



Guide to Filing Federal Tax Returns

General Rules Regarding Whether an Individual Must File a Federal Tax Return

The following rules are based on information contained in the 2016 edition of *IRS Publication 17—Your Federal Income Tax*, Chapter 1. Additional information can be found in *IRS Publication 501—Exemptions, Standard Deduction, and Filing Information*, as well as *IRS Publication 570—Tax Guide for Individuals With Income From U.S. Possessions*. When resolving conflicting information related to the requirement to file a federal tax return, each of these IRS publications should be used for the applicable tax year.

- The requirement to file a federal income tax return applies to U.S. citizens and residents.
 - U.S. citizens who are residents of Puerto Rico may be required to file both a federal income tax return and a Puerto Rican tax return. See *IRS Publication 570* for filing requirements.
 - See *IRS Publication 570* for tax filing requirements of individuals who are U.S. citizens and residents of U.S. possessions (i.e., Guam, the Commonwealth of the Northern Mariana Islands, American Samoa, or the U.S. Virgin Islands.)
- In general, the requirement to file a federal tax return is based on the individual's gross income, filing status, age, and whether the individual is a dependent. See the Filing Requirements for Most Taxpayers chart in Chapter 1 of *IRS Publication 17* regarding the:
 - Definition of gross income (not adjusted gross income); and
 - Minimum gross income amount based on the individual's age and filing status.
- In addition to the general requirements, an individual must file a federal income tax return if:
 - The individual owes any special taxes (e.g., alternative minimum tax, household employment taxes, Social Security and Medicare tax on tips, etc.);
 - The individual (or spouse if filing jointly) received Health Savings Account (HSA), Archer Medical Savings Account (MSA), or Medicare Advantage MSA distributions;
 - The individual had net earnings from self-employment (excluding church employee income) of at least \$400;
 - The individual received wages above a specific amount from a church or qualified church-controlled organization that is exempt from employer Social Security and Medicare taxes; or
 - The individual, spouse, or dependent received advance payments of the premium tax credit by enrolling in coverage through the Marketplace.

General Rules Regarding Exemptions

The following general rules are based on information contained in the 2016 edition of IRS Publication 17, Chapter 3. See also IRS Publication 17 for the applicable tax year for any changes to these general rules.

Personal Exemptions

- A tax filer may take a personal exemption for himself or herself unless another taxpayer is entitled to claim him or her as a dependent. (*Note: This rule applies even though the other taxpayer does not actually claim the tax filer.*)

Exemptions for Dependents

- A tax filer may claim an exemption for a “qualifying child” or a “qualifying relative” only if each of the following three tests are met.
 - Dependent taxpayer test:
 - ✓ Another taxpayer is not entitled to claim the tax filer as a dependent.
 - ✓ If the tax filer is married and filing a joint return, another taxpayer is not entitled to claim the tax filer’s spouse.
 - Joint return test:
 - ✓ If the “qualifying child” or “qualifying relative” is married, he or she will not file a joint return. (*Exception: This test is met if a “qualifying child” or “qualifying relative” files a joint return only for the purpose of claiming a refund of income tax withheld or estimated taxes paid.*)
 - Citizen or resident test:
 - ✓ The “qualifying child” or “qualifying relative” is a U.S. citizen, U.S. national, U.S. resident alien, or a resident of Canada or Mexico for some part of the tax year. (*Exception: If the tax filer is a U.S. citizen or U.S. national who has legally adopted a child who is not a U.S. citizen, U.S. national, or U.S. resident alien, the adopted child must live with the tax filer as a member of the tax filer’s household for the entire year.*)

Definitions Related to Exemptions for Dependents Rules

- **Adopted child:** A child who has been legally adopted by the tax filer or a child who is lawfully placed with the tax filer for legal adoption.
- **Foster child:** An individual placed with the tax filer by an authorized placement agency or by a judgment, decree, or other order of any court of competent jurisdiction.
- **Full-time student:** A student who is enrolled full time as defined by the school. See IRS *Publication 17* for information regarding the minimum number of months the student must be full time during the year and the limitations on the allowable types of schools and programs.
- **Permanently and totally disabled:** A child is considered to be totally and permanently disabled if the child:
 - Cannot engage in any substantial gainful activity because of a physical or mental condition; and
 - A doctor determines the condition has lasted or can be expected to last continuously for at least a year or can lead to death.

- **Qualifying child:** A child for whom each of the following five tests is met.
 - Relationship test: The child is the tax filer's:
 - ✓ Child, stepchild, adopted child, foster child, grandchild; or
 - ✓ Sibling (including stepbrother, stepsister, half brother, and half sister) or sibling's descendant (e.g., niece, nephew).
 - Age test: The child was:
 - ✓ Under age 19 at the end of the tax year and younger than the tax filer (or spouse if filing jointly);
 - ✓ A "full-time student" under age 24 at end of the tax year and younger than the tax filer (or spouse if filing jointly); or
 - ✓ "Permanently and totally disabled" at any time during the tax year regardless of the child's age.
 - Residency test:
 - ✓ Except for "temporary absences," the child must have lived with the tax filer for more than half the tax year.
 - ✓ In the case of a child of divorced or separated parents (or parents who live apart), a child may be treated as the "qualifying child" of the noncustodial parent if each of the following four conditions is satisfied.
 1. The parents are divorced or legally separated under a decree of divorce or separate maintenance, are separated under a written separation agreement, or lived apart during the entire last six months of the tax year.
 2. The child received more than half his or her support for the tax year from the parents.
 3. The child was in the custody of one or both parents for more than half the tax year.
 4. The custodial parent signed a written declaration that he or she will not claim the child as a dependent during the applicable tax year and the noncustodial parent attached this declaration to his or her tax return **or**, under the divorce or separate maintenance decree or the written separation agreement, the noncustodial parent is permitted to claim the child as a dependent for the applicable tax year. See IRS *Publication 17*, Chapter 3 for additional requirements applicable to divorce and separation agreements entered into prior to 2009 as well as the special rule for a qualifying child of more than one person.
 - Support test: The child cannot have provided more than half of his or her own support for the tax year.
 - ✓ Scholarship assistance received by child who is a "full-time student" is excluded.
 - ✓ Payments received for the support of a foster child are considered support provided by the child placement agency, state, or county (as applicable).
 - Joint return test: The child cannot file a joint return for the tax year. (*Exception: This test is met if the tax filer's child and the child's spouse file a joint return only for the purpose of claiming a refund of income tax withheld or estimated taxes paid.*)
- **Qualifying relative:** A person for whom each of the following four tests is met.
 - Not a qualifying child test:
 - ✓ The person is not the tax filer's or another taxpayer's "qualifying child."
 - Member of household or relationship test: The person:
 - ✓ Lived with the tax filer all year as a member of the tax filer's household; or
 - ✓ Is a "relative who does not have to live with the tax filer."
 - Gross income test:
 - ✓ See IRS *Publication 17*, Chapter 3, and Gross Income Test for the definition of gross income and the maximum amount of annual income the person may have to satisfy this test.

- Support test:
 - ✓ In general, the tax filer must have provided more than half the person's "total support" during the calendar year. See IRS *Publication 17*, Chapter 3, Support Test (To Be a Qualifying Relative) and Worksheet for Determining Support.
 - ✓ See IRS *Publication 17*, Chapter 3, Multiple Support Agreement if two or more tax filers provided support, but no one tax filer provided more than half the person's total support during the calendar year.
 - ✓ See IRS *Publication 17*, Chapter 3, Support Test for Children of Divorced or Separated Parents (or Parents Who Live Apart) if the child of divorced or separated parents (or parents who live apart) did not meet the "qualifying child" criteria, but may meet criteria to be considered a "qualifying relative" of either parent.

- **Relative who does not have to live with the tax filer:** A person who is the tax filer's:
 - Child, stepchild, foster child, adopted child, or a descendent of any of them;
 - Sibling (including the tax filer's stepbrother, stepsister, half brother, or half sister);
 - Parent (excluding the tax filer's foster parent), grandparent, or other direct ancestor;
 - Stepparent;
 - Niece or nephew (i.e., the son or daughter of the tax filer's sibling or half sibling);
 - Aunt or uncle (i.e., the sibling of the tax filer's parent); or
 - In-law (i.e., son-, daughter-, father-, mother-, brother-, or sister-in-law)

(Note: If the tax filer is married and files a joint return, the individual can be related to either spouse and need not be related to the spouse that provided the support.)

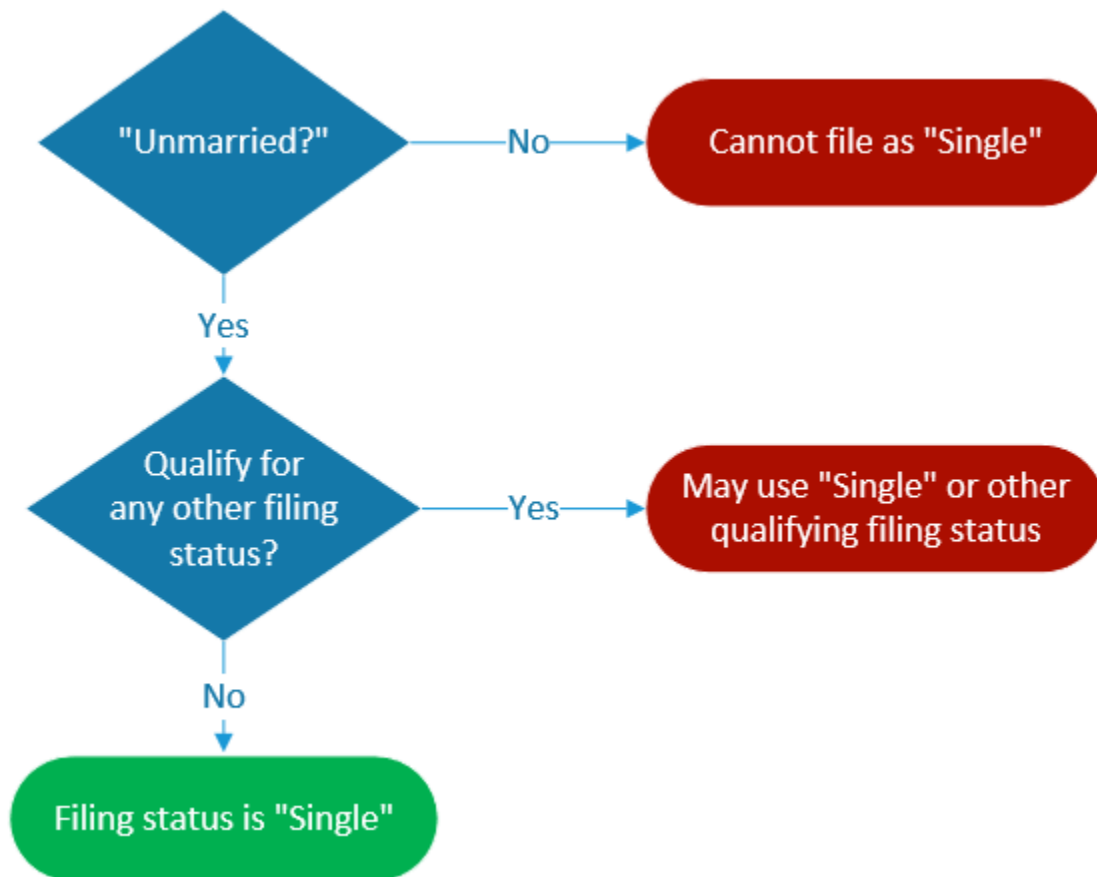
- **Temporary absences (related to qualifying child definition residency test):** Periods during the tax year when the tax filer and/or the child temporarily are absent from the household due to special circumstances such as illness, education, business, vacation, military service, or detention in a juvenile facility.

- **Temporary absences (related to qualifying relative definition):** Periods during the tax year when the tax filer and/or the individual temporarily are absent from the household due to special circumstances such as illness, education, business, vacation, military service, or detention in a juvenile facility. The definition also includes a period during which the individual is placed in a nursing home for an indefinite period of time to receive constant medical care.

- **Total support:** Amounts spent to provide food, lodging, clothing, education, medical and dental care, recreation, transportation, and similar necessities. Generally, the amount of an item of support is the amount of expense incurred in providing the item. For lodging, the amount of support is the fair rental value of the lodging. Expenses not directly related to any one member of a household must be divided among members of the household.

Determining Filing Status—Single

The following decision tree and definitions are based on information contained in the 2016 edition of IRS *Publication 17*, Chapter 2. See also IRS *Publication 17* for the applicable tax year.

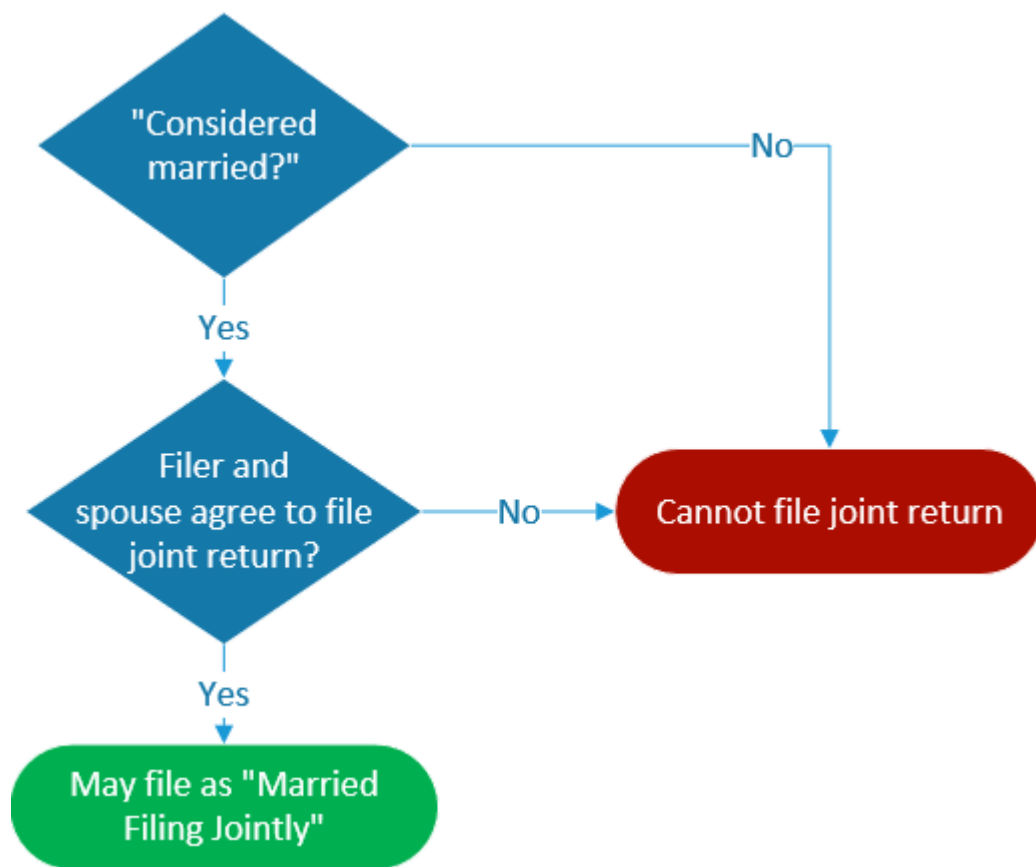


Definitions Related to Single Filing Status

- **Same-sex marriage:** For federal tax purposes, two individuals of the same sex are considered married if they were lawfully married in a state or foreign country whose laws authorize the marriage of two individuals of the same sex. This recognition of a same-sex marriage applies even if the state or foreign country where the two individuals now live does not recognize same-sex marriage. Registered domestic partnerships, civil unions, or other similar relationships that are not considered marriages under state or foreign law are not considered marriages for federal tax purposes.
- **Unmarried:** On the last day of the tax year, the individual is:
 - Unmarried; or
 - Legally separated from his or her spouse under a divorce or separate maintenance decree. (*Note: State law determines whether an individual is legally separated under a divorce or separate maintenance decree.*)

Determining Filing Status—Married Filing Jointly

The following decision tree and definitions are based on information contained in the 2016 edition of IRS *Publication 17*, Chapter 2. See also IRS *Publication 17* for the applicable tax year.



Definitions Related to Married Filing Jointly Status

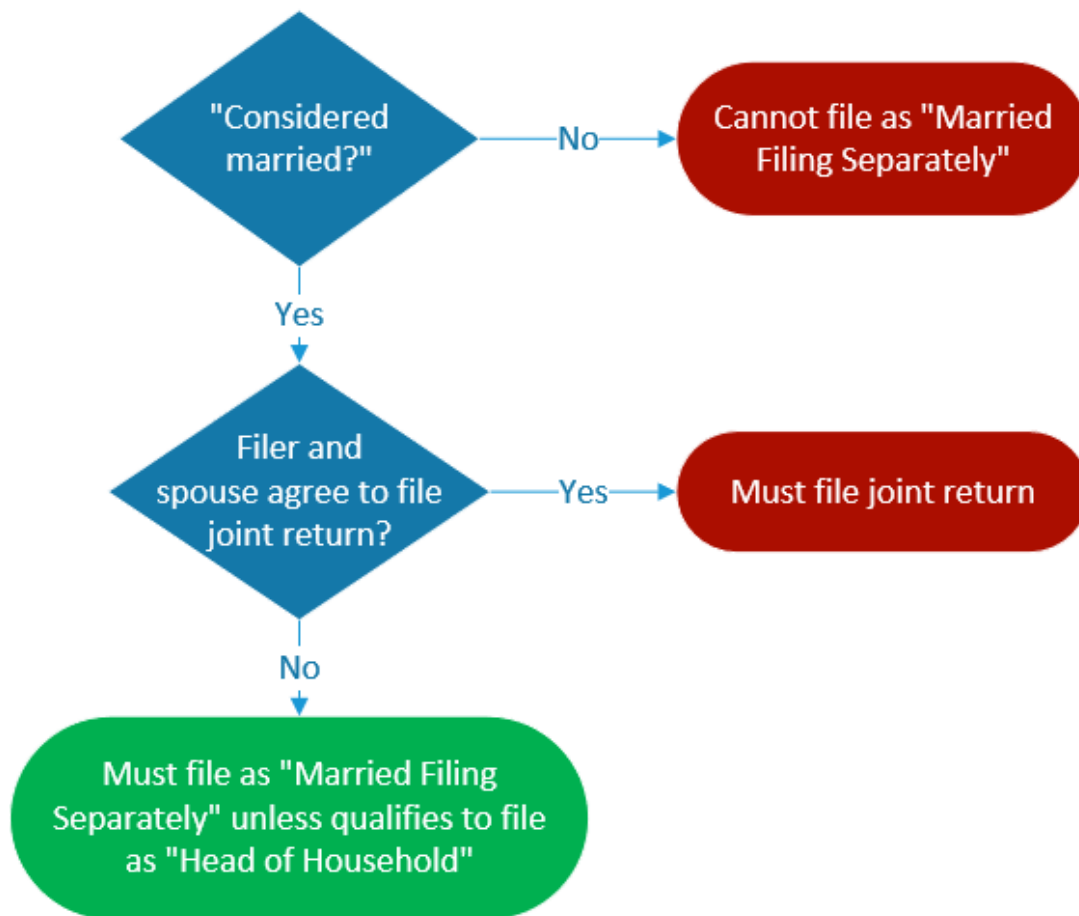
- **Considered married:** On the last day of the tax year, the tax filer and his or her spouse are:
 - Married and living together as a married couple;
 - Living together in a common law marriage that is recognized in the state where they live or in the state where the common law marriage began;
 - Married and living apart, but not legally separated under a decree of divorce or separate maintenance; or
 - Separated under an interlocutory (not final) decree of divorce.

(Note: If the tax filer's spouse died during the tax year, the tax filer is "considered married" for the entire year. If the tax filer did not remarry before the end of the year, he or she may file a joint return.)

- **Same-sex marriage:** For federal tax purposes, two individuals of the same sex are considered married if they were lawfully married in a state or foreign country whose laws authorize the marriage of two individuals of the same sex. This recognition of a same-sex marriage applies even if the state or foreign country where the two individuals now live does not recognize same-sex marriage. Registered domestic partnerships, civil unions, or other similar relationships that are not considered marriages under state or foreign law are not considered marriages for federal tax purposes.

Determining Filing Status—Married Filing Separately

The following decision tree and definitions are based on information contained in the 2016 edition of IRS *Publication 17*, Chapter 2. See also IRS *Publication 17* for the applicable tax year.



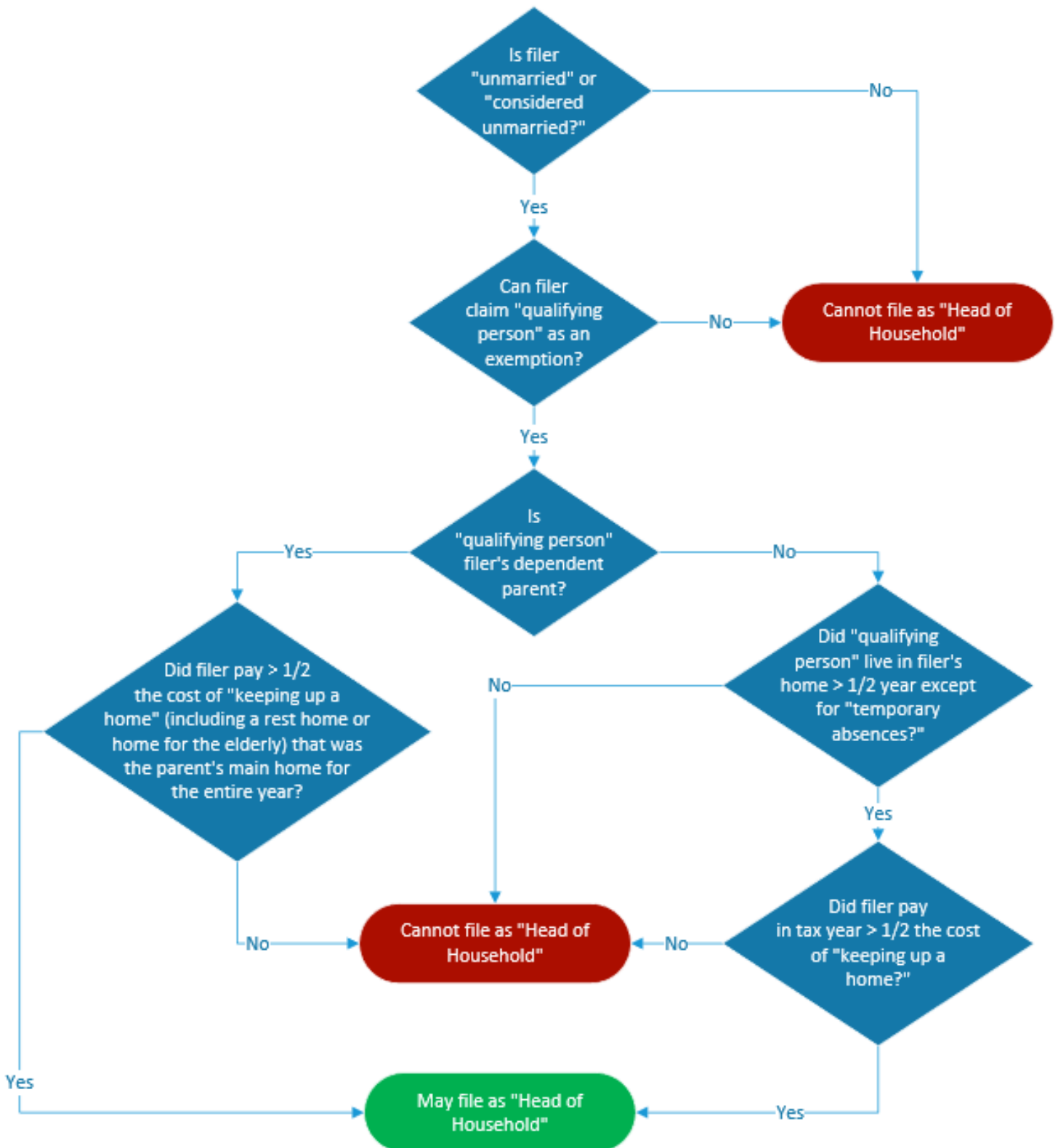
Definitions Related to Married Filing Separately Status

- **Considered married:** On the last day of the tax year, the tax filer and his or her spouse are:
 - Married and living together as a married couple;
 - Living together in a common law marriage that is recognized in the state where they live or in the state where the common law marriage began;
 - Married and living apart, but not legally separated under a decree of divorce or separate maintenance; or
 - Separated under an interlocutory (not final) decree of divorce.

(Note: If the tax filer's spouse died during the tax year, the tax filer is "considered married" for the entire year. If the tax filer did not remarry before the end of the year, he or she may file a joint return.)
- **Same-sex marriage:** For federal tax purposes, two individuals of the same sex are considered married if they were lawfully married in a state or foreign country whose laws authorize the marriage of two individuals of the same sex. This recognition of a same-sex marriage applies even if the state or foreign country where the two individuals now live does not recognize same-sex marriage. Registered domestic partnerships, civil unions, or other similar relationships that are not considered marriages under state or foreign law are not considered marriages for federal tax purposes.

Determining Filing Status—Head of Household

The following decision tree and definitions are based on information contained in the 2016 edition of IRS *Publication 17*, Chapter 2. See also IRS *Publication 17* for the applicable tax year.



Definitions Related to Head of Household Filing Status

- **Adopted child:** A child who has been legally adopted by the tax filer or a child who is lawfully placed with the tax filer for legal adoption.
- **Considered unmarried (on last day of tax year):** The tax filer meets each of the following five conditions:
 - The tax filer files a separate return.
 - The tax filer paid more than half the costs of “keeping up a home” for the tax year.
 - The tax filer’s spouse did not live in the tax filer’s home during the last six months of the tax year. *[Note: The tax filer’s spouse is considered to live in the tax filer’s home even if temporarily absent due to special circumstances—see the definition of “temporary absences (related to spouse).”]*
 - The tax filer’s home was the main home of his or her child, stepchild, adopted child, or foster child for more than half the tax year.
 - The tax filer is able to claim an exemption for the child. *(Note: The tax filer satisfies this condition if the only reason the tax filer cannot claim an exemption for the child is because the noncustodial parent can claim the child as an exemption.)*
- **Foster child:** An individual placed with the tax filer by an authorized placement agency or by a judgment, decree, or other order of any court of competent jurisdiction.
- **Keeping up a home:** Costs for the upkeep of the tax filer’s home, such as property taxes, mortgage interest, rent, utilities, costs for upkeep and repairs, property insurance, and food eaten in the home. See IRS *Publication 17*, Chapter 2, Cost of Keeping Up a Home chart.)
- **Qualifying child:** A child for whom each of the following five tests is met.
 - Relationship test: The child is the tax filer’s:
 - ✓ Child, stepchild, adopted child, foster child, grandchild; or
 - ✓ Sibling (including stepbrother, stepsister, half brother, and half sister) or sibling’s descendant (e.g., niece, nephew).
 - Age test: The child was:
 - ✓ Under age 19 at the end of the tax year and younger than the tax filer (or spouse if filing jointly);
 - ✓ A “full-time student” under age 24 at end of the tax year and younger than the tax filer (or spouse if filing jointly); or
 - ✓ “Permanently and totally disabled” at any time during the tax year regardless of the child’s age.
 - Residency test:
 - ✓ Except for “temporary absences,” the child must have lived with the tax filer for more than half the tax year.
 - ✓ In the case of a child of divorced or separated parents (or parents who live apart), a child may be treated as the “qualifying child” of the noncustodial parent if each of the following four conditions is satisfied.
 1. The parents are divorced or legally separated under a decree of divorce or separate maintenance, are separated under a written separation agreement, or lived apart during the entire last six months of the tax year.
 2. The child received more than half his or her support for the tax year from the parents.
 3. The child was in the custody of one or both parents for more than half the tax year.
 4. The custodial parent signed a written declaration that he or she will not claim the child as a dependent during the applicable tax year and the noncustodial parent attached this declaration to his or her tax return **or**, under the divorce or separate maintenance decree or the written

separation agreement, the noncustodial parent is permitted to claim the child as a dependent for the applicable tax year. See IRS *Publication 17*, Chapter 3 for additional requirements applicable to divorce and separation agreements entered into prior to 2009 as well as the special rule for a qualifying child of more than one person.

- Support test: The child cannot have provided more than half of his or her own support for the tax year.
 - ✓ Scholarship assistance received by child who is a “full-time student” is excluded.
 - ✓ Payments received for the support of a foster child are considered support provided by the child placement agency, state, or county (as applicable).
- Joint return test: The child cannot file a joint return for the tax year. (*Exception: This test is met if the tax filer’s child and the child’s spouse file a joint return only for the purpose of claiming a refund of income tax withheld or estimated taxes paid.*)

- **Qualifying person:** The tax filer’s “qualifying child” or “qualifying relative.”

- **Qualifying relative:** A person for whom each of the following four tests is met.

- Not a qualifying child test:
 - ✓ The person is not the tax filer’s or another taxpayer’s “qualifying child.”
- Member of household or relationship test: The person:
 - ✓ Lived with the tax filer all year as a member of the tax filer’s household; or
 - ✓ Is a “relative who does not have to live with the tax filer.”
- Gross income test:
 - ✓ See IRS *Publication 17*, Chapter 3, and Gross Income Test for the definition of gross income and the maximum amount of annual income the person may have to satisfy this test.
- Support test:
 - ✓ In general, the tax filer must have provided more than half the person’s “total support” during the calendar year. See IRS *Publication 17*, Chapter 3, Support Test (To Be a Qualifying Relative) and Worksheet for Determining Support.
 - ✓ See IRS *Publication 17*, Chapter 3, Multiple Support Agreement if two or more tax filers provided support, but no one tax filer provided more than half the person’s total support during the calendar year.
 - ✓ See IRS *Publication 17*, Chapter 3, Support Test for Children of Divorced or Separated Parents (or Parents Who Live Apart) if the child of divorced or separated parents (or parents who live apart) did not meet the “qualifying child” criteria, but may meet criteria to be considered a “qualifying relative” of either parent.

- **Relative who does not have to live with the tax filer:** A person who is the tax filer’s:

- Child, stepchild, foster child, adopted child, or a descendent of any of them;
- Sibling (including the tax filer’s stepbrother, stepsister, half brother, or half sister);
- Parent (excluding the tax filer’s foster parent), grandparent, or other direct ancestor;
- Stepparent;
- Niece or nephew (i.e., the son or daughter of the tax filer’s sibling or half sibling);
- Aunt or uncle (i.e., the sibling of the tax filer’s parent); or
- In-law (i.e., son-, daughter-, father-, mother-, brother-, or sister-in-law)

(Note: If the tax filer is married and files a joint return, the individual can be related to either spouse and need not be related to the spouse that provided the support.)

- **Unmarried:** On the last day of the tax year, the individual is:
 - Unmarried; or
 - Legally separated from his or her spouse under a divorce or separate maintenance decree. *(Note: State law determines whether an individual is legally separated under a divorce or separate maintenance decree.)*

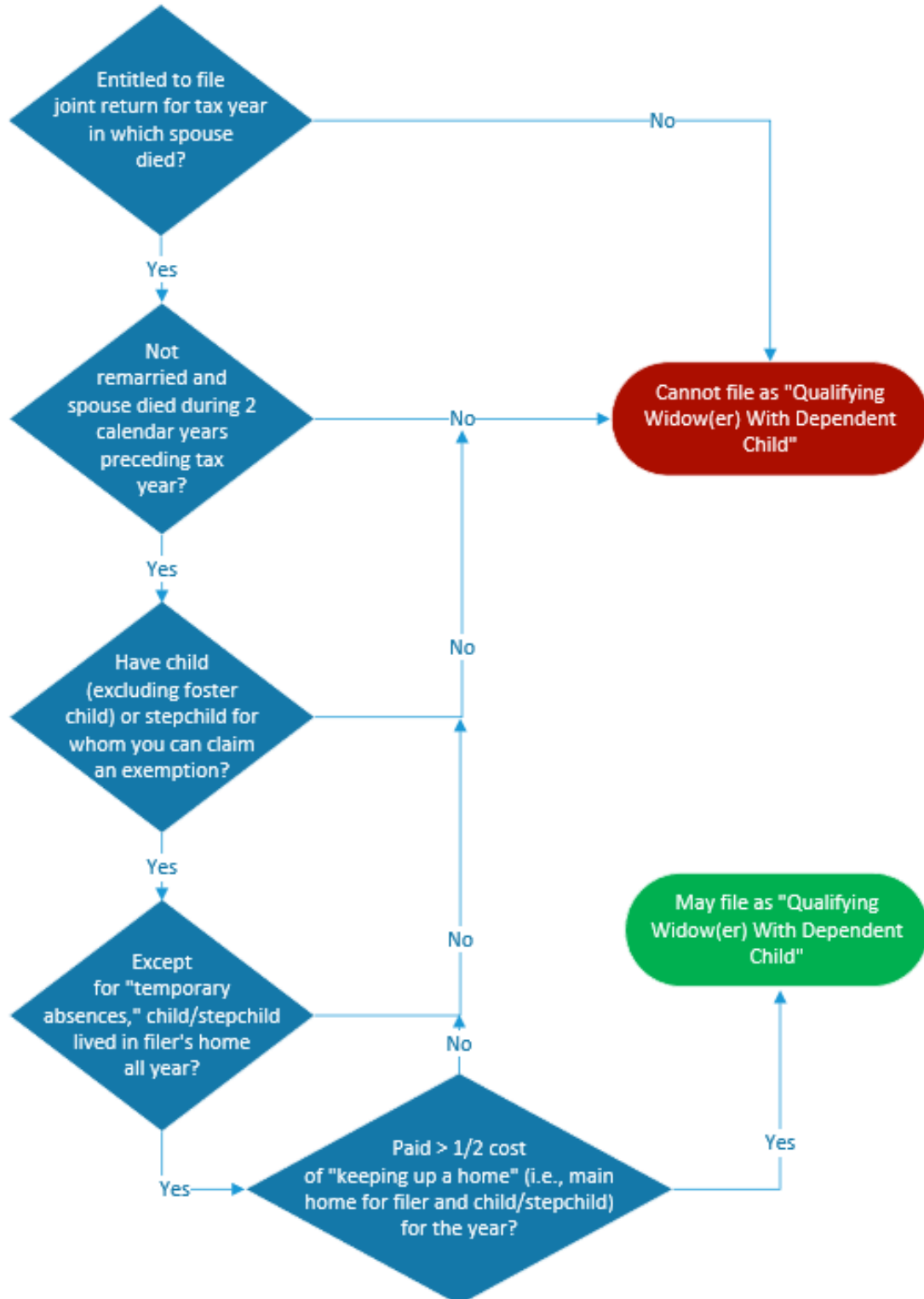
- **Same-sex marriage:** For federal tax purposes, two individuals of the same sex are considered married if they were lawfully married in a state or foreign country whose laws authorize the marriage of two individuals of the same sex. This recognition of a same-sex marriage applies even if the state or foreign country where the two individuals now live does not recognize same-sex marriage. Registered domestic partnerships, civil unions, or other similar relationships that are not considered marriages under state or foreign law are not considered marriages for federal tax purposes.

- **Temporary absences (related to spouse):** Periods during the tax year when the tax filer and/or his or her spouse are temporarily absent from the tax filer's home due to special circumstances such as illness, education, business, vacation, military service, or detention in a juvenile facility. *(Note: It must be reasonable to assume that the absent person will return to the tax filer's home after the temporary absence, and the tax filer must continue to keep up the home during the absence.)*

- **Temporary absences (related to "qualifying person"):** Periods during the tax year when the tax filer and/or the "qualifying person" are temporarily absent from the tax filer's home due to special circumstances such as illness, education, business, vacation, military service, or detention in a juvenile facility. *(Note: It must be reasonable to assume that the absent person will return to the tax filer's home after the temporary absence, and the tax filer must continue to keep up the home during the absence.)*

Determining Filing Status—Qualifying Widow(er) With Dependent Child

The following decision tree and definitions are based on information contained in the 2016 edition of IRS *Publication 17*, Chapter 2. See also IRS Publication 17 for the applicable tax year.



Definitions Related to Qualifying Widow(er) With Dependent Child Filing Status

- **Foster child:** An individual placed with the tax filer by an authorized placement agency or by a judgment, decree, or other order of any court of competent jurisdiction.
- **Keeping up a home:** Costs for the upkeep of the tax filer's home, such as property taxes, mortgage interest, rent, utilities, costs for upkeep and repairs, property insurance, and food eaten in the home. See IRS *Publication 17*, Chapter 2, Cost of Keeping Up a Home chart.
- **Same-sex marriage:** For federal tax purposes, two individuals of the same sex are considered married if they were lawfully married in a state or foreign country whose laws authorize the marriage of two individuals of the same sex. This recognition of a same-sex marriage applies even if the state or foreign country where the two individuals now live does not recognize same-sex marriage. Registered domestic partnerships, civil unions, or other similar relationships that are not considered marriages under state or foreign law are not considered marriages for federal tax purposes.
- **Temporary absences:** Periods during the tax year when the tax filer and/or the child are temporarily absent from the household due to special circumstances such as illness, education, business, vacation, military service, or detention in a juvenile facility. *(Note: It must be reasonable to assume that the absent person will return to the tax filer's home after the temporary absence, and the tax filer must continue to keep up the home during the absence.)*

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