Classwork 2 – with answers

**CLASSWORK 1**: Using the Rules for Dependency, answer Yes or No. None of the potential dependents are permanently or totally disabled.

(1) Tracey spent $3,400 for food, shelter, and clothing for her four-year-old daughter. She received $2,900 from welfare for her daughter. Is the support test met for a qualifying child? **YES**

(2) Phil’s son, Tony, earned $3,950 last year. Tony is 21 years old and started college in September 2013. Is the age test for a qualifying child met? **NO**

(3) Joanne’s daughter, Adrienne, earned $3,900 last year. Adrienne is 20 years old and not in school. Can Joanne claim Adrienne as a dependent? **NO**

(4) Curly provided all of the support of his father, Larry, who lived with him all year. Larry’s only income is $4,050 of interest and social security of $1,200. Can Curly claim Larry as a dependent? **NO**

(5) Can Myra claim a person with a gross income of $3,900 as a qualifying relative? **NO**

(6) Fred lives with his girlfriend, Sue, and her six-year-old child Amy. Fred provides over half of the support for Amy and both Sue and Amy have lived all year with Fred. Sue has no income and she has not signed a Form 8332 allowing the noncustodial parent to claim Amy. Can Amy be Fred’s qualifying child? **NO** If not, can she be claimed as Fred’s qualifying relative? **YES**

**CLASSWORK 2**: True or False.

(1) The custodial parent can sign an agreement allowing the noncustodial parent to claim an exemption for their child. TRUE

(2) The support test for qualifying child states that the child cannot have provided over half of his/her own support. TRUE

(3) Every person claimed as a dependent must have a social security number or other valid taxpayer identification number. TRUE

(4) You can never take an exemption for your dependent if he/she files a joint return. FALSE

(5) The custodial parent can sign a statement releasing the child’s exemption to the noncustodial parent. The written declaration can only release the exemption for one year. FALSE

(6) A technical school does not meet the school definition for the age test for qualifying child. FALSE

(7) If your filing status is MFS, you can always claim an exemption for yourself and one for your wife. FALSE

(8) Temporary absences due to special circumstances do not prohibit someone from being a member of your household. TRUE

(9) If your spouse died during the year, you cannot claim his or her exemption on a joint return. FALSE

(10) The custodial parent is the parent with whom the child lived the greater part of the year. TRUE

(11) An eligible foster child meets the relationship test for qualifying child. TRUE

(12) If two people together contribute more than half an individual’s support, they both can claim the exemption. FALSE

(13) You can use recreation costs in calculating total support for a person. TRUE

(14) A person must live with you over half the year as a member of your household or be related to you in one of the ways listed in “relatives who do not have to live with you all year” in order to meet the member of household or relationship test for qualifying relative. FALSE

(15) To meet the citizenship test, a person must be a U.S. citizen for the entire year. FALSE

(16) A person who lived as a member of the household who dies during the year meets the member of household test for qualifying relative. TRUE

(17) Gross income includes money, property, tax-exempt income, and services. FALSE

(18) A person related to your spouse is not considered to meet the relationship test for you once you are divorced. FALSE

(19) If your child is 24 years old and a full-time student with a gross income of $3,900 you cannot claim an exemption for that child. TRUE

(20) To qualify for the gross income test for a qualifying relative, your 27-year-old child must earn less than $3,900. TRUE

**CLASSWORK 3**: Complete a dependency support form and determine if the taxpayers can claim the exemption.

Frank (SSN 110-24-9330) and Gloria Stephens (SSN 234-56-7890) live at 397 Westend Rd., Nashville, TN 37203. Gloria’s father, Mr. James (SSN 012-45-1213) lived with them for all of 2013. He is a widower and a U.S. citizen.

Mr. James received $4,000 in social security and earned $920 in interest in his savings account, which had a balance of $23,000 at the beginning of 2013. He saved $800 of these social security payments and also saved his interest earnings. The remaining money was spent for his support.

Frank and Gloria also have a 3-year-old daughter living with them. They figured the fair rental value of their home was $700 per month. Other monthly expenses included $650 for food and $210 for utilities. Mr. James’ other expenses for the year were as follows:

 Clothing $ 405

 Medical/dental expenses 1,150

 Travel 550

 Gifts 400

 Dry cleaning 75

 Entertainment 450

 Cosmetics 180

 Hair cuts 130

Fill in a dependency support chart and determine whether Mr. James meets the dependency tests.

