

Filing Status

Married, Single, and More

Pub 4012 – Tab B

Pub 4491 – Lesson 4

[Link & Learn Taxes Lesson 4](#)

■ Filing Status

[Pub 501](#)

- IRS has five filing status
 - Single (S)
 - Married filing jointly (MFJ)
 - Married filing separately (MFS)
 - Head of Household (HoH)
 - Qualifying Widow(er) (QW)

■ Filing Status

- Counselors must determine filing status for taxpayer
 - Most advantageous
 - Allowable
- Filing status is critical
 - Impacts credits including EIC
 - Impacts amount of tax and deductions calculated

■ Filing Status Importance

- Many tax items affected by filing status
 - Necessity to file a return (Pub 4012 Tab A Chart A)
 - Standard deduction (Pub 4012 Tab F)
 - Tax rate bracket
 - Eligibility for certain credits (e.g. Pub 4012 Tab I EIC General Eligibility Rules Step 3)

■ Filing Status – Tax Rate

Initial rates of tax – 2021

Status	Tax Rate is 10% on taxable income	Tax Rate is 12% on taxable income of
Single	Up to \$ 9,950	\$ 9,951 – \$40,525
Married Filing Jointly	Up to \$19,900	\$19,901 – \$81,050
Married Filing Separately	Up to \$ 9,950	\$ 9,951 – \$40,525
Head of Household	Up to \$14,200	\$14,201 – \$54,200

- Qualifying widow(er) uses Married Filing Jointly tax rates

■ Living Situation Analysis

- Questions to consider when determining filing status
 - Marital status as of December 31st
 - Are any individuals living in the home with taxpayer
 - Is the taxpayer providing over half the support of any individuals
 - Is the taxpayer providing over half the cost of maintaining the home for qualifying individuals
 - Is the spouse deceased
 - Date of death
 - Any qualifying children living in the home


■ Marital Status

- Marital status determined on December 31st
- Federal definition of “married”
 - Legal marriage under laws of state or country
 - Does not include civil unions or registered domestic partners

Intake Booklet

Check Part II entries in Intake Booklet

Part II – Marital Status and Household Information

1. As of December 31, 2021, what was your marital status? 

Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)
 Married a. If Yes, Did you get married in 2021? Yes No
 Divorced b. Did you live with your spouse during any part of the last six months of 2021? Yes No
 Date of final decree _____
 Legally Separated Date of separate maintenance decree _____
 Widowed Year of spouse's death _____

2. List the names below of:

- everyone who lived with you last year (other than your spouse)
- anyone you supported but did not live with you last year

If additional space is needed check here and list on page 3

To be completed by a Certified Volunteer Preparer

Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes,no,n/a)	Did this person have less than \$4,300 of income? (yes,no,n/a)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/n/a)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
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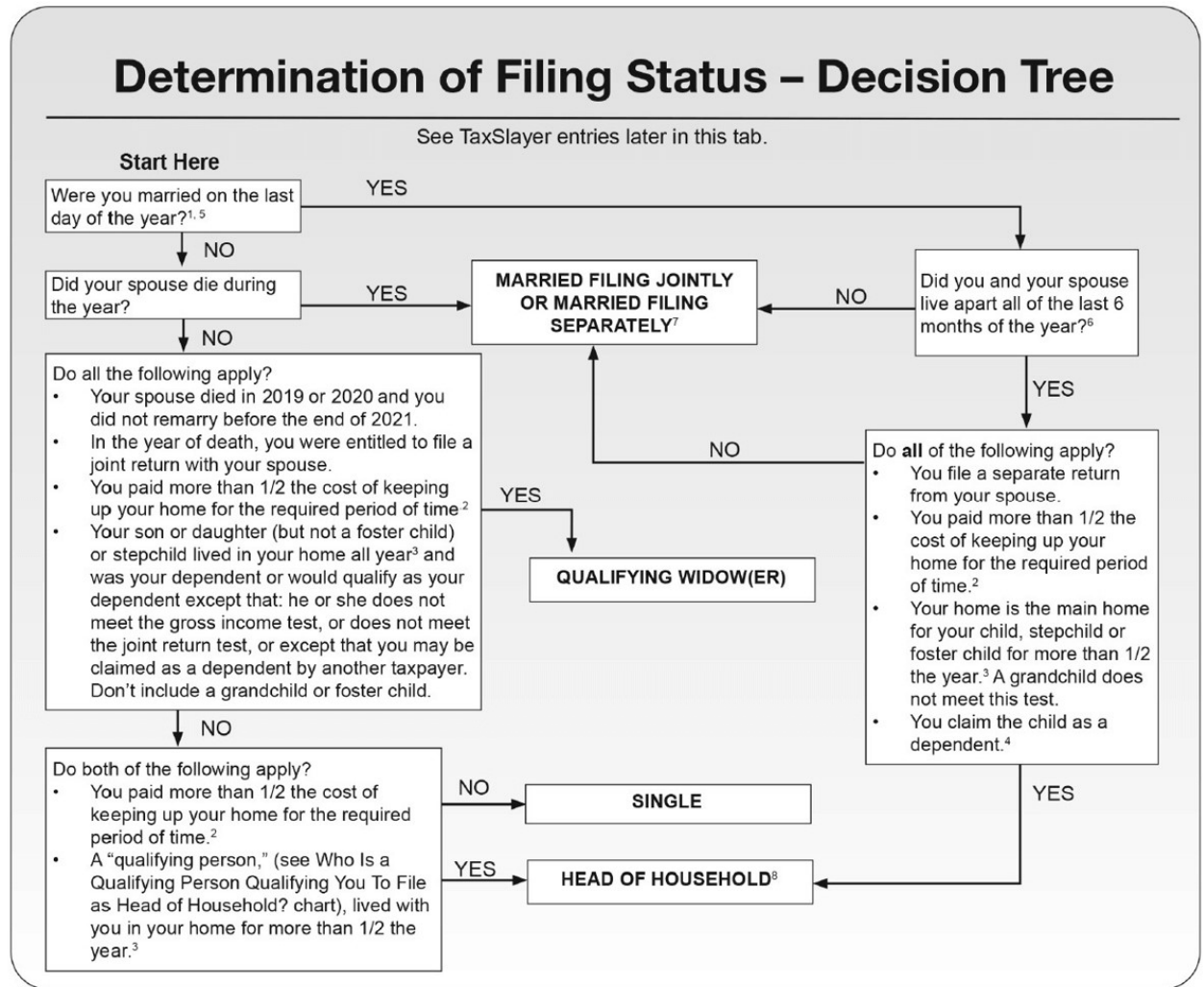
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/21 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes,no,n/a)	Did this person have less than \$4,300 of income? (yes,no,n/a)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/n/a)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)					

Ask questions – verify

On the NTTC Resource Tool And Pub 4012

Don't miss the footnotes

Also see Interview Tips on Pub 4012 Tab B-9



■ Providing a Home

Open Pub 4012
 Tab B *Cost of Keeping Up a Home*

Note – Can use value of housing and apply new rule to open years →

Pub 4012 Tab B

Cost of Keeping Up a Home
Keep for Your Records

	Amount You Paid	Total Cost
Property Taxes*	\$ _____	\$ _____
Mortgage interest expenses*	\$ _____	\$ _____
Rent	\$ _____	\$ _____
Utility charges	\$ _____	\$ _____
Property insurance*	\$ _____	\$ _____
Food consumed on the premises	\$ _____	\$ _____
Other household expenses	\$ _____	\$ _____
*Fair market rental value	\$ _____	\$ _____

**Under proposed regulations, fair market rental value may be used \$ _____ \$ _____ (instead of the sum of payments for property taxes, mortgage interest expenses, and property insurance)

Per IRB 2017-7. If amending prior return reference in explanation

■ IRS Link and Learn Job Aids

- [Interactive Tax Assistant to determine your filing status](#)
 - [irs.gov/FAQs - Filing Status](#)
 - [Publication 4491, Filing Status](#)
- These resources help verify the results of Qualifying Child/Relative Resource Tool charts

■ Single

- Not married as of December 31st
- Married but legally separated under divorce or separate maintenance decree
- There may be more advantageous filing status if:
 - Taxpayer has qualifying individuals
 - Taxpayer paid over half the cost of maintaining the home
 - Taxpayer is recently widowed (QW or HoH)

■ Married Filing Jointly (MFJ)

- Considered married on last day of year
 - Includes common law marriage if recognized by state
- Spouse died during current tax year and taxpayer has not remarried
- Generally, most advantageous filing status

■ Married Filing Separately (MFS)

- Considered married on last day of year
 - Includes common law marriage if recognized by state
- Each spouse files own tax return
 - Spouse's Name and SSN must be entered on return
 - If SSN unknown
 - Enter SSN [111-00-1111](#) (allows you to continue in TaxSlayer)
 - **Return must be mailed**

■ Married Filing Separately Disadvantages

- Highest tax rate and lower standard deduction
- 85% of Social Security benefits taxable if lived with spouse at any time during year
- Most tax credits disallowed
- Cannot deduct student loan interest
- Cannot use standard deduction if spouse itemized

■ Reason to File Married Filing Separately

- Taxpayer chooses to file MFS
- Spouse has already filed MFS or HoH
- Married but separated and not filing MFJ
- No liability for spouse's tax obligation (see community property state exceptions)

■ Reason to File Married Filing Separately (cont.)

- Lower combined tax
 - Lower repayment of Advance Premium Tax Credits (ACA)
 - One spouse has high medical expenses
- Refund is not offset by spouse's outstanding tax or other debts (see Injured Spouse in Comprehensive Topics as an alternative)
- Nonresident alien spouse does not elect to be treated as a resident (see comprehensive *Unique Filing Status* lesson)

Married Filing Separately in TaxSlayer

Extra TaxSlayer questions for MFS

Makes 85% of social security benefits taxable

Read requirements carefully – spouse has NO gross income

Married Separate

Check here if the Spouse lived with the Taxpayer at any time during the year

Check here to claim the exemption for your spouse if he/she has NO Gross Income, is NOT filing a return, and CANNOT be claimed as a dependent on another person's return

Spouse is NOT a dependent and does not qualify for “credit for other dependents.”

■ Head of Household when **Unmarried**

- Provided over half the cost of maintaining home for qualifying individuals
 - Dependents including dependent parents not living with taxpayer
 - Non-dependents that lived with taxpayer during the year
 - See special rules for divorced or separated parents
 - See Pub 4012 Tab C

■ Head of Household when **Married**

■ Taxpayers must

- Have lived apart last 6 months of year
- File separate returns
- Have provided over half the cost of maintaining a home for
 - Dependent* child, stepchild, or eligible foster child for over six months
 - **No other relatives qualify**

* Special rules for divorced or separated parents: See Pub 4012 Tab C

■ Head of Household

- Key advantages to filing Head of Household
 - Higher standard deduction than Single or MFS
 - Advantageous tax rate structure
 - Higher phase-out thresholds for some credits
 - Education credits not available when filing MFS

■ Qualifying Widow(er)

- Must have been entitled to file MFJ in year of death
- Must have a dependent child* living in the home all year (grandchild does not qualify)
- Paid over half the cost of keeping up the home for the dependent child
- QW filing status eligible for two years following year of death
- Advantages
 - Standard Deduction same as MFJ
 - MFJ tax rates

* See next slide

■ Qualifying Widow(er)

- To qualify for QW filing status
 - Child must be a dependent **or**
 - Child would have been a dependent except
 - Gross income above the threshold amount
 - Filed MFJ
 - Taxpayer is a dependent (and therefore cannot have a dependent child)

■ Special Notes

Pub 4012 Tab C

- Child considered to have lived with taxpayer all year if born or died during year (but not stillborn)
- Child may be considered a dependent of non-custodial parent under Rules for Divorced or Legally Separated Parents
 - Must have signed Form 8332 or similar document
 - Non-custodial parent tax benefits include child tax credit, credit for other dependent and education credits if eligible
 - Custodial parent retains right to HoH filing status and EIC when requirements are met

■ TaxSlayer – Filing Status

- Refer to Pub 4012 – Entering Basic Information Section
- **Caution:** Changing filing status during TaxSlayer return preparation deletes existing state returns

■ Filing Status - Quiz #1

- Mr. Buck provides total support for his two young children
- His wife died in 2018, and he has not remarried
- What is the best filing status for Mr. Buck?
Head of Household
- What if his wife died in TY2019?
Qualifying Widower

■ Filing Status - Quiz #2

- Jane, 69, whose husband died July 1 of the current tax year, had a \$20,000 pension and \$15,000 in social security income during the year.
- Jane's 10-year-old grandson lived with her all year and is her dependent
- Jane provided all the cost of maintaining the home for her grandson for the entire year.

■ Filing Status - Quiz #2

- What is Jane's most advantageous filing status?

MFJ

- Assuming nothing changes, what filing status should Jane use next year?

Head of Household

■ Filing Status - Quiz #3

- Luke and Linda are married, but chose to live apart for most of the year.
- Their two children lived with Linda all year.
- In July, Luke was out of a job and moved back in with Linda for three weeks.
- What filing status can they each choose?

MFJ or MFS (both must use same status)

■ Filing Status - Quiz #4

- Peter is single
- Peter's mother lived with him until March of last year
- Peter provided over half his mother's support
- Peter's mother had gross income of \$3,467
- In March, Peter moved his mother to a nursing home and pays her room and care
- What is Peter's most advantageous filing status?

Head of Household

■ Filing Status





Comp

Comprehensive Topics

- Married Filing Separately in Community Property States
- Injured Spouse

Married Filing Separately (or Single and RDP) in a Community Property State

[Pub 555](#)

- MFS in community property state file Form 8958 (if in-scope per State Coordinator)
- On Form 8958, enter \$1 on spouse income line if
 - MFS couple did not live together at any time during the year
 - Have no joint income
 - Own no jointly held property

Community Property States – Community Income

- Identifying and splitting community income may be necessary when
 - Filing MFS or HoH (if married and considered unmarried)
 - Divorced/separated during the year
 - Registered domestic partnerships (RDP) when state community property laws apply (CA, NV and WA)
- Income splitting may be out of scope for community property states
 - Check with your District or State Coordinator

Comp

Married Filing Separately in a Community Property State

Married Filing Separately Allocations (Form 8958)

	Taxpayer	Spouse
HOME CENTER	\$25,000.00	\$1
State Income Tax Refund	\$0.00	\$
Capital gain (or loss)	\$0.00	\$
Taxable amount of pensions and annuities	\$0.00	\$
Rental real estate, royalties, partnerships, S	\$0.00	\$


Married Filing Separately in a Community Property State

- Federal returns prepared with community property state entered as home state will trigger TaxSlayer E-file warning unless Form 8958 included on return



The screenshot shows a warning message in a light pink box with a red border. The title is "Errors Concerning Your Federal Return". The message text is "The following errors concerning your Federal return were found." Below the message is a blue button labeled "Visit".

Errors Concerning Your Federal Return

 The following errors concerning your Federal return were found.

The Married Filing Separate allocation form is needed when using the Married Filing Separate filing status and your home state is a community property state. This return needs the allocation form. [Visit](#)

- IRS may offset (reduce) tax refund for spouse's outstanding debt
- Common IRS offsets
 - Past due child or spousal support
 - Federal nontax debts, e.g. student loans
 - Federal or state tax debts
 - State unemployment debts
- An alternative to MFS is filing MFJ with Form 8379 Injured Spouse Allocation

Injured Spouse Requirements

- Only one spouse owes past due amounts
- The MFJ return reflects an overpayment (refund)
- The “Injured Spouse”
 - Must **not** be legally obligated to pay those debts
 - Must have made and reported tax payments (such as withholding) or claimed a refundable tax credit (i.e. due a refund)
- Community property states may not honor Injured Spouse request even if debt was incurred prior to marriage

Form 8379 Injured Spouse Allocation

- Form 8379 can be filed by itself when joint return has already been filed and refund was offset
- Include copies of all forms for both spouses showing income tax withheld

IRS Form 8379 (partial view)

Form 8379 (Rev. February 2015) Department of the Treasury Internal Revenue Service	Injured Spouse Allocation ► Information about Form 8379 and its separate instructions is at www.irs.gov/form8379 .	OMB No. 1545-0074 Attachment Sequence No. 104
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Part I **Should You File This Form? You must complete this part.**

- 1 Enter the tax year for which you are filing this form. ► Answer the following questions for that year.
- 2 Did you (or will you) file a joint return?
 - Yes.** Go to line 3.
 - No. Stop here.** Do not file this form. You are not an injured spouse.
- 3 Did (or will) the IRS use the joint overpayment to pay any of the following legally enforceable past-due debt(s) owed only by your spouse? (see instructions)
 - Federal tax • State income tax • State unemployment compensation • Child support • Spousal support
 - Federal nontax debt (such as a student loan)
 - Yes.** Go to line 4.
 - No. Stop here.** Do not file this form. You are not an injured spouse.

Note. If the past-due amount is for a joint federal tax, you may qualify for innocent spouse relief for the year to which the overpayment was (or will be) applied. See *Innocent Spouse Relief*, in the instructions for more information.
- 4 Are you legally obligated to pay this past-due amount?
 - Yes. Stop here.** Do not file this form. You are not an injured spouse.
 - No.** Go to line 5a.

Note. If the past-due amount is for a joint federal tax, you may qualify for innocent spouse relief for the year to which the overpayment was (or will be) applied. See *Innocent Spouse Relief*, in the instructions for more information.

TaxSlayer Injured Spouse

- Refer to Pub 4012 Tab O *Navigating TaxSlayer for Injured Spouse*
- Proceed to the Injured Spouse Form 8379
- **Note warning:** The form does not guarantee outcome and can delay the refund up to 14 weeks

TaxSlayer Form 8379 Input

- Review all tax documents to allocate the proper amount of income, deductions, additional taxes, taxes withheld, and credits to the injured spouse
- Do not allocate EIC, the IRS will determine the allocation

Allocated Items	Amount Shown on Joint Return	Allocated to Injured Spouse
Wages	\$33,921.00	\$ <input type="text"/>
Interest income or loss	\$1,841.00	\$ <input type="text"/>
Business income or loss	\$5,380.00	\$ <input type="text"/>
Farm income or loss	\$0.00	\$ <input type="text"/>
Capital gain or loss	\$0.00	\$ <input type="text"/>
Pensions and/or IRA's	\$24,384.00	\$ <input type="text"/>
Other income or loss	\$10,730.00	\$ <input type="text"/>
Adjustments to income	\$12,580.00	\$ <input type="text"/>
Standard -or- itemized deductions	\$0.00 \$17,644.00	\$ <input type="text"/>
Number of exemptions	5	<input type="text"/>
Credits	\$4,065.00	\$ <input type="text"/>
Other taxes	\$760.00	\$ <input type="text"/>
Federal tax withheld	\$4,245.00	\$ <input type="text"/>
Estimated tax payments	\$0.00	\$ <input type="text"/>

Note: According to the IRS, there may be an 11-14 week delay in receiving your refund when filing Form 8379, Injured Spouse Allocation.

Filing Status – Quiz #5

- Jack and Jill Murphy are married and want to file MFS because Jack owes back child support and their refund will be offset.
- What other options do they have?
They can file MFJ with Form 8379 Injured Spouse Allocation

Quiz #5 (Cont.)

- What probing questions do you ask?

Is Jill legally obligated to pay any of the debts?

Did Jill make and report tax payments (such as withholding) or claim a refundable tax credit?

■ Filing Status



Questions?

Comments?