



IRS Tax Tip 2016-08: Exemptions and Dependents: TopTen Tax Facts

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IRS Tax Tips

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Exemptions and Dependents: TopTen Tax Facts

Most people can claim an exemption on their tax return. It can lower your taxable income. In most cases, that reduces the amount of tax you owe for the year. Here are the top 10 tax facts about exemptions to help you file your tax return.

- 1. E-file Your Tax Return.** Easy does it! Use IRS E-file to file a complete and accurate tax return. The software will help you determine the number of exemptions that you can claim. [E-file options](#) include free [Volunteer Assistance](#), [IRS Free File](#), [commercial software](#) and [professional assistance](#).
- 2. Exemptions Cut Income.** There are two types of exemptions. The first type is a personal exemption. The second type is an exemption for a dependent. You can usually deduct \$4,000 for each exemption you claim on your 2015 tax return.
- 3. Personal Exemptions.** You can usually claim an exemption for yourself. If you're married and file a joint return, you can claim one for your spouse, too. If you file

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a separate return, you can claim an exemption for your spouse only if your spouse:

- Had no gross income,
- Is not filing a tax return, and
- Was not the dependent of another taxpayer.

4. Exemptions for Dependents. You can usually claim an exemption for each of your dependents. A dependent is either your child or a relative who meets a set of tests. You can't claim your spouse as a dependent. You must list the Social Security number of each dependent you claim on your tax return. For more on these rules, see IRS Publication 501, Exemptions, Standard Deduction, and Filing Information. Get [Publication 501](#) on IRS.gov. Just click on the [Forms & Pubs](#) tab on the home page.

5. Report Health Care Coverage. The health care law requires you to report certain health insurance information for [you and your family](#). The [individual shared responsibility provision](#) requires you and each member of your family to either:

- Have qualifying health insurance, called [minimum essential coverage](#), or
- Have an [exemption](#) from this coverage requirement, or
- Make a shared responsibility [payment](#) when you file your 2015 tax return.

Visit IRS.gov/ACA for more on these rules.

6. Some People Don't Qualify. You normally may not claim married persons as dependents if they file a joint return with their spouse. There are some exceptions to this rule.

7. Dependents May Have to File. A person who you can claim as your dependent may have to file their own tax return. This depends on certain factors, like total income, whether they are married and if they owe certain taxes.

8. No Exemption on Dependent's Return. If you can claim a person as a dependent, that person can't claim a personal exemption on his or her own tax return. This is true even if you don't actually claim that person on your tax return. This rule applies because you can claim that person as your dependent.

9. Exemption Phase-Out. The \$4,000 per exemption is subject to income limits. This rule may reduce or

eliminate the amount you can claim based on the amount of your income. See [Publication 501](#) for details.

10. **Try the IRS Online Tool.** Use the [Interactive Tax Assistant tool](#) on IRS.gov to see if a person qualifies as your dependent.

Each and every taxpayer has a set of fundamental rights they should be aware of when dealing with the IRS. These are your [Taxpayer Bill of Rights](#). Explore your rights and our obligations to protect them on IRS.gov.

IRS YouTube Videos:

- *Welcome to Free File* – [English](#)
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