

# Table of Contents

<b>Tax Impacts Overall .....</b>	<b>1</b>
Dependency qualification .....	1
Qualifying child .....	2
Qualifying relative .....	10
Identification numbers .....	14
<b>Filing status.....</b>	<b>15</b>
Single.....	15
Married filing jointly .....	15
Qualifying surviving spouse with dependent child .....	15
Married filing separately.....	16
Head of household.....	17
<b>Dependent filing requirements.....</b>	<b>20</b>
Not required to file.....	21
Standard deduction .....	21
Signing the return .....	22
<b>Parents' election to report child's interest and dividends.....</b>	<b>23</b>
<b>Kiddie tax.....</b>	<b>26</b>
Form 8615 .....	27
Net investment income tax.....	27
<b>Inheritances, settlements and Social Security.....</b>	<b>30</b>
Inheritances .....	30
Settlements.....	34
Social Security .....	35
<b>Tax Impacts from Birth to Age 18 .....</b>	<b>42</b>
Qualified distribution from an IRA or §401(k) plan .....	42
<b>Adoption credit and employer-provided adoption assistance.....</b>	<b>42</b>
Eligible child .....	43
Qualified adoption expenses .....	44

Timing of the credit .....	45
Employer-provided adoption expenses.....	48
Coordinating the credit and exclusion.....	49
Form 8839 .....	49
<b>Child and dependent care .....</b>	<b>52</b>
Tests to claim the credit.....	53
<b>Household employees .....</b>	<b>60</b>
Social Security and Medicare taxes .....	61
Federal unemployment tax .....	62
Federal income tax withholding .....	63
Tax payments and reporting .....	63
<b>Child tax credit.....</b>	<b>66</b>
Qualifying child .....	66
Qualifying other dependent .....	67
Identification numbers .....	67
Divorced or separated parents .....	67
Claiming the credits .....	67
Additional child tax credit .....	68
Schedule 8812.....	69
<b>Earned income tax credit.....</b>	<b>72</b>
Improper claim .....	72
Rules for everyone .....	72
Individuals with a qualifying child .....	75
Individuals without a qualifying child .....	77
Schedule EIC .....	78
<b>Due diligence requirements .....</b>	<b>81</b>

<b>Tax Impacts from Age 18 to 27 .....</b>	<b>90</b>
<b>Education-related common terms .....</b>	<b>90</b>
Eligible student.....	90
Qualified education expenses.....	92
Eligible educational institution.....	95
<b>Scholarships, fellowship grants and other educational assistance.....</b>	<b>97</b>
Tax-free scholarships and fellowship grants.....	97
Taxable scholarships and fellowship grants .....	98
Other educational assistance .....	98
<b>American opportunity tax credit .....</b>	<b>101</b>
Calculating the AOTC.....	104
Refundable portion.....	105
Taxpayer identification number .....	106
Form 8863 .....	106
<b>Lifetime learning credit .....</b>	<b>106</b>
Form 8863 .....	109
<b>Qualified tuition program .....</b>	<b>113</b>
Qualified Education Expenses .....	113
Contributions .....	114
Distributions .....	114
Form 1099-Q .....	115
Calculating the taxable portion .....	115
QTPs and the education credits .....	116
Rollovers and beneficiary changes .....	117
Student loan repayment .....	118

Student loan interest deduction.....	118
Student loan payments .....	120
Cancellation of student loan debt .....	120
Coverdell education savings account.....	120
Early IRA withdrawal .....	123
Education savings bond program.....	125
Qualified U.S. savings bonds.....	126
Qualified education expenses and eligible educational institution .....	126
Form 8815 .....	127
<b>Index.....</b>	<b>134</b>