

## Tax preparer Due Diligence Checklist

**The tax preparer will interview the taxpayer to determine the eligibility to claim the CTC/ACTC, the AOTC. The tax preparer will document with notes and make copies of documents used in the interview. If documentation is not provided at the time of the interview then the taxpayer will be asked if documentation could be provided to substantiate the claim.**

### Child Tax Credit and Additional Child Tax Credit

To qualify for the Child tax Credit, a qualifying child must meet all eight requirements.

**Requirement 1:** Child must be your: son, daughter, stepchild, foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them or a descendant of any of them (for example, your grandchild, niece or nephew),

**Requirement 2:** You must have lived in the US more than half of the year,

**Requirement 3:** Was under the age of 17 at the end of the tax year,

**Requirement 4:** Did not provide over half of his or her own support during the year,

**Requirement 5:** Is a US citizen, US national, or US resident alien,

**Requirement 6:** Is younger than the taxpayer claiming the child,

**Requirement 7:** Does not file a joint tax return, and

**Requirement 8:** Is claimed as a dependent of the taxpayer claiming the Child Tax Credit.

If taxpayer is filing Foreign Earned Income tax exclusion or foreign housing deduction they are ineligible for Additional Child Tax Credit.

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**American Opportunity Credit (AOTC)** is a credit for qualified education expenses paid for an eligible student for the first four years of higher education. You can get a maximum annual credit of \$2,500 per eligible student. If the credit brings the amount of tax you owe to zero, you can have 40 percent of any remaining amount of the credit (up to \$1,000) refunded to you. Qualified education expenses are amounts paid for tuition, fees and other related expenses for an eligible student. Expenses for books, supplies and equipment the student needs for a course of study are included in qualified education expenses even if it is not paid to the school. Expenses that Do Not Qualify: room and board, insurance, medical expenses (including student health fees), transportation, similar personal, living or family expenses. You will receive a Form 1098-T, Tuition Statement, from the school.

To be eligible for AOTC, the student must:

1. Be pursuing a degree or other recognized education credential
2. Be enrolled at least half time for at least one academic period\* beginning in the tax year
3. Not have finished the first four years of higher education at the beginning of the tax year
4. Not have claimed the AOTC or the former Hope credit for more than four tax years
5. Not have a felony drug conviction at the end of the tax year

If documentation has not been provided during the interview, could the taxpayer provide documentation to substantiate eligibility for the amount of the credits claimed on the tax return?

Yes, I can provide documentation \_\_\_\_\_ No, I do not have copies of any paperwork \_\_\_\_\_

Do you have an active Form 8332, Release/Revocation of Claim to Exemption for Child by Custodial Parent or similar statement. Yes I have a copy \_\_\_\_\_ No I do not have a Form 8332 \_\_\_\_\_ I do not have children \_\_\_\_\_

**Taxpayer Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Spouse Signature** \_\_\_\_\_ **Date** \_\_\_\_\_