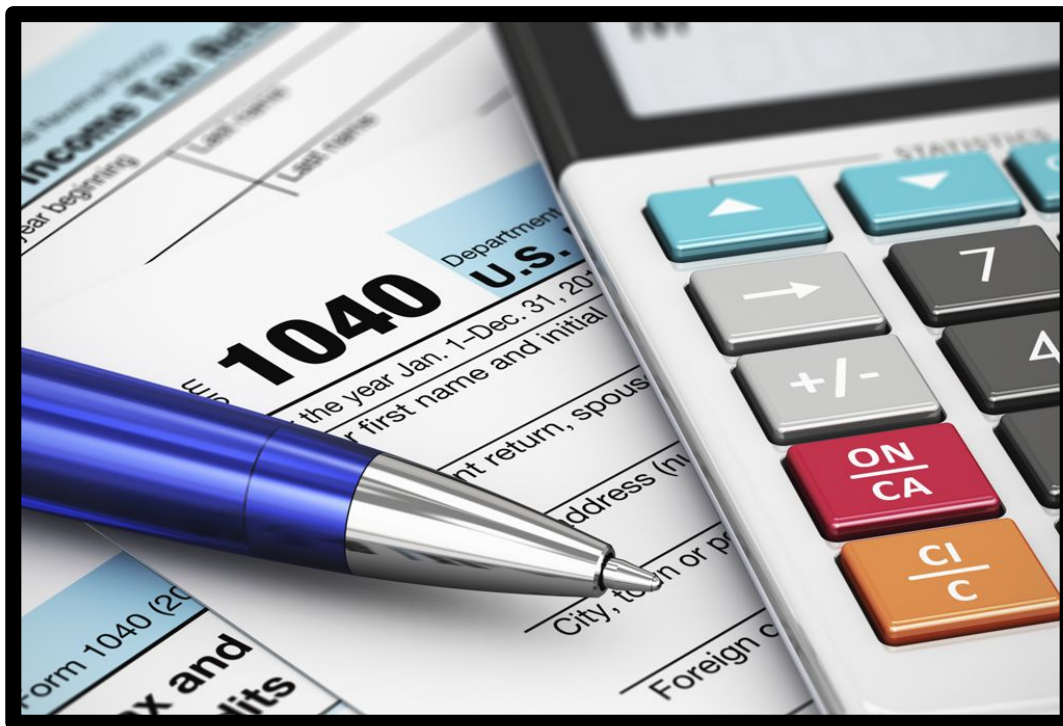




MSU **VITA**

Tax Training #2





MSU **VITA**

Agenda

- Stories from the Tax Site
- Filing Status
- Dependents



MSU

VITA

Ground Rules

- Raise your hand if you'd like to speak and we will unmute you!
- Use the chat to ask questions and we will try to keep up!
- Ask questions to all, to reduce repeat questions



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Stories from the Tax Site





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Filing Status

- Single
- Married Filing Jointly
- Head of Household
- Married Filing Separately
- Qualifying Widow(er)



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Filing Status

Single (Most common)

- Unmarried
- Any taxpayer that does not qualify for any other filing status

Married Filing Jointly (Second most common)

- Married by end of tax year (Dec. 31)
- Both spouses must be present and sign tax forms



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Filing Status

Head of Household

- Unmarried or separated from spouse for the entire last 6 months of the year and have a dependent child
- Paid more than half the expenses for keeping up the home
- Have a “qualifying person” living in the home more than half the year



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Filing Status

Head of Household – Countable Expenses

- Rent/Mortgage
- Property Taxes
- Upkeep/maintenance costs
- Insurance
- Utilities
- Food consumed on the premises



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Filing Status

Head of Household

- Taxpayer can claim parents living outside the home
- Taxpayer must cover more than 50% of expenses for **both households**.



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Filing Status

Married Filing Separately

- Married by end of tax year (Dec. 31)
- Both spouses must file MFS
- If one spouse itemizes, both must



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Filing Status

Married Filing Separately

Pros

- Prevents entering new tax bracket
- Helps keep individuals tax liabilities separate

Cons

- Decreases deductions
- Eliminates most major credits
- 85% of Social Security benefits become taxable



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Filing Status

Surviving Spouse/Qualifying Widow(er)

- Available for two tax years following spouse's death
 - Ex. if spouse died in 2018, files as MFJ in 2018 and SS/QW for TY 2019 and 2020



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Filing Status

Surviving Spouse/Qualifying Widow(er)

Requirements

- Had to have previously qualified as MFJ
- Have to maintain household by providing more than 50% of support
- Have to be supporting a child or step-child for more than half the year



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Reminder

- If you get filing status wrong and have to change it after starting/completing the state section (including local returns), the entire state return will be deleted



Questions?

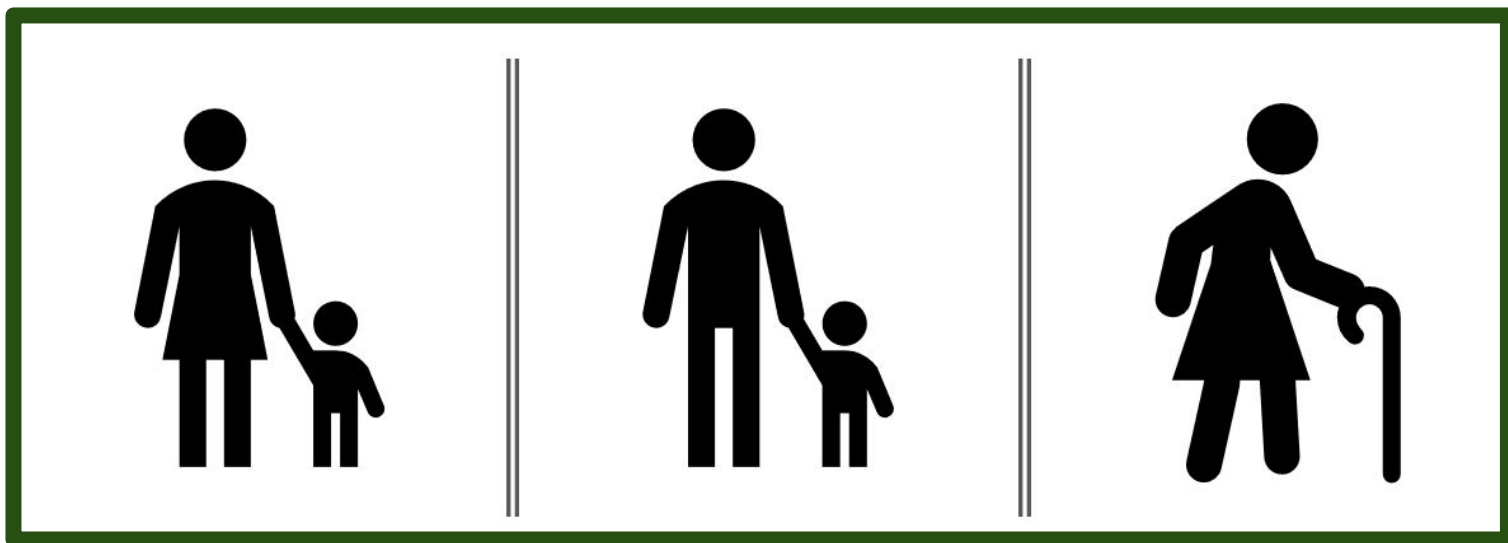


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Dependents

Two types of dependent (must pick one)

- Qualifying child
- Qualifying relative





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Dependents

Rules Applied to Both Types

- Joint Return Test
 - If filing jointly cannot be dependent (i.e. married)
- Residence test
 - U.S. Citizen or resident alien
 - Resident of Canada or Mexico
- Dependent taxpayer test
 - Can't claim other dependents (i.e. dependent can't have dependents)



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Dependents

Qualifying Child

- Relationship test: Immediate descendants or siblings/their descendants
- Age Test
 - Under age 19 at end of year, OR
 - Age 19-24 if a full time student, OR
 - Permanently and totally disabled at any age
- Residency Test: Lived in the house more than 6 months (exceptions for temp. absences)



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Dependents

Qualifying Child

- Support Test: Did not pay more than 50% of costs to maintain household





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Dependents

If child meets conditions to be qualifying child of more than one person, tiebreaker rules follow:

- If only one taxpayer is parent, the parent can claim the child
- If both parents can claim child, the parent with whom the child lived longest can claim the child



MSU VITA

Dependents

If child meets conditions to be qualifying child of more than one person, tiebreaker rules follow:

- If the child lived with each parent for the same amount of time, or if no parent can claim dependent, the taxpayer with the highest adjusted gross income (AGI) can claim the child
- Divorce Decree, if a divorce decree applies, it nullifies all other parts of tiebreaker
- Best Practice: Ask if anyone else has claimed the child in the past



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Dependents

Qualifying Relative

- If related to taxpayer, must meet support test and live in the household for 50% of the time, if unrelated, must live in the household all year
- Gross Income Test: Dependent had less than \$4,300 in income
- Support test: Taxpayer provided more than 50% of total support
- Relationship cannot violate state and local laws

Filing Status

☐ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)

Check only one box.

If you checked the MFS box, enter the name of spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent. ▶

| | | | |
|---|-------------------------------|---------------------|---|
| Your first name and middle initial | | Last name | Your social security number |
| If joint return, spouse's first name and middle initial | | Last name | Spouse's social security number |
| Home address (number and street). If you have a P.O. box, see instructions. | | | Apt. no. |
| City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). | | | Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse |
| Foreign country name | Foreign province/state/county | Foreign postal code | If more than four dependents, see instructions and ✓ here ▶ <input type="checkbox"/> |

Standard Deduction

Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent

☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness

You: ☐ Were born before January 2, 1955 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1955 ☐ Is blind

Dependents (see instructions):

| (1) First name | Last name | (2) Social security number | (3) Relationship to you | (4) ✓ if qualifies for (see instructions): | |
|----------------|-----------|----------------------------|-------------------------|--|-----------------------------|
| | | | | Child tax credit | Credit for other dependents |
| | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> | <input type="checkbox"/> |

Standard Deduction for—

- Single or Married filing separately, \$12,200
- Married filing jointly or Qualifying widow(er), \$24,400
- Head of household, \$18,350
- If you checked any box under **Standard Deduction**, see instructions.

| | |
|---|------------|
| 1 Wages, salaries, tips, etc. Attach Form(s) W-2 | 1 |
| 2a Tax-exempt interest | 2a |
| 3a Qualified dividends | 3a |
| 4a IRA distributions | 4a |
| c Pensions and annuities | 4c |
| 5a Social security benefits | 5a |
| 6 Capital gain or (loss). Attach Schedule D if required. If not required, check here | 6 |
| 7a Other income from Schedule 1, line 9 | 7a |
| b Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your total income | 7b |
| 8a Adjustments to income from Schedule 1, line 22 | 8a |
| b Subtract line 8a from line 7b. This is your adjusted gross income | 8b |
| 9 Standard deduction or itemized deductions (from Schedule A) | 9 |
| 10 Qualified business income deduction. Attach Form 8995 or Form 8995-A | 10 |
| 11a Add lines 9 and 10 | 11a |
| b Taxable income. Subtract line 11a from line 8b. If zero or less, enter -0- | 11b |

Intake/Interview & Quality Review Sheet**You will need:**

- Tax Information such as Forms W-2, 1099, 1098, 1095.
- Social security cards or ITIN letters for all persons on your tax return.
- Picture ID (such as valid driver's license) for you and your spouse.

- Please complete pages 1-4 of this form.

- You are responsible for the information on your return. Please provide complete and accurate information.
- If you have questions, please ask the IRS-certified volunteer preparer.

Volunteers are trained to provide high quality service and uphold the highest ethical standards.

To report unethical behavior to the IRS, email us at wi.voltax@irs.gov

Part I – Your Personal Information (If you are filing a joint return, enter your names in the same order as last year's return)

| | | | | | | |
|--|----------------------------|-----------|--------------------------------|--|---|---|
| 1. Your first name | M.I. | Last name | Daytime telephone number | Are you a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 2. Your spouse's first name | M.I. | Last name | Daytime telephone number | Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 3. Mailing address | | | Apt # | City | State | ZIP code |
| 4. Your Date of Birth | 5. Your job title | | 6. Last year, were you: | | a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| | | | | b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No | | c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 7. Your spouse's Date of Birth | 8. Your spouse's job title | | 9. Last year, was your spouse: | | a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| | | | | b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No | | c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure | | | | | | |
| 11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | | |

Part II – Marital Status and Household Information

| | | |
|---|--|---|
| 1. As of December 31, 2020, what was your marital status? | <input type="checkbox"/> Never Married | (This includes registered domestic partnerships, civil unions, or other formal relationships under state law) |
| | <input type="checkbox"/> Married | a. If Yes, Did you get married in 2020? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | | b. Did you live with your spouse during any part of the last six months of 2020? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | <input type="checkbox"/> Divorced | Date of final decree |
| | <input type="checkbox"/> Legally Separated | Date of separate maintenance decree |
| | <input type="checkbox"/> Widowed | Year of spouse's death |

2. List the names below of:

- **everyone** who lived with you last year (other than your spouse)
- **anyone** you supported but did not live with you last year

If additional space is needed check here ☐ and list on page 3

To be completed by a Certified Volunteer Preparer

| Name (first, last) Do not enter your name or spouse's name below | Date of Birth (mm/dd/yy) | Relationship to you (for example: son, daughter, parent, none, etc) | Number of months lived in your home last year | US Citizen (yes/no) | Resident of US, Canada, or Mexico last year (yes/no) | Single or Married as of 12/31/20 (S/M) | Full-time Student last year (yes/no) | Totally and Permanently Disabled (yes/no) | Is this person a qualifying child/relative of any other person? (yes/no) | Did this person provide more than 50% of his/her own support? (yes, no, n/a) | Did this person have less than \$4,300 of income? (yes, no, n/a) | Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/n/a) | Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no) |
|--|--------------------------|---|---|---------------------|--|--|--------------------------------------|---|--|--|--|--|---|
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

Additional space is needed check here ☐ and list on page 3

To be completed by a Certified Volunteer Preparer

| Is this person a qualifying child/relative of any other person? (yes/no) | Did this person provide more than 50% of his/her own support? (yes,no,n/a) | Did this person have less than \$4,300 of income? (yes,no,n/a) | Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/n/a) | Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no) |
|---|---|---|---|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Form **13614-C** (Rev. 10-2020)



Questions?