

# Teacher Lesson Plan

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## Module 4: Dependents

### Time Frame

One to two hours

### Curriculum Area(s)

- Technology
- Civics/Government
- Family and Consumer Sciences
- History/Social Studies
- Economics

### Purpose

To help students understand the rules for claiming a dependent

### Objectives

Students will be able to

- explain who can be a dependent.
- apply the dependency tests to determine a qualifying child or qualifying relative.

### Materials

#### *Online*

[Student Lesson—Dependents](#)

[Tax Tutorial—Dependents](#)

[Simulation 4A—Identifying Dependents as a Single Taxpayer](#)

[Simulation 4B—Identifying Dependents as a Single Taxpayer with Children](#)

[Simulation 4C—Identifying Dependents](#)

[Assessment—Dependents](#)

[Assessment Solutions—Dependents](#)

#### *Print (PDF)*

[Fact Sheet—Dependents](#)

## **Background**

Dependents are either a qualifying child or a qualifying relative of the taxpayer. The ability to claim a dependent may make taxpayers eligible for other tax benefits. For example, the following tax benefits may all be associated with a dependent: child tax credit, additional child tax credit, credit for other dependents, earned income credit, child and dependent care credit, head of household filing status, and other tax benefits..

A person must be either a “Qualifying Child” or a “Qualifying Relative” to be claimed as a dependent.

- A. To claim a dependency exemption for a qualifying child, all of the qualifying child dependency tests must be met:
- Dependent Taxpayer Test
  - Joint Return Test
  - Citizen or Resident Test
  - Relationship Test
  - Age Test
  - Residency Test
  - Support Test
- B. To claim a dependency exemption for a qualifying relative, the person must meet the following tests:
- Dependent Taxpayer Test
  - Joint Return Test
  - Citizen or Resident Test
  - Not a Qualifying Child Test
  - Member of Household or Relationship Test
  - Gross Income Test
  - Support Test

Taxpayers cannot claim a dependency exemption for a person who can be claimed as a dependent on another taxpayer’s return.

## Key Terms

***Citizen or Resident Test***—Assuming all other dependency tests are met, the citizen or resident test allows taxpayers to claim a dependency exemption for persons who are U.S. citizens, resident aliens, or nationals for some part of the year or who live in Canada or Mexico for some part of the year.

***dependent***—A person, other than the taxpayer or spouse, who entitles the taxpayer to claim a dependency exemption.

***dependency exemption***—Amount taxpayers can claim for their eligible dependents. Each exemption reduces the income subject to tax. The exemption amount is a set amount that generally changes annually.

***exemption amount***—Amount taxpayers can claim for themselves, their spouses, and eligible dependents. There are two types of exemptions—personal and dependency. Each exemption reduces the income subject to tax. The exemption amount is a set amount that generally changes annually.

***gross income***—Money, goods, services, and property a person receives that must be reported on a tax return. Includes unemployment compensation and certain scholarships. It does not include welfare benefits and nontaxable Social Security benefits.

***support***—For dependency test purposes, support includes food, clothing, shelter, education, medical and dental care, recreation, and transportation. It also includes welfare, food stamps, and housing provided by the state. Support includes all income, taxable and nontaxable.

## Opening the Lesson

Hand out Fact Sheet—Dependents. Use the following questions to prompt students to share their knowledge of dependents: (Handle these questions carefully because, in some situations, this issue causes ongoing disagreements, especially in cases of divorce or separation.)

- What does it mean to claim someone as a dependent on a tax return?  
**Claiming a dependent may entitle the taxpayer to other benefits such as certain credits.**
- In what situations should a taxpayer be able to claim a person as a dependent?  
**In general, dependency exemptions are allowed for family and household members who are young, who do not make very much money, and who are supported by the taxpayer.**

Note: For students who may want to work independently on this module, refer them to Student Lesson—Dependents.