

## 2022 CTC / ACTC / ODC "DUE DILIGENCE" REQUIREMENTS

<b>NAME OF TAXPAYER &amp; SPOUSE</b> <b>FILING TAX RETURN</b>	
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### **COMPLETE PART 1, 2 AND 3 REQUIREMENTS AS FOLLOWS:**

#### **PART 1 PROVIDE COPIES OF DOCUMENTATION**

Please provide photocopies of documentaton for each qualifying child to prove that your child lived with you for more than half of the year. More than one type of documentation may be required by the IRS. Possibilities include school records, medical records, social service records or daycare records. A letter may be provided as well, but it must be on official letterhead from the one of the following: school, medical provider, social service agency, place of worship, or other acceptable entity. The letter must include the name of the child, name of the child's parent or guardian, child's address, and dates during the year child lived with taxpayer.

#### **PART 2 COMPLETE THE ATTACHED "2022 PREPARER DUE DILIGENCE" FORM FOR ALL QUALIFYING CHILDREN**

#### **PART 3 COMPLETE THE ATTACHED "2022 QUESTIONNAIRE" FORM FOR EACH QUALIFYING CHILD**

<b><u>THESE ARE THE 7 TESTS TO DETERMINE IF YOUR CHILD IS ELIGIBLE FOR THE "CHILD TAX CREDIT" (CTC), "ADDITIONAL CHILD TAX CREDIT" (ACTC) OR "OTHER DEPEDENT CREDIT" (ODC)</u></b>
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#### **1. Age Test**

To qualify for the CTC or ACTC, a child must have been under age 17 (i.e., 16 years old or younger) at the end of the tax year for which you claim the credit. The ODC is also available for certain dependents who meet the definition of a "qualifying child" but is age 17 or older.

#### **2. Relationship Test**

The child must be your own child, a stepchild, or a foster child placed with you by a court or authorized agency. An adopted child is always treated as your own child. ("An adopted child" includes a child lawfully placed with you for legal adoption, even if that adoption is not final by the end of the tax year.)

You can also claim your brother or sister, stepbrother, stepsister. And you can claim descendents of any of these qualifying people — such as your nieces, nephews and grandchildren — if they meet all the other tests.

#### **3. Support Test**

To qualify, the child cannot have provided more than half of his or her own financial support during the tax year.

#### **4. Dependent Test**

You must claim the child as a dependent on your tax return.

Bear in mind that in order for you to claim a child as a dependent, he or she must: 1) be your child (or adoptive or foster child), sibling, niece, nephew or grandchild; 2) be under age 19, or under age 24 and a fulltime student for at least five months of the year; or be permanently disabled, regardless of age; 3) have lived with you for more than half the year; and 4) have provided no more than half his or her own support for the year.

#### **5. Citizenship Test**

The child must be a U.S. citizen, a U.S. national or a U.S. resident alien. (For tax purposes, the term "U.S. national" refers to individuals who were born in American Samoa or in the Commonwealth of the Northern Mariana Islands.)

#### **6. Residence Test**

The child must have lived with you for more than half of the tax year for which you claim the credit. There are important exceptions, however: A child who was born (or died) during the tax year is considered to have lived with you for the entire year.

Temporary absences by you or the child for special circumstances, such as school, vacation, business, medical care, military services or detention in a juvenile facility, are counted as time the child lived with you.

#### **7. Family Income Test**

For 2022, the Child Tax Credit (CTC ) is reduced if your modified adjusted gross income (MAGI) exceeds:

- \$400,000 - Married Filing Jointly
- \$200,000 - All Other Filing Statuses

**2022 Preparer Due Diligence - Qualifying Child**

Qualifying Child SSN	1	26	51
Qualifying Child First Name	2	27	52
Qualifying Child Last Name	3	28	53

**Age - Qualifying Child (complete this section only if qualifying child is over age 18)**

For children over age 18 who are students or permanently and totally disabled, the following additional information and documentation should be available:

<b>1 Children who are students</b>	4	Not a student	29	Not a student	54	Not a student
<b>a</b> What school does the child attend?	5	30		55		
<b>b</b> Can you provide documentation showing that the child was a full-time student for at least 5 months? The school records need to show the dates of attendance. Months don't have to be consecutive	6	31	56			
<b>2 Children with a permanent and total disability</b>	7	Not disabled	32	Not disabled	57	Not disabled
<b>a</b> What type of disability does the child have?	8	33		58		
<b>b</b> Does the child receive SSI or other disability payments?	9	34	59			
<b>c</b> Do you have a letter from the child's doctor, other healthcare provider, or any social service program or agency verifying that the child is permanently and totally disabled?	10	35	60			

**Relationship - Qualifying Child**

<b>1</b> If the biological parent is NOT living with the child, where is the parent?	Mother	11	36	61
	Father	12	37	62
Does the biological parent provide any financial support?	13	38	63	
<b>2</b> Adopted children:				
<b>a</b> Is the adoption final or pending?	14	39	64	
<b>b</b> If the adoption is pending, do you have a letter from an authorized adoption agency?	15	40	65	
<b>3</b> Foster children:				
<b>a</b> Do you have a letter from the authorized placement agency or applicable court document?	16	41	66	
<b>4</b> Brother, sister, niece, nephew, grandchildren, great-grandchildren:				
<b>a</b> Can you provide a birth certificate that verifies your relationship to the child?	17	42	67	
<b>5</b> Stepchildren or descendent of them, step-grandchildren, step-great-grandchildren:				
<b>a</b> Can you provide a birth certificate & marriage certificate verifying your relationship to the child?	18	43	68	

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**Residency - Qualifying Child**

Can you provide any of the following documentation to prove that your child lived with you for more than half of the year? More than one type of documentation may be required by the IRS.  *The letter must be on official letterhead from one of the following: school, medical provider, social service agency, place of worship, or other acceptable entity. The letter must include the name of the child, name of the child's parent or guardian, child's address, and dates during the year child lived with taxpayer.	19	School records	44	School records	69	School records
	20	Medical records	45	Medical records	70	Medical records
	21	Letter*	46	Letter*	71	Letter*
	22	Social service records	47	Social service records	72	Social service records
	23	Daycare records	48	Daycare records	73	Daycare records
		Daycare provider		Daycare provider		Daycare provider
	24		49		74	

**Adjusted Gross Income - Qualifying Child**

If you are not a parent of the qualifying child, is your AGI higher than any parent of the child?	25	50	75
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**2022 QUESTIONNAIRE**  
**(SUBMIT A SEPARATE QUESTIONNAIRE FOR EACH QUALIFYING CHILD)**

QUALIFYING CHILD SSN \_\_\_\_\_

QUALIFYING CHILD FIRST NAME \_\_\_\_\_

QUALIFYING CHILD LAST NAME \_\_\_\_\_

1.	DOES THE CHILD RESIDE WITH YOU?	
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IF NO, IS THERE AN ACTIVE FORM 8332, RELEASE/REVOCATION OF CLAIM TO EXEMPTION FOR CHILD BY CUSTODIAL PARENT, OR A SIMILAR STATEMENT IN PLACE AND, IF APPLICABLE PLEASE PROVIDE COPY TO THE TAX PREPARER.

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2.	WHAT SCHOOL DID YOUR CHILD ATTEND?	
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3.	WHERE DOES YOUR CHILD LIVE?	
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4.	IF YOU ARE NOT MARRIED, DOES THE CHILD LIVE WITH THE OTHER PARENT?	
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5.	IF SEPARATED OR DIVORCED, WHAT DOES YOUR SEPARATION/DIVORCE AGREEMENT STATE REGARDING WHO CLAIMS THE CHILD?	
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6.	DID THE CHILD PAY FOR HIS/HER OWN SUPPORT DURING THE YEAR, SUCH AS FOOD, RENT, ETC.?	
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7.	WHAT IS THE CHILD'S BIRTHDATE?	
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8.	IS YOUR CHILD MARRIED AND FILING JOINT?	
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9.	DOES YOUR CHILD HAVE A VALID SOCIAL SECURITY NUMBER?	
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10.	IS YOUR CHILD DISABLED?	
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IF YES, WHAT TYPE OF DISABILITY DOES THE CHILD HAVE?

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IF YES, DOES THE CHILD RECEIVE SSI OR OTHER DISABILITY PAYMENTS?

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IF YES, DO YOU HAVE A LETTER FROM THE CHILD'S DOCTOR OR HEALTHCARE PROVIDER STATING THAT THE CHILD IS PERMANENTLY AND TOTALLY DISABLED?

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11.	IF THE CHILD IS NOT YOUR SON OR DAUGHTER, DOES THE CHILD'S BIOLOGICAL PARENTS LIVE WITH THE CHILD? IF NO, WHERE ARE THE BIOLOGICAL PARENTS?	
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