Parkers Prairie Tax Service
Tax Consultant

2026 Dependents & Family Credits Questionnaire

Child Tax Credit • Credit for Other Dependents • Earned Income Credit • Head of Household

Required due diligence worksheet – tax year 2026

Taxpayer name(s): _____ Date completed: _____

Why we ask these questions. Federal law (IRC § 6695(g)) requires every paid preparer to ask these questions and keep proof on file for anyone claiming the Earned Income Credit, Child Tax Credit, Credit for Other Dependents, American Opportunity Credit or Head of Household status. If the IRS reviews our office and our file is incomplete, **we are fined $650 per credit – up to $2,600 per return** – even if you qualify. It's not about doubting you; it's about showing the IRS we checked.

How to fill it out: answer every question. If you're unsure, check "Not sure" and we'll go over it together – please don't guess. You sign **once**, at the end of page 2.

1 ABOUT YOU *Everyone claiming a dependent, EIC or Head of Household*

1	Can anyone else (a parent, for example) claim **you** or your spouse as a dependent for 2026? *If yes, you cannot claim dependents.*	☐ Yes ☐ No ☐ Not sure
2	Do you (and your spouse, if married) have a Social Security number that is **valid for employment**? *Required for the Earned Income Credit and Child Tax Credit.*	☐ Yes ☐ No ☐ Not sure
3	Has the IRS ever **denied or reduced** your Earned Income Credit, Child Tax Credit, American Opportunity Credit or Head of Household status? If yes, which credit and what year? _____	☐ Yes ☐ No ☐ Not sure
4	Your marital status on December 31, 2026: ☐ Single ☐ Married ☐ Divorced / legally separated ☐ Widowed ☐ Married, but my spouse did not live in my home during the last 6 months of 2026	
5	Did you pay **more than half** the cost of keeping up your home in 2026 (rent or mortgage, property tax, insurance, utilities, repairs, groceries)? *If yes, please complete our Head of Household questionnaire.*	☐ Yes ☐ No ☐ Not sure
6	Did anyone live in your home in 2026 who is **not** your spouse or dependent (partner, roommate, relative)? If yes, who, and about how much did they earn? _____	☐ Yes ☐ No ☐ Not sure
7	Did you have self-employment, farm or side-job income? *If yes, please also complete our Self-Employment questionnaire and bring your income and expense records.*	☐ Yes ☐ No ☐ Not sure
8	Did you use **non-taxable** money to support your household (child support, VA or disability benefits, public assistance, gifts from family)? If yes, what kind and about how much? _____	☐ Yes ☐ No ☐ Not sure

2 YOUR DEPENDENTS *List everyone you want to claim*

Full name	Relationship to you	Date of birth	SSN valid for work?	Months lived with you in 2026	Full-time student? (school name)	Permanently disabled?	Their own 2026 income	Could anyone else claim them?
			Y / N			Y / N		Y / N
			Y / N			Y / N		Y / N
			Y / N			Y / N		Y / N
			Y / N			Y / N		Y / N

Children who have income, student loans in their own name, or Social Security benefits: please also complete our Support Worksheet. Full-time students: please also complete our Education Worksheet.

3 QUALIFYING CHILD RULES *Read each rule and check your answer*

Rule	What it means	Do all the children you are claiming meet this?
Relationship	Your child, stepchild, adopted child, or foster child placed by an agency or court; your brother, sister, half- or step-sibling; or a descendant of any of them (grandchild, niece, nephew).	☐ Yes ☐ No ☐ Not sure
Age	Under 19 on 12/31/2026; **or** under 24 and a full-time student for at least 5 months of 2026; **or** any age if permanently and totally disabled. The child must also be **younger than you** (or your spouse) unless disabled. **Child Tax Credit: under 17 on 12/31/2026.**	☐ Yes ☐ No ☐ Not sure

Rule	What it means	Do all the children you are claiming meet this?
Lived with you	Lived with you in the U.S. **more than half of 2026**. Time away for school, medical care, military service or similar temporary reasons counts as time at home.	☐ Yes ☐ No ☐ Not sure
Support	The child did **not** pay for more than half of their own support (their own wages, savings, student loans in their name and Social Security count as paid by the child).	☐ Yes ☐ No ☐ Not sure
Joint return	The child did not file a joint return with a spouse (unless only to get back withholding).	☐ Yes ☐ No ☐ Not sure
Citizenship & SSN	U.S. citizen, U.S. national or U.S. resident. Child Tax Credit and Earned Income Credit: the child needs a Social Security number valid for employment issued before the return's due date.	☐ Yes ☐ No ☐ Not sure

Parents who are divorced, separated or never married and live apart. The IRS gives the child to the parent the child lived with more nights in 2026 (the custodial parent). The other parent may claim the child for the Child Tax Credit only if the custodial parent signs **Form 8332** for 2026 – a court order alone is not enough. The custodial parent always keeps Head of Household, Earned Income Credit and the child care credit.

a. Are you the custodial parent (the child lived with you more nights)? ☐ Yes ☐ No ☐ Not sure

b. If not, do you have a signed Form 8332 from the custodial parent covering 2026? ☐ Yes ☐ No ☐ Not sure

If more than one person could claim the same child (tie-breaker rules). A parent wins over a non-parent. Between parents who don't file together, the parent the child lived with longer wins (equal time: higher income wins). A non-parent can claim the child only if their income is higher than any parent who could claim the child.

a. Could anyone else (other parent, grandparent, relative in your home) claim any of your children? Who? _____ ☐ Yes ☐ No ☐ Not sure

b. If yes, do you win under the tie-breaker rules above? ☐ Yes ☐ No ☐ Not sure

4 QUALIFYING RELATIVE RULES *Only for dependents who are NOT your qualifying child (for example, a parent)*

Rule	What it means	Does this person meet this?
Not a qualifying child	The person is not anyone's qualifying child (Section 3) for 2026.	☐ Yes ☐ No ☐ Not sure
Relationship or household	Your child, stepchild, foster child or their descendant; parent, grandparent, stepparent; brother or sister (including half- and step-); niece, nephew, aunt or uncle; any in-law; **or** anyone else who lived in your home **all of 2026**.	☐ Yes ☐ No ☐ Not sure
Income	Their 2026 gross (taxable) income was **less than $5,300**. Non-taxable Social Security and disability benefits generally do not count.	☐ Yes ☐ No ☐ Not sure
Support	You paid **more than half** of their total support. If several people shared support and no one paid over half, a person who paid over 10% may claim them only if the others sign a multiple support declaration (Form 2120).	☐ Yes ☐ No ☐ Not sure

5 DOCUMENTS YOU ARE PROVIDING *Check all that apply*

Where the child lived (shows child's name, your address and 2026 dates)

☐ School records or report card
☐ Medical, dental or clinic records
☐ Child care provider statement
☐ Lease or landlord letter listing the child
☐ Social service, tribal or place-of-worship letter on letterhead

Relationship

☐ Birth certificate(s) linking you to the child
☐ Adoption or foster placement papers
☐ Marriage certificate (stepchildren)

Other

☐ Doctor's statement (permanent disability)
☐ School enrollment record or Form 1098-T (students)
☐ Business income & expense records (self-employed)
☐ Signed Form 8332 or Form 2120 (if applicable)

We are required to keep copies of these documents for at least 3 years.

Your signature. I/we have read this questionnaire, and my/our preparer explained the rules for the credits and filing status claimed. The answers and the dependent information above are true and complete to the best of my/our knowledge. Every child and relative listed meets the rules I/we marked. I/we can provide the documents listed if the IRS asks.

Taxpayer signature _____ Date _____ Spouse signature (if married filing jointly) _____ Date _____

PREPARER USE ONLY

Benefits claimed on this return: ☐ EIC ☐ CTC / ACTC ☐ ODC ☐ AOTC ☐ Head of Household

Client answers and documents reviewed; Form 8867 completed and will be filed with the return.	☐ Yes ☐ No
Prior-year disallowance (Section 1, Q3): if yes, Form 8862 required and attached (or exception documented).	☐ Yes ☐ No ☐ N/A
Taxpayer/spouse SSN valid for employment confirmed for CTC/ACTC and EIC (OBBBA SSN rule, 2025+); child SSN/TIN confirmed.	☐ Yes ☐ No ☐ N/A
Income reasonable for household size and support claimed (Section 1, Q8); Schedule C/F income and expenses reviewed for EIC.	☐ Yes ☐ No ☐ N/A
Applicable Forms 886-H (DEP, EIC, CTC, HOH, AOC) reviewed with the client.	☐ Yes ☐ No ☐ N/A
Is this taxpayer personally known to you? *Personal knowledge does not replace documents or questions.* How and for how long: _____	☐ Yes ☐ No
Did any information appear **incorrect, inconsistent or incomplete**? If yes, record the additional questions asked and the client's answers below (contemporaneous notes required).	☐ Yes ☐ No

Additional questions asked & client answers:

Documents reviewed and retained (or where stored in TaxDome):

Am I certain – $650 per benefit certain – that this taxpayer qualifies for every benefit claimed? ☐ Yes ☐ No

Preparer signature Date

Reviewer initials (if applicable) Date

2026 QUICK REFERENCE (TAX YEAR 2026 RETURNS FILED IN 2027)

Due diligence penalty (IRC § 6695(g))	$650 per failure for returns filed in 2026 (inflation-adjusted yearly) – up to 4 per return
Child Tax Credit / refundable ACTC	$2,200 per child under 17 / up to $1,700 refundable
Credit for Other Dependents	$500 per dependent
Earned Income Credit – maximum	$664 (no child) • $4,427 (1) • $7,316 (2) • $8,231 (3+)
EIC investment income limit	$12,200
Qualifying relative gross income	Less than $5,300
Refunds with EIC/ACTC (PATH Act)	Not issued before February 15, 2027
Record retention (Treas. Reg. § 1.6695-2(b)(4))	3 years from the later of the due date or filing date