half?		
23.	Enter the amount others provided for the person's support. Include amounts provided by state, local, and other welfare societies or agencies. Do not include any amounts included on line 1	23.	
24.	Add lines 21 and 23	24.	
25.	Subtract line 24 from line 19. This is the amount you provided for the person's support	25.	
	Is line 25 more than line 20?		
	<input type="checkbox"/> Yes. You meet the support test for this person to be your qualifying relative.		
26.	<input type="checkbox"/> No. You do not meet the support test for this person to be your qualifying relative. You cannot claim an exemption for this person unless you can do so under a multiple support agreement, the support test for children of divorced or separated parents, or the special rule for kidnapped children. See Multiple Support Agreement or Support Test for Children of Divorced or Separated Parents (or Parents Who Live Apart) , or Kidnapped child under Qualifying Relative .		

Example.

You provided \$4,000 toward your 16-year-old son's support for the year. He has a part-time job and provided \$6,000 to his own support. He provided more than half of his own support for the year. He isn't your qualifying child.

Foster care payments and expenses. Payments you receive for the support of a foster child from a child placement agency are considered support provided by the agency. Similarly, payments you receive for the support of a foster child from a state or county are considered support provided by the state or county.

If you aren't in the trade or business of providing foster care and your unreimbursed out-of-pocket expenses in caring for a foster child were mainly to benefit an organization qualified to receive deductible charitable contributions, the expenses are deductible as charitable contributions but aren't considered support you provided. For more information about the deduction for charitable contributions, see [chapter 24](#). If your unreimbursed expenses aren't deductible as charitable contributions, they may qualify as support you provided.

If you are in the trade or business of providing foster care, your unreimbursed expenses aren't considered support provided by you.

Example 1.

Lauren, a foster child, lived with Mr. and Mrs. Smith for the last 3 months of the year. The Smiths cared for Lauren because they wanted to adopt her (although she had not been placed with them for adoption). They didn't care for her as a trade or business or to benefit the agency that placed her in their home. The Smiths' unreimbursed expenses aren't deductible as charitable contributions but are considered support they provided for Lauren.

Example 2.

You provided \$3,000 toward your 10-year-old foster child's support for the year. The state government provided \$4,000, which is considered support provided by the state, not by the child. See [Support provided by the state \(welfare, food stamps, housing, etc.\)](#), later. Your foster child didn't provide more than half of her own support for the year.

Scholarships. A scholarship received by a child who is a student isn't taken into account in determining whether the child provided more than half of his or her own support.

Joint Return Test (To Be a Qualifying Child)

To meet this test, the child cannot file a joint return for the year.

Exception. An exception to the joint return test applies if your child and his or her spouse file a joint return only to claim a refund of income tax withheld or estimated tax paid.

Example 1—child files joint return.

You supported your 18-year-old daughter, and she lived with you all year while her husband was in the Armed Forces. He earned \$25,000 for the year. The couple files a joint return. Because your daughter and her husband file a joint return, she isn't your qualifying child.

Example 2—child files joint return only as a claim for refund of withheld tax.

Your 18-year-old son and his 17-year-old wife had \$800 of wages from part-time jobs and no other income. They lived with you all year. Neither is required to file a tax return. They do not have a child. Taxes were taken out of their pay so they filed a joint return only to get a refund of the withheld taxes. The exception to the joint return test applies, so your son may be your qualifying child if all the other tests are met.

Example 3—child files joint return to claim American opportunity credit.

The facts are the same as in Example 2 except no taxes were taken out of your son's pay or his wife's pay. However, they file a joint return to claim an American opportunity credit of \$124 and get a refund of that amount. Because claiming the American opportunity credit is their reason for filing the return, they aren't filing it only to get a refund of income tax withheld or estimated tax paid. The exception to the joint return test doesn't apply, so your son isn't your qualifying child.

Qualifying Child of More Than One Person

If your qualifying child isn't a qualifying child of anyone else, this topic doesn't apply to you and you do not need to read about it. This is also true if your qualifying child isn't a qualifying child of anyone else except your spouse with whom you plan to file a joint return.



If a child is treated as the qualifying child of the noncustodial parent under the rules for children of divorced or separated parents (or parents who live apart) described earlier, see

[Applying the tiebreaker rules to divorced or separated parents \(or parents who live apart\)](#), later.

Sometimes, a child meets the relationship, age, residency, support, and joint return tests to be a qualifying child of more than one person. Although the child is a qualifying child of each of these persons, only one person can actually treat the child as a qualifying child to take all of the following tax benefits (provided the person is eligible for each benefit).

1. The exemption for the child.
2. The child tax credit.
3. Head of household filing status.
4. The credit for child and dependent care expenses.
5. The exclusion from income for dependent care benefits.
6. The earned income credit.

The other person cannot take any of these benefits based on this qualifying child. In other words, you and the other person cannot agree to divide these benefits between you. The other person cannot take any of these tax benefits for a child unless he or she has a different qualifying child.

Tiebreaker rules. To determine which person can treat the child as a qualifying child to claim these six tax benefits, the following tiebreaker rules apply.

- If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent.
- If the parents file a joint return together and can claim the child as a qualifying child, the child is treated as the qualifying child of the parents.
- If the parents do not file a joint return together but both parents claim the child as a qualifying child, the IRS will treat the child as the qualifying child of the parent with whom the child lived for the longer period of time during the year. If the child lived with each parent for the same amount of time, the IRS will treat the child as the qualifying child of the parent who had the higher adjusted gross income (AGI) for the year.
- If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for the year.
- If a parent can claim the child as a qualifying child but no parent does so claim the child, the child is treated as the qualifying child of the person who had the highest AGI for the year, but only if that person's AGI is higher than the highest AGI of any of the child's parents who can claim the child. If the child's parents file a joint return with each other, this rule can be applied by dividing the parents' combined AGI equally between the parents. See [Example 6](#).

Subject to these tiebreaker rules, you and the other person may be able to choose which of you claims the child as a qualifying child.

Example 1—child lived with parent and grandparent.

You and your 3-year-old daughter Jane lived with your mother all year. You are 25 years old, unmarried, and your AGI is \$9,000. Your mother's AGI is \$15,000. Jane's father didn't live with you or your daughter. You haven't signed Form 8332 (or a similar statement) to release the child's exemption to the noncustodial parent.

Jane is a qualifying child of both you and your mother because she meets the relationship, age, residency, support, and joint return tests for both you and your mother. However, only one of you can claim her. Jane isn't a qualifying child of anyone else, including her father. You agree to let your mother claim Jane. This means your mother can claim Jane as a qualifying child for all of the six tax benefits listed earlier, if she qualifies for each of those benefits (and if you do not claim Jane as a qualifying child for any of those tax benefits).

Example 2—parent has higher AGI than grandparent.

The facts are the same as in [Example 1](#) except your AGI is \$18,000. Because your mother's AGI isn't higher than yours, she cannot claim Jane. Only you can claim Jane.

Example 3—two persons claim same child.

The facts are the same as in [Example 1](#) except that you and your mother both claim Jane as a qualifying child. In this case, you, as the child's parent, will be the only one allowed to claim Jane as a qualifying child. The IRS will disallow your mother's claim to the six tax benefits listed earlier unless she has another qualifying child.

Example 4—qualifying children split between two persons.

The facts are the same as in [Example 1](#) except you also have two other young children who are qualifying children of both you and your mother. Only one of you can claim each child. However, if your mother's AGI is higher than yours, you can allow your mother to claim one or more of the children. For example, if you claim one child, your mother can claim the other two.

Example 5—taxpayer who is a qualifying child.

The facts are the same as in [Example 1](#) except you are only 18 years old and didn't provide more than half of your own support for the year. This means you are your mother's qualifying child. If she can claim you as a dependent, then you cannot claim your daughter as a dependent because of the [Dependent Taxpayer Test](#) explained earlier.

Example 6—child lived with both parents and grandparent.

The facts are the same as in [Example 1](#) except you are married to your daughter's father. The two of you live together with your daughter and your mother, and have an AGI of \$20,000 on a joint return. If you and your husband do not claim your daughter as a qualifying child, your mother can claim her instead. Even though the AGI on your joint return, \$20,000, is more than your mother's AGI of \$15,000, for this purpose each parent's AGI can be treated as \$10,000, so your mother's \$15,000 AGI is treated as higher than the highest AGI of any of the child's parents who can claim the child.

Example 7—separated parents.

You, your husband, and your 10-year-old son lived together until August 1, 2015, when your husband moved out of the household. In August and September, your son lived with you. For the rest of the year, your son lived with your husband, the boy's father. Your son is a qualifying child of both you and your husband because your son lived with each of you for more than half the year and because he met the relationship, age, support, and joint return tests for both of you. At the end of the year, you and your husband still weren't divorced, legally separated, or separated under a written separation agreement, so the rule for children of divorced or separated parents (or parents who live apart) doesn't apply.

You and your husband will file separate returns. Your husband agrees to let you treat your son as a qualifying child. This means, if your husband doesn't claim your son as a qualifying child, you can claim your son as a qualifying child for the dependency exemption, child tax credit, and exclusion for dependent care benefits (if you qualify for each of those tax benefits). However, you cannot claim head of household filing status because you and your husband didn't live apart for the last 6 months of the year. As a result, your filing status is married filing separately, so you cannot claim the earned income credit or the credit for child and dependent care expenses.

Example 8—separated parents claim same child.

The facts are the same as in [Example 7](#) except that you and your husband both claim your son as a qualifying child. In this case, only your husband will be allowed to treat your son as a qualifying child. This is because, during 2015, the boy lived with him longer than with you. If you claimed an exemption or the child tax credit for your son, the IRS will disallow your claim to both these tax benefits. If you do not have another qualifying child or dependent, the IRS will also disallow your claim to the exclusion for dependent care benefits. In addition, because you and your husband didn't live apart for the last 6 months of the year, your husband cannot claim head of household filing status. As a result, his filing status is married filing separately, so he cannot claim the earned income credit or the credit for child and dependent care expenses.

Example 9—unmarried parents.

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You, your 5-year-old son, and your son's father lived together all year. You and your son's father aren't married. Your son is a qualifying child of both you and his father because he meets the relationship, age, residency, support, and joint return tests for both you and his father. Your AGI is \$12,000 and your son's father's AGI is \$14,000. Your son's father agrees to let you claim the child as a qualifying child. This means you can claim him as a qualifying child for the dependency exemption, child tax credit, head of household filing status, credit for child and dependent care expenses, exclusion for dependent care benefits, and the earned income credit, if you qualify for each of those tax benefits (and if your son's father doesn't claim your son as a qualifying child for any of those tax benefits).

Example 10—unmarried parents claim same child.

The facts are the same as in *Example 9* except that you and your son's father both claim your son as a qualifying child. In this case, only your son's father will be allowed to treat your son as a qualifying child. This is because his AGI, \$14,000, is more than your AGI, \$12,000. If you claimed an exemption or the child tax credit for your son, the IRS will disallow your claim to both these tax benefits. If you do not have another qualifying child or dependent, the IRS will also disallow your claim to the earned income credit, head of household filing status, the credit for child and dependent care expenses, and the exclusion for dependent care benefits.

Example 11—child didn't live with a parent.

You and your 7-year-old niece, your sister's child, lived with your mother all year. You are 25 years old, and your AGI is \$9,300. Your mother's AGI is \$15,000. Your niece's parents file jointly, have an AGI of less than \$9,000, and do not live with you or their child. Your niece is a qualifying child of both you and your mother because she meets the relationship, age, residency, support, and joint return tests for both you and your mother. However, only your mother can treat her as a qualifying child. This is because your mother's AGI, \$15,000, is more than your AGI, \$9,300.

Applying the tiebreaker rules to divorced or separated parents (or parents who live apart). If a child is treated as the qualifying child of the noncustodial parent under the rules described earlier for [children of divorced or separated parents \(or parents who live apart\)](#), only the noncustodial parent can claim an exemption and the child tax credit for the child. However, only the custodial parent can claim the credit for child and dependent care expenses or the exclusion for dependent care benefits for the child, and only the custodial parent can treat the child as a dependent for the health coverage tax credit. Also, the noncustodial parent can't claim the child as a qualifying child for head of household filing status or the earned income credit. Instead, the custodial parent, if eligible, or other eligible person can claim the child as a qualifying child for those two benefits. If the child is the qualifying child of more than one person for these benefits, then the tiebreaker rules just explained determine whether the custodial parent or another eligible person can treat the child as a qualifying child.

Example 1.

You and your 5-year-old son lived all year with your mother, who paid the entire cost of keeping up the home. Your AGI is \$10,000. Your mother's AGI is \$25,000. Your son's father didn't live with you or your son.

Under the rules explained earlier for children of divorced or separated parents (or parents who live apart), your son is treated as the qualifying child of his father, who can claim an exemption and the child tax credit for him. Because of this, you cannot claim an exemption or the child tax credit for your son. However, those rules don't allow your son's father to claim your son as a qualifying child for head of household filing status, the credit for child and dependent care expenses, the exclusion for dependent care benefits, the earned income credit, or the health coverage tax credit.

You and your mother didn't have any child care expenses or dependent care benefits, so neither of you can claim the credit for child and dependent care expenses or the exclusion for dependent care benefits. Also, neither of you qualifies for the health coverage tax credit. But the boy is a qualifying child of both you and your mother for head of household filing status and the earned income credit because he meets the relationship, age, residency, support, and joint return tests for both you and your mother. (Note: The support test doesn't apply for the earned income credit.) However, you agree to let your mother claim your son. This means she can claim him for head of household filing status and the earned income credit if she qualifies for each and if you do not claim him as a qualifying child for the earned income credit. (You cannot claim head of household filing status because your mother paid the entire cost of keeping up the home.)

Example 2.

The facts are the same as in [Example 1](#) except your AGI is \$25,000 and your mother's AGI is \$21,000. Your mother cannot claim your son as a qualifying child for any purpose because her AGI isn't higher than yours.

Example 3.

The facts are the same as in [Example 1](#) except you and your mother both claim your son as a qualifying child for the earned income credit. Your mother also claims him as a qualifying child for head of household filing status. You, as the child's parent, will be the only one allowed to claim your son as a qualifying child for the earned income credit. The IRS will disallow your mother's claim to the earned income credit and head of household filing status unless she has another qualifying child.

Qualifying Relative

Four tests must be met for a person to be your qualifying relative. The four tests are:

1. [Not a qualifying child test](#).
2. [Member of household or relationship test](#).
3. [Gross income test](#), and
4. [Support test](#).

Age. Unlike a qualifying child, a qualifying relative can be any age. There is no age test for a qualifying relative.

Kidnapped child. You may be able to treat a child as your qualifying relative even if the child has been kidnapped. See Pub. 501 for details.

Not a Qualifying Child Test

A child isn't your qualifying relative if the child is your qualifying child or the qualifying child of any other taxpayer.

Example 1.

Your 22-year-old daughter, who is a student, lives with you and meets all the tests to be your qualifying child. She isn't your qualifying relative.

Example 2.

Your 2-year-old son lives with your parents and meets all the tests to be their qualifying child. He isn't your qualifying relative.

Example 3.

Your son lives with you but isn't your qualifying child because he is 30 years old and doesn't meet the age test. He may be your qualifying relative if the gross income test and the support test are met.

Example 4.

Your 13-year-old grandson lived with his mother for 3 months, with his uncle for 4 months, and with you for 5 months during the year. He isn't your qualifying child because he doesn't meet the residency test. He may be your qualifying relative if the gross income test and the support test are met.

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Child of person not required to file a return. A child isn't the qualifying child of any other taxpayer and so may qualify as your qualifying relative if the child's parent (or other person for whom the child is defined as a qualifying child) isn't required to file an income tax return and either:

- Doesn't file an income tax return, or
- Files a return only to get a refund of income tax withheld or estimated tax paid.

Example 1—return not required.

You support an unrelated friend and her 3-year-old child, who lived with you all year in your home. Your friend has no gross income, isn't required to file a 2015 tax return, and doesn't file a 2015 tax return. Both your friend and her child are your qualifying relatives if the support test is met.

Example 2—return filed to claim refund.

The facts are the same as in *Example 1* except your friend had wages of \$1,500 during the year and had income tax withheld from her wages. She files a return only to get a refund of the income tax withheld and doesn't claim the earned income credit or any other tax credits or deductions. Both your friend and her child are your qualifying relatives if the support test is met.

Example 3—earned income credit claimed.

The facts are the same as in *Example 2* except your friend had wages of \$8,000 during the year and claimed the earned income credit on her return. Your friend's child is the qualifying child of another taxpayer (your friend), so you cannot claim your friend's child as your qualifying relative. Also, you cannot claim your friend as your qualifying relative because of the gross income test explained later.

Child in Canada or Mexico. You may be able to claim your child as a dependent even if the child lives in Canada or Mexico. If the child doesn't live with you, the child doesn't meet the residency test to be your qualifying child. However, the child may still be your qualifying relative. If the persons the child does live with aren't U.S. citizens and have no U.S. gross income, those persons aren't "taxpayers," so the child isn't the qualifying child of any other taxpayer. If the child isn't the qualifying child of any other taxpayer, the child is your qualifying relative as long as the gross income test and the support test are met.

You cannot claim as a dependent a child who lives in a foreign country other than Canada or Mexico, unless the child is a U.S. citizen, U.S. resident alien, or U.S. national. There is an exception for certain adopted children who lived with you all year. See [Citizen or Resident Test](#), earlier.

Example.

You provide all the support of your children, ages 6, 8, and 12, who live in Mexico with your mother and have no income. You are single and live in the United States. Your mother isn't a U.S. citizen and has no U.S. income, so she isn't a "taxpayer." Your children aren't your qualifying children because they do not meet the residency test. But since they aren't the qualifying children of any other taxpayer, they are your qualifying relatives and you can claim them as dependents. You may also be able to claim your mother as a dependent if the gross income and support tests are met.

Member of Household or Relationship Test

To meet this test, a person must either:

1. Live with you all year as a member of your household, or
2. Be related to you in one of the ways listed under [Relatives who do not have to live with you](#).

If at any time during the year the person was your spouse, that person cannot be your qualifying relative. However, see [Personal Exemptions](#), earlier.

Relatives who do not have to live with you. A person related to you in any of the following ways doesn't have to live with you all year as a member of your household to meet this test.

- Your child, stepchild, foster child, or a descendant of any of them (for example, your grandchild). (A legally adopted child is considered your child.)
- Your brother, sister, half brother, half sister, stepbrother, or stepsister.
- Your father, mother, grandparent, or other direct ancestor, but not foster parent.
- Your stepfather or stepmother.
- A son or daughter of your brother or sister.
- A son or daughter of your half brother or half sister.
- A brother or sister of your father or mother.
- Your son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law.

Any of these relationships that were established by marriage aren't ended by death or divorce.

Example.

You and your wife began supporting your wife's father, a widower, in 2009. Your wife died in 2014. Despite your wife's death, your father-in-law continues to meet this test, even if he doesn't live with you. You can claim him as a dependent if all other tests are met, including the gross income test and support test.

Foster child. A foster child is an individual who is placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Joint return. If you file a joint return, the person can be related to either you or your spouse. Also, the person doesn't need to be related to the spouse who provides support.

For example, your spouse's uncle who receives more than half of his support from you may be your qualifying relative, even though he doesn't live with you. However, if you and your spouse file separate returns, your spouse's uncle can be your qualifying relative only if he lives with you all year as a member of your household.

Temporary absences. A person is considered to live with you as a member of your household during periods of time when one of you, or both, are temporarily absent due to special circumstances such as:

- Illness,
- Education,
- Business,
- Vacation,
- Military service, or

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- Detention in a juvenile facility.

If the person is placed in a nursing home for an indefinite period of time to receive constant medical care, the absence may be considered temporary.

Death or birth. A person who died during the year, but lived with you as a member of your household until death, will meet this test. The same is true for a child who was born during the year and lived with you as a member of your household for the rest of the year. The test is also met if a child lived with you as a member of your household except for any required hospital stay following birth.

If your dependent died during the year and you otherwise qualify to claim an exemption for the dependent, you can still claim the exemption.

Example.

Your dependent mother died on January 15. She met the tests to be your qualifying relative. The other tests to claim an exemption for a dependent were also met. You can claim an exemption for her on your return.

Local law violated. A person doesn't meet this test if at any time during the year the relationship between you and that person violates local law.

Example.

Your girlfriend lived with you as a member of your household all year. However, your relationship with her violated the laws of the state where you live, because she was married to someone else. Therefore, she doesn't meet this test and you cannot claim her as a dependent.

Adopted child. An adopted child is always treated as your own child. The term "adopted child" includes a child who was lawfully placed with you for legal adoption.

Cousin. Your cousin meets this test only if he or she lives with you all year as a member of your household. A cousin is a descendant of a brother or sister of your father or mother.

Gross Income Test

To meet this test, a person's gross income for the year must be less than \$4,000.

Gross income defined. Gross income is all income in the form of money, property, and services that isn't exempt from tax.

In a manufacturing, merchandising, or mining business, gross income is the total net sales minus the cost of goods sold, plus any miscellaneous income from the business.

Gross receipts from rental property are gross income. Do not deduct taxes, repairs, or other expenses to determine the gross income from rental property.

Gross income includes a partner's share of the gross (not a share of the net) partnership income.

Gross income also includes all taxable unemployment compensation and certain scholarship and fellowship grants. Scholarships received by degree candidates and used for tuition, fees, supplies, books, and equipment required for particular courses generally aren't included in gross income. For more information about scholarships, see [chapter 12](#).

Tax-exempt income, such as certain social security benefits, isn't included in gross income.

Disabled dependent working at sheltered workshop. For purposes of the gross income test, the gross income of an individual who is permanently and totally disabled at any time during the year doesn't include income for services the individual performs at a sheltered workshop. The availability of medical care at the workshop must be the main reason for the individual's presence there. Also, the income must come solely from activities at the workshop that are incident to this medical care.

A "sheltered workshop" is a school that:

- Provides special instruction or training designed to alleviate the disability of the individual, and
- Is operated by certain tax-exempt organizations, or by a state, a U.S. possession, a political subdivision of a state or possession, the United States, or the District of Columbia.

["Permanently and totally disabled"](#) has the same meaning here as under *Qualifying Child*, earlier.

Support Test (To Be a Qualifying Relative)

To meet this test, you generally must provide more than half of a person's total support during the calendar year.

However, if two or more persons provide support, but no one person provides more than half of a person's total support, see [Multiple Support Agreement](#), later.

How to determine if support test is met. You figure whether you have provided more than half of a person's total support by comparing the amount you contributed to that person's support with the entire amount of support that person received from all sources. This includes support the person provided from his or her own funds.

You may find [Worksheet 3-1](#) helpful in figuring whether you provided more than half of a person's support.

Person's own funds not used for support. A person's own funds aren't support unless they are actually spent for support.

Example.

Your mother received \$2,400 in social security benefits and \$300 in interest. She paid \$2,000 for lodging and \$400 for recreation. She put \$300 in a savings account.

Even though your mother received a total of \$2,700 (\$2,400 + \$300), she spent only \$2,400 (\$2,000 + \$400) for her own support. If you spent more than \$2,400 for her support and no other support was received, you have provided more than half of her support.

Child's wages used for own support. You cannot include in your contribution to your child's support any support paid for by the child with the child's own wages, even if you paid the wages.

Year support is provided. The year you provide the support is the year you pay for it, even if you do so with borrowed money that you repay in a later year.

If you use a fiscal year to report your income, you must provide more than half of the dependent's support for the calendar year in which your fiscal year begins.

Armed Forces dependency allotments. The part of the allotment contributed by the government and the part taken out of your military pay are both considered provided by you in figuring whether you provide more than half of the support. If your allotment is used to support persons other than those you name, you can take the exemptions for them if they otherwise qualify.

Example.

You are in the Armed Forces. You authorize an allotment for your widowed mother that she uses to support herself and her sister. If the allotment provides more than half of each person's support, you can take an exemption for each of them, if they otherwise qualify, even though you authorize the allotment only for your mother.

Tax-exempt military quarters allowances. These allowances are treated the same way as dependency allotments in figuring support. The allotment of pay and the tax-exempt basic allowance for quarters are both considered as provided by you for support.

Tax-exempt income. In figuring a person's total support, include tax-exempt income, savings, and borrowed amounts used to support that person. Tax-exempt income includes

certain social security benefits, welfare benefits, nontaxable life insurance proceeds, Armed Forces family allotments, nontaxable pensions, and tax-exempt interest.

Example 1.

You provide \$4,000 toward your mother's support during the year. She has earned income of \$600, nontaxable social security benefits of \$4,800, and tax-exempt interest of \$200. She uses all these for her support. You cannot claim an exemption for your mother because the \$4,000 you provide isn't more than half of her total support of \$9,600 (\$4,000 + \$600 + \$4,800 + \$200).

Example 2.

Your niece takes out a student loan of \$2,500 and uses it to pay her college tuition. She is personally responsible for the loan. You provide \$2,000 toward her total support. You cannot claim an exemption for her because you provide less than half of her support.

Social security benefits. If a married couple receives benefits that are paid by one check made out to both of them, half of the total paid is considered to be for the support of each spouse, unless they can show otherwise.

If a child receives social security benefits and uses them toward his or her own support, the benefits are considered as provided by the child.

Support provided by the state (welfare, food stamps, housing, etc.). Benefits provided by the state to a needy person generally are considered support provided by the state. However, payments based on the needs of the recipient won't be considered as used entirely for that person's support if it is shown that part of the payments weren't used for that purpose.

Foster care. Payments you receive for the support of a foster child from a child placement agency are considered support provided by the agency. See [Foster care payments and expenses](#), earlier.

Home for the aged. If you make a lump-sum advance payment to a home for the aged to take care of your relative for life and the payment is based on that person's life expectancy, the amount of support you provide each year is the lump-sum payment divided by the relative's life expectancy. The amount of support you provide also includes any other amounts you provided during the year.

Total Support

To figure if you provided more than half of a person's support, you must first determine the total support provided for that person. Total support includes amounts spent to provide food, lodging, clothing, education, medical and dental care, recreation, transportation, and similar necessities.

Generally, the amount of an item of support is the amount of the expense incurred in providing that item. For lodging, the amount of support is the fair rental value of the lodging.

Expenses not directly related to any one member of a household, such as the cost of food for the household, must be divided among the members of the household.

Example 1.

Grace Brown, mother of Mary Miller, lives with Frank and Mary Miller and their two children. Grace gets social security benefits of \$2,400, which she spends for clothing, transportation, and recreation. Grace has no other income. Frank and Mary's total food expense for the household is \$5,200. They pay Grace's medical and drug expenses of \$1,200. The fair rental value of the lodging provided for Grace is \$1,800 a year, based on the cost of similar rooming facilities. Figure Grace's total support as follows:

Fair rental value of lodging	\$ 1,800
Clothing, transportation, and recreation	2,400
Medical expenses	1,200
Share of food (1/5 of \$5,200)	1,040
Total support	\$6,440

The support Frank and Mary provide, \$4,040 (\$1,800 lodging + \$1,200 medical expenses + \$1,040 food), is more than half of Grace's \$6,440 total support.

Example 2.

Your parents live with you, your spouse, and your two children in a house you own. The fair rental value of your parents' share of the lodging is \$2,000 a year (\$1,000 each), which includes furnishings and utilities. Your father receives a nontaxable pension of \$4,200, which he spends equally between your mother and himself for items of support such as clothing, transportation, and recreation. Your total food expense for the household is \$6,000. Your heat and utility bills amount to \$1,200. Your mother has hospital and medical expenses of \$600, which you pay during the year. Figure your parents' total support as follows:

<u>Support provided</u>	<u>Father</u>	<u>Mother</u>
Fair rental value of lodging	\$1,000	\$1,000
Pension spent for their support	2,100	2,100
Share of food (1/6 of \$6,000)	1,000	1,000
Medical expenses for mother		600
Parents' total support	\$4,100	\$4,700

You must apply the support test separately to each parent. You provide \$2,000 (\$1,000 lodging + \$1,000 food) of your father's total support of \$4,100 – less than half. You provide \$2,600 to your mother (\$1,000 lodging + \$1,000 food + \$600 medical) – more than half of her total support of \$4,700. You meet the support test for your mother, but not your father. Heat and utility costs are included in the fair rental value of the lodging, so these aren't considered separately.

Lodging. If you provide a person with lodging, you are considered to provide support equal to the fair rental value of the room, apartment, house, or other shelter in which the person lives. Fair rental value includes a reasonable allowance for the use of furniture and appliances, and for heat and other utilities that are provided.

Fair rental value defined. Fair rental value is the amount you could reasonably expect to receive from a stranger for the same kind of lodging. It is used instead of actual expenses such as taxes, interest, depreciation, paint, insurance, utilities, and the cost of furniture and appliances. In some cases, fair rental value may be equal to the rent paid.

If you provide the total lodging, the amount of support you provide is the fair rental value of the room the person uses, or a share of the fair rental value of the entire dwelling if the person has use of your entire home. If you do not provide the total lodging, the total fair rental value must be divided depending on how much of the total lodging you provide. If you provide only a part and the person supplies the rest, the fair rental value must be divided between both of you according to the amount each provides.

Example.

Your parents live rent free in a house you own. It has a fair rental value of \$5,400 a year furnished, which includes a fair rental value of \$3,600 for the house and \$1,800 for the furniture. This doesn't include heat and utilities. The house is completely furnished with furniture belonging to your parents. You pay \$600 for their utility bills. Utilities aren't usually included in rent for houses in the area where your parents live. Therefore, you consider the total fair rental value of the lodging to be \$6,000 (\$3,600 fair rental value of the unfurnished house + \$1,800 allowance for the furnishings provided by your parents + \$600 cost of utilities) of which you are considered to provide \$4,200 (\$3,600 + \$600).

Person living in his or her own home. The total fair rental value of a person's home that he or she owns is considered support contributed by that person.

Living with someone rent free. If you live with a person rent free in his or her home, you must reduce the amount you provide for support of that person by the fair rental value of

lodging he or she provides you.

Property. Property provided as support is measured by its fair market value. Fair market value is the price that property would sell for on the open market. It is the price that would be agreed upon between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts.

Capital expenses. Capital items, such as furniture, appliances, and cars, bought for a person during the year can be included in total support under certain circumstances.

The following examples show when a capital item is or isn't support.

Example 1.

You buy a \$200 power lawn mower for your 13-year-old child. The child is given the duty of keeping the lawn trimmed. Because the lawn mower benefits all members of the household, do not include the cost of the lawn mower in the support of your child.

Example 2.

You buy a \$150 television set as a birthday present for your 12-year-old child. The television set is placed in your child's bedroom. You can include the cost of the television set in the support of your child.

Example 3.

You pay \$5,000 for a car and register it in your name. You and your 17-year-old daughter use the car equally. Because you own the car and do not give it to your daughter but merely let her use it, do not include the cost of the car in your daughter's total support. However, you can include in your daughter's support your out-of-pocket expenses of operating the car for her benefit.

Example 4.

Your 17-year-old son, using personal funds, buys a car for \$4,500. You provide the rest of your son's support, \$4,000. Because the car is bought and owned by your son, the car's fair market value (\$4,500) must be included in his support. Your son has provided more than half of his own total support of \$8,500 (\$4,500 + \$4,000), so he isn't your qualifying child. You didn't provide more than half of his total support, so he isn't your qualifying relative. You cannot claim an exemption for your son.

Medical insurance premiums. Medical insurance premiums you pay, including premiums for supplementary Medicare coverage, are included in the support you provide.

Medical insurance benefits. Medical insurance benefits, including basic and supplementary Medicare benefits, aren't part of support.

Tuition payments and allowances under the GI Bill. Amounts veterans receive under the GI Bill for tuition payments and allowances while they attend school are included in total support.

Example.

During the year, your son receives \$2,200 from the government under the GI Bill. He uses this amount for his education. You provide the rest of his support, \$2,000. Because GI benefits are included in total support, your son's total support is \$4,200 (\$2,200 + \$2,000). You haven't provided more than half of his support.

Child care expenses. If you pay someone to provide child or dependent care, you can include these payments in the amount you provided for the support of your child or disabled dependent, even if you claim a credit for the payments. For information on the credit, see [chapter 32](#).

Other support items. Other items may be considered as support depending on the facts in each case.

Do Not Include in Total Support

The following items aren't included in total support.

1. Federal, state, and local income taxes paid by persons from their own income.
2. Social security and Medicare taxes paid by persons from their own income.
3. Life insurance premiums.
4. Funeral expenses.
5. Scholarships received by your child if your child is a student.
6. Survivors' and Dependents' Educational Assistance payments used for the support of the child who receives them.

Multiple Support Agreement

Sometimes no one provides more than half of the support of a person. Instead, two or more persons, each of whom would be able to take the exemption but for the support test, together provide more than half of the person's support.

When this happens, you can agree that any one of you who individually provides more than 10% of the person's support, but only one, can claim an exemption for that person as a qualifying relative. Each of the others must sign a statement agreeing not to claim the exemption for that year. The person who claims the exemption must keep these signed statements for his or her records. A multiple support declaration identifying each of the others who agreed not to claim the exemption must be attached to the return of the person claiming the exemption. Form 2120 can be used for this purpose.

You can claim an exemption under a multiple support agreement for someone related to you or for someone who lived with you all year as a member of your household.

Example 1.

You, your sister, and your two brothers provide the entire support of your mother for the year. You provide 45%, your sister 35%, and your two brothers each provide 10%. Either you or your sister can claim an exemption for your mother. The other must sign a statement agreeing not to take an exemption for your mother. The one who claims the exemption must attach Form 2120, or a similar declaration, to his or her return and must keep the statement signed by the other for his or her records. Because neither brother provides more than 10% of the support, neither can take the exemption and neither has to sign a statement.

Example 2.

You and your brother each provide 20% of your mother's support for the year. The remaining 60% of her support is provided equally by two persons who aren't related to her. She doesn't live with them. Because more than half of her support is provided by persons who cannot claim an exemption for her, no one can take the exemption.

Example 3.

Your father lives with you and receives 25% of his support from social security, 40% from you, 24% from his brother (your uncle), and 11% from a friend. Either you or your uncle can take the exemption for your father if the other signs a statement agreeing not to. The one who takes the exemption must attach Form 2120, or a similar declaration, to his return and must keep for his records the signed statement from the one agreeing not to take the exemption.

Support Test for Children of Divorced or Separated Parents (or Parents Who Live Apart)

In most cases, a child of divorced or separated parents (or parents who live apart) will be a qualifying child of one of the parents. See [Children of divorced or separated parents \(or parents who live apart\)](#) under *Qualifying Child*, earlier. However, if the child doesn't meet the requirements to be a qualifying child of either parent, the child may be a qualifying relative of one of the parents. If you think this might apply to you, see Pub. 501.

Phaseout of Exemptions

You lose at least part of the benefit of your exemptions if your adjusted gross income (AGI) is above a certain amount. For 2015, the phaseout begins at the following amounts.

Filing Status	AGI Level That Reduces Exemption Amount
Married filing separately	\$154,950
Single	258,250
Head of household	284,050
Married filing jointly	309,900
Qualifying widow(er)	309,900

You must reduce the dollar amount of your exemptions by 2% for each \$2,500, or part of \$2,500 (\$1,250 if you are married filing separately), that your AGI exceeds the amount shown above for your filing status. If your AGI exceeds the amount shown above by more than \$122,500 (\$61,250 if married filing separately), the amount of your deduction for exemptions is reduced to zero.

If your AGI exceeds the level for your filing status, use [Worksheet 3-2](#) to figure the amount of your deduction for exemptions.

Worksheet 3-2. Worksheet for Determining the Deduction for Exemptions

1. Is the amount on Form 1040, line 38, more than the amount on line 4 below for your filing status?			
<input type="checkbox"/> No. Stop. Multiply \$4,000 by the total number of exemptions claimed on line 6d of Form 1040 and enter the result on Form 1040, line 42.			
<input type="checkbox"/> Yes. Continue.			
2. Multiply \$4,000 by the total number of exemptions claimed on line 6d of Form 1040		2.	
3. Enter the amount from Form 1040, line 38		3.	
Enter the amount shown below for your filing status: <ul style="list-style-type: none"> Married filing separately—\$154,950 Single—\$258,250 Head of household—\$284,050 Married filing jointly or Qualifying widow(er)—\$309,900 		4.	
5. Subtract line 4 from line 3. If the result is more than \$122,500 (\$61,250 if married filing separately), stop here . You cannot take a deduction for exemptions		5.	
6. Divide line 5 by \$2,500 (\$1,250 if married filing separately). If the result isn't a whole number, round it up to the next higher whole number (for example, increase .00004 to 1)		6.	
7. Multiply line 6 by 2% (0.02) and enter the result as a decimal (rounded to at least three places)		7.	
8. Multiply line 2 by line 7		8.	
9. Deduction for exemptions. Subtract line 8 from line 2. Enter the result here and on Form 1040, line 42		9.	

Social Security Numbers for Dependents

You must show the social security number (SSN) of any dependent for whom you claim an exemption in column (2) of line 6c of your Form 1040 or Form 1040A.



If you do not show the dependent's SSN when required or if you show an incorrect SSN, the exemption may be disallowed.

No SSN. If a person for whom you expect to claim an exemption on your return doesn't have an SSN, either you or that person should apply for an SSN as soon as possible by filing Form SS-5, Application for a Social Security Card, with the Social Security Administration (SSA). You can get Form SS-5 online at www.socialsecurity.gov or at your local SSA office.

It usually takes about 2 weeks to get an SSN once the SSA has all the information it needs. If you do not have a required SSN by the filing due date, you can file Form 4868 for an extension of time to file.

Born and died in 2015. If your child was born and died in 2015, and you do not have an SSN for the child, you may attach a copy of the child's birth certificate, death certificate, or hospital records instead. The document must show the child was born alive. If you do this, enter "DIED" in column (2) of line 6c of your Form 1040 or Form 1040A.

Alien or adoptee with no SSN. If your dependent doesn't have and cannot get an SSN, you must list the individual taxpayer identification number (ITIN) or adoption taxpayer identification number (ATIN) instead of an SSN.

Taxpayer identification numbers for aliens. If your dependent is a resident or nonresident alien who doesn't have and isn't eligible to get an SSN, your dependent must apply for an individual taxpayer identification number (ITIN). For details on how to apply, see Form W-7, Application for IRS Individual Taxpayer Identification Number.

Taxpayer identification numbers for adoptees. If you have a child who was placed with you by an authorized placement agency, you may be able to claim an exemption for the child. However, if you cannot get an SSN or an ITIN for the child, you must get an adoption taxpayer identification number (ATIN) for the child from the IRS. See Form W-7A, Application for Taxpayer Identification Number for Pending U.S. Adoptions, for details.

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