

## 2018 Paid Preparer Due Diligence Checklist

- Earned Income Credit (EIC)
- American Opportunity Credit (AOC)
- Child Tax Credit (CTC)
- Additional Child Tax Credit (ACTC)
- Credit for Other Dependents (ODC)
- Head of Household (HOH)

	<i>EIC</i>		<i>AOC</i>		<i>CTC/ACTC/ODC</i>		<i>HOH</i>	
Can you provide documentation, if required, to substantiate your eligibility for each credit and/or HOH filing status and the amount of each credit being claimed? (See below for examples of documentation.)	Yes n/a	No	Yes n/a	No	Yes n/a	No	Yes n/a	No
	<i>EIC</i>		<i>AOC</i>		<i>CTC/ACTC/ODC</i>		<i>HOH</i>	
Were any of these credits disallowed or reduced in prior year?	Yes n/a	No	Yes n/a	No	Yes n/a	No	n/a	
	<i>EIC</i>		<i>AOC</i>		<i>CTC/ACTC/ODC</i>		<i>HOH</i>	
Is each qualifying person for whom you are claiming the Child Tax Credit, Additional Child Tax Credit, and Credit for Other Dependents a citizen, national, or resident of the United States?	n/a		n/a		Yes n/a	No	n/a	
Did all children for whom you are claiming the Child Tax Credit and/or Additional Child Tax Credit reside with you for more than half the year?	n/a		n/a		Yes n/a	No	n/a	
Is there an active Form 8332, <i>Release/Revocation of Claim to Exemption for Child by Custodial Parent</i> , or a similar statement in place?	n/a		n/a		Yes n/a	No	n/a	
Did you release the claim for exemption to another person?	n/a		n/a		Yes n/a	No	n/a	
	<i>EIC</i>		<i>AOC</i>		<i>CTC/ACTC/ODC</i>		<i>HOH</i>	
Have you provided documentation for the American Opportunity Credit, including Form 1098-T and/or receipts for qualified tuition and related expenses?	n/a		Yes n/a	No	n/a		n/a	
	<i>EIC</i>		<i>AOC</i>		<i>CTC/ACTC/ODC</i>		<i>HOH</i>	
Were you unmarried or considered unmarried on the last day of the tax year and provided more than half of the cost of keeping up a home for the year for a qualifying person?	n/a		n/a		n/a		Yes n/a	No

### Documentation Examples (list not all-inclusive)

#### Residency of a Qualifying Child

- School records or statement.
- Landlord or a property management statement.
- Health care provider statement.
- Medical records.
- Child care provider records.
- Placement agency statement.
- Social service records or statement.
- Place of worship statement.
- Indian tribal official statement.

#### Disability of Qualifying Child

- Medical doctor's statement.
- Other health care provider's statement.
- Social services agency or program statement.

#### Schedule C

- Business license.
- Forms 1099.
- Records of gross receipts.
- Summary of income.
- Records of expenses.
- Summary of expenses.
- Bank statements to show income and expenses.

Taxpayer

Spouse (if filing jointly)

Date

# Diligence Questions

## All Taxpayers:

1. Are you married? \_\_\_\_\_
2. Have you ever been disallowed the EITC/AOTC/CTC? If so, when? \_\_\_\_\_
3. Did you live in the United States and where? \_\_\_\_\_
4. If you are a single parent, where's the other parent(s) of your child/children? \_\_\_\_\_
5. What is the name of the other parent(s)? \_\_\_\_\_
6. Why is the other parent of the child/children not claiming the child? \_\_\_\_\_
7. Explain why the dependent(s) have different last names than the taxpayer \_\_\_\_\_
8. If you are separated/divorced, when did you last live in the same home? \_\_\_\_\_
9. Do you have joint custody of your child? \_\_\_\_\_
  - a. How long did the child live in your home during this tax year? \_\_\_\_\_
  - b. How long did your child/children live in the other parent's home during this tax year? \_\_\_\_\_
  - c. How much income did the other parent have during this tax year? \_\_\_\_\_
  - d. Do you have a signed Form 8332? \_\_\_\_\_
10. Did anyone else live in the home that provides financial support for your child/dependent(s)? \_\_\_\_\_
  - a. *If yes, who lives there and how much do they pay* \_\_\_\_\_
11. Does the taxpayer have full custody of their dependent(s)? \_\_\_\_\_
12. Is this your biological dependent(s) ? \_\_\_\_\_
13. How old were you when your oldest child was born that is listed on this return? \_\_\_\_\_
  - a. If the taxpayer was under the age of 18, explain circumstances and who/how the child was cared for until the taxpayer was old enough to support and care for her own child \_\_\_\_\_
14. How many months did the dependent(s) live in your home during the tax year ? \_\_\_\_\_
15. Can anyone else claim your dependent(s) as a dependent on their tax return? \_\_\_\_\_
16. Is your dependent married? \_\_\_\_\_
17. If you live alone, who babysits while you work (for children 12 & younger)? Name: \_\_\_\_\_
18. Do you receive any other type of supplemental, non taxable income such as child support, welfare benefits, social security, etc? \_\_\_\_\_
  - a. *If so, how much and what kind?* \_\_\_\_\_

## Not Biological Child:

19. If this is not your biological child, what is your relationship to the dependent? \_\_\_\_\_
20. Did the dependent live in your home for more than 6 months? \_\_\_\_\_
21. Do you have custody? \_\_\_\_\_ If so, through what court/agency? \_\_\_\_\_

# Diligence Questions

22. Who are the biological parents? \_\_\_\_\_
23. Where do the biological parents live? \_\_\_\_\_
24. What were the circumstances leading to the dependent(s) being placed in your home? \_\_\_\_\_  
\_\_\_\_\_
25. Do you receive any financial aid for this child such as WIC, Medicaid, SNAP, listed on your health insurance policy, etc? \_\_\_\_\_  
If yes, which ones? \_\_\_\_\_
26. Are you listed as the guardian for this dependent(s) on school records, medical records, daycare records, or place of worship records? \_\_\_\_\_

## College Credits

27. Which college did the student attend? \_\_\_\_\_
28. Did student attend at least half time? \_\_\_\_\_ Degree Seeking? \_\_\_\_\_
29. Did this student receive a tuition statement from the school? \_\_\_\_\_ Other Books/Materials \$ \_\_\_\_\_
30. Did this student work while attending school? \_\_\_\_\_ If so, how much did they earn? \_\_\_\_\_
31. How many tax years have you claimed the AOTC? \_\_\_\_\_ Drug Related Felonies? \_\_\_\_\_  
PLEASE PROVIDE BURSAR STATEMENT OR ACCOUNT HISTORY

## Disabled at any age:

32. If your dependent is over the age of 18 and Disabled, what is wrong with them? \_\_\_\_\_
33. Has this dependent been declared disabled by a physician? \_\_\_\_\_ If so, can you provide documentation? \_\_\_\_\_
34. Does dependent receive social security/disability benefits? \_\_\_\_\_ If so, how much do they receive? \_\_\_\_\_
35. Are you listed as the Social Security Representative Payee for this dependent? \_\_\_\_\_
36. Is this the dependent(s) expected to recover in the next year? \_\_\_\_\_
37. If this is not your biological child, why is this child living with you and not another family member?  
\_\_\_\_\_
38. Where are the biological parents of your disabled dependent(s)? \_\_\_\_\_
39. Who cares for the disabled dependent while the taxpayer works? \_\_\_\_\_

**CAN YOU, THE TAXPAYER, PROVIDE SCHOOL/MEDICAL/DAYCARE/PLACE OF WORSHIP/BIRTH CERTIFICATES UPON REQUEST FROM THE GOVERNMENT?** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# Filing Status

**Single:**

Others that lived in your home that is not reported on this tax return? \_\_\_\_\_ Income \$ \_\_\_\_\_

Is this person biologically related to your dependent(s)? \_\_\_\_\_ If yes, to what relationship? \_\_\_\_\_

Preparer Notes as to why the above named relative is not claiming the child on the above named relative's tax return: \_\_\_\_\_

**Head of Household: Single parent paying more than 1/2 cost of keeping up a home**

**Monthly Income:** \_\_\_\_\_ (wages, child support, other income)

	Amount you paid	Total Cost
Property Taxes		
Rent		
Mortgage interest expense		
Utility Charges		
Upkeep and Repairs		
Property Insurance		
Food Consumed on the premises		
Other Household expenses		
<b>Totals</b>		

Do not count money received under public assistance/welfare/foodstamps in the amount you paid. But include costs paid with public assistance in the total cost

*Taxpayer has provided all answers to the above questions to be true and correct to the best of the taxpayer's knowledge. Taxpayer has been informed that claiming a dependent for EITC/CTC? AOTC/HOH or other can result in an audit, fines and penalties if information provided to preparer is incorrect.*

TAXPAYER

SPOUSE

Preparer signature \_\_\_\_\_

Date inquiries were made \_\_\_\_\_

Answers were provided by taxpayer on the above date unless otherwise noted here: \_\_\_\_\_