

Labelle High School VITA Club

Meeting 1– Expectations, Filing Status, Practice Lab, W2s



Training Website: <https://www.linklearncertification.com/d/>

Objectives:

1. Determine if a taxpayer may claim a dependent by applying the appropriate dependency test
2. Determine the taxpayer's eligibility for:
 - Child Tax Credit
 - Credit for Other Dependent
 - Additional Child Tax Credit
 - Earned Income Tax Credit
 - Dependent Care Credit

Dependent: A dependent may be either a qualifying child or a qualifying relative. Both types of dependents have unique rules, but some requirements are the same for both.

Qualifying Child: To be identified as a qualifying child and dependent, a person must meet these tests: U.S. citizen or resident test, Joint return test, Dependent taxpayer test, Relationship test, Age test, Support test, Residence test, and Qualifying child of more than one person test. *Qualifying child* is a son, daughter, stepchild, eligible foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (i.e., grandchild, niece, or nephew)

Qualifying Relative: To be identified as a qualifying relative and dependent, a person must meet these tests: U.S. citizen or resident test, Joint return test, Dependent taxpayer test, Not a qualifying child test, Member of household or relationship test, Support test, and Gross income test.

Earned Income Credit (EIC): A credit that can be paid to low-income workers, even if no income tax was withheld from the worker's pay. Taxpayers must file a tax return to receive the credit.

Challenge:

- Visit vitaresources.net/filing-status.html and try the Module 2 Quiz
- Practice, practice, practice using Practice Lab
- Have fun-play with the returns in Practice Lab--(it's fun—enter bogus returns and crazy dollar amounts or tweak a return from a scenario you did and see how the return changes) You can't hurt anything in Practice Lab!