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U.S. Individual Income Tax— Part2 Whom May I Claim as a Dependent?

Certain tax benefits, such as an advantageous filing status or certain tax credits on your U.S. individual income tax return, require either a qualifying child or qualifying relative. This article will introduce you to dependency definitions and related requirements.

1. Qualifying Child

Your child must have the required Social Security number that was issued on or before the due date of the tax return (including extensions) and must pass all of the following tests to be your qualifying child:

(1) Close Relative

Under the close relationship test, to be a qualifying child of a taxpayer, the child must be the taxpayer's son, daughter, adopted child, stepchild, foster child, brother, sister, step brother, step sister or a descendent of any of them.

(2) Age Limit

In general, at the end of the filing year, a child must be younger than the taxpayer (or your spouse if filing a joint return) and younger than 19 or 24 (a full-time student). Please note there is no age limit if a child was permanently and totally disabled at any time during the tax year.

(3) Residency and Filing Requirements

Under the residency and filing requirements test, a child must have the same principal place of abode as the taxpayer for more than one half of the tax year. The child also must be a citizen of the United States or a resident of the United States, Canada or Mexico. Furthermore, the child cannot file a joint return for the tax year unless neither the child nor the child's spouse filed the joint return only to claim a refund of withheld or estimated taxes.

(4) Support Test

The qualifying child must not have contributed more than half of his or her own support.

2. Qualifying Relative

In general, an individual is a qualifying relative of the taxpayer if the individual satisfies the following:

(1) Support Test

The taxpayer must have supplied more than one half (greater than 50 percent) of the support of a person in order to claim him or her as a qualifying relative.

(2) Under Gross Income Limitation

A person may not be claimed as a qualifying relative unless the qualifying relative's gross income is less than \$4,200 (2019).

(3) Status and Filing Requirements

The qualifying relative must be a citizen of the United States or a resident of the United States, Canada or Mexico. Furthermore, the child cannot file a joint return for the tax year unless there is no tax liability on the couple's joint return and there would not have been any tax liability on either spouse's tax return if they had filed separately.

(4) Relative or Taxpayer Lives with the Individual (if Non-relative) for the Whole Year

Children, grandchildren, parents, grandparents, brothers, sisters, aunts and uncles, nieces, nephews, and stepparents can meet the definition of qualifying relative. Children include legally adopted children, foster children, stepchildren.

A non-relative member of a household may be considered a qualifying relative provided the taxpayer's relationship with that person does not violate local law. Please note a non-relative can not be claimed as a "qualifying person" for "Head Of Household" filing status purpose, but it may help for tax credits.

If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at www.kaizencpa.com or contact us through the following and talk to our professionals:

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