

Tax Information for Non-Custodial Parents

The custodial parent is the parent with whom the child lived for the greater part of the year. The other parent is the **non-custodial parent**.

Do you pay child support?

Child support payments are not tax deductible by the payer and they are not taxable income to the recipient. Paying child support does not necessarily entitle you to a dependency exemption.

Claiming Your Child as a Dependent

Generally, a child must live with you for more than six months to be claimed as a dependent. They must be a citizen, have a social security number, etc. In the situation of divorce, however, there are special rules that apply.

- Since 1985 a divorce decree could provide the dependency exemption to the non-custodial parent. There are specific conditions that must be met and clearly stated. Certain pages must be attached to the return each year.
- If the decree or separate maintenance agreement was not specific the non-custodial parent must have Form 8332, *Release of Claim to Exemption for Divorced or Separated Parents* or a similar statement signed by the custodial parent and it must be attached to the return each year.
- Prior to 1985 all the non-custodial parent needs is the permission given in the decree and to provide \$600 in support for the subject child.
- **Never married taxpayer's** who live separately should also use Form 8332 when the custodial parent is granting permission for the non-custodial parent to claim a child. (If residing together the tie-breaker rules will apply if no mutual agreement can be reached between parents.)

Earned Income Tax Credit

The EITC is a refundable tax credit for low to moderate income taxpayers who either have custody of one or more children or have very low income and are between 25 and 65 years of age at year end.

- A non-custodial parent can not claim EIC for a child that he has been given permission to claim as a dependent by a custodial parent.
- The low to moderate income levels fluctuate each year as well as the amount of credit awarded.
- The IRS will request documentation such as school records, birth certificates or medical records to verify eligibility of a child claimed by more than one taxpayer.

Child Tax Credit

- You must be entitled to claim a dependency exemption for a child under the age of 17 by year end to be allowed the Child Tax Credit.

Treasury Offset Program

- If you are due a federal tax refund but have not paid certain debts (such as child support, back taxes, state back taxes, etc.), all or part of your federal tax refund may be applied to these unpaid debts. The Financial Management Service (FMS) will offset your refund and forward it to the agency to apply to your debt. Notification of the disbursement of funds is sent by mail. If you have questions about the Federal Tax Refund Offset Program, please contact FMS toll-free at 1-800-304-3107.
- Some past-due child support payments are assigned to the state when a custodial parent receives various state benefits. In this instance, the custodial parent may not receive past-due child support payments directly.

References (view, download, or order at www.irs.gov)

- Publication 17, Your Federal Income Tax
- Publication 501, Exemptions, Standard Deduction, and Filing Information
- Publication 596, Earned Income Credit
- Publication 972, Child Tax Credit
- Call the IRS for assistance at **1-800-829-1040**
- EITC Assistant – An online tool to assist you in determining if you qualify for the EITC is available in English and Spanish. The EITC Assistant is available on www.irs.gov 24 hours a day, 7 days a week.



Department of the Treasury
Internal Revenue Service

www.irs.gov

Publication 4449 (Rev. 6-2007)
Catalog Number 39718N