NYS Training for Tax Preparers

Filing Status

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Filing Status

This lesson will help you to determine the most advantageous (and allowable) filing status for the taxpayer.

- Selecting and entering the correct filing status is a critical component of completing the taxpayer's personal income tax return.
- See IRS Publication 501 for more information.

Filing Status

What Are The Filing Statuses?

Taxpayers must use one of five filing statuses:

- Single
- Married Filing Jointly
- Married Filing Separately
- Head of Household
- Qualifying Widow(er) with Dependent Child

Filing status impacts the calculation of income tax, affects the amount of the standard deduction, and determines allowance or limitation of certain credits and deductions. Taxpayers may qualify for more than one filing status. Choose the permitted filing status that results in the lowest tax for the taxpayer.

Marital Status Affects Filing Status

Taxpayers are considered to be **married** for the entire year if:

- they were married on the last day of the tax year, or
- their spouse died during the year and the surviving spouse has not remarried.

Generally, taxpayers are considered to be **unmarried** for the entire year if, on the last day of the tax year, they were:

- unmarried,
- legally separated under a separate maintenance decree, or
- divorced under a final decree on or before December 31st of the tax year.

Single Taxpayers

A taxpayer is considered single if, on the last day of the tax year, **he or she** was:

- not married
- legally separated or divorced, or
- widowed before the first day of the tax year and not remarried during the year.

Although a taxpayer is considered single, **he or she** may qualify for another filing status that gives a lower tax, such as *Head of Household* or *Qualifying Widow(er) with Dependent Child*, which will be discussed later in this lesson.

Married Filing a Joint Return

Taxpayers may use the **Married Filing Jointly** status if they are married and one of the following applies on the last day of the tax year:

- they live together;
- they live apart but are not legally separated or divorced;
- they are common law married pursuant to the laws of a state in which they live or used to live; or
- the taxpayer's spouse died during the year and the taxpayer has not remarried.

Married Filing a Joint Return

Married taxpayers who choose to file jointly will use one return to report their combined income and to deduct combined allowable expenses. They can select this status even if one of them did not have any income or any deductions.

Taxpayers who file a joint return must combine their income and deductions on the same return. Both spouses must sign the return and are responsible for any tax owed on the return.

Legally Married Same-Sex Couples

Same-sex couples, legally married in jurisdictions that recognize their marriages, will be treated as married for federal tax purposes. This applies regardless of whether the couple lives in a jurisdiction that recognizes same-sex marriage. Any same-sex marriage legally entered into in one of the 50 states, the District of Columbia, a U.S. territory or a foreign country is covered.

For more information see Revenue Ruling 2013-17

Responsibilities on a Joint Return

Both taxpayers must include all worldwide income on their joint return. Each may be held responsible for all the tax and for any interest or penalty due, even if all the income was earned by only one spouse. A subsequent divorce usually does not relieve either spouse of the liability associated with the joint return.

Married Filing a Separate Return

The **Married Filing Separately** status is for taxpayers who are married and either:

- choose to file separate returns, or
- cannot agree to file a joint return.

Taxpayers who are married may choose the **Married Filing Separately** status, which means both spouses report their own incomes and deductions on separate returns. A married taxpayer who files separately must show their spouse's name and social security number or individual taxpayer identification number (ITIN) on their personal income tax return.

Filing Status

Head of Household

A taxpayer may qualify for the **Head of Household** filing status if he or she:

- is unmarried or "considered unmarried" on the last day of the tax year, and
- paid more than half the cost of keeping up a home for the tax year, and
- had a qualifying person living in their home with him or her more than half the year (except for temporary absences).

Filing Status

Head of Household - Keeping up a home

In general, the **Head of Household** status is for unmarried taxpayers who paid more than half the cost of keeping up a home for a qualifying person who lived with them in the home more than half the tax year.

Valid household expenses include:

- Rent, mortgage interest, real estate taxes
- Home insurance, repairs, utilities
- Food eaten in the home

Filing Status

Head of Household

A qualifying person is defined as a:

- qualifying child
- married child who can be claimed as a dependent
- dependent parent or
- qualifying relative who lived with the taxpayer more than half the year.

NOTE: The qualifying person for **Head of Household** filing status must always be related to the taxpayer. A person may qualify as a taxpayer's dependent but not qualify the taxpayer for the **Head of Household** filing status.

"Considered Unmarried"

Some married taxpayers who live apart from their spouses and provide for dependent children may be "considered unmarried" for tax purposes. These taxpayers are permitted to file as **Head of Household** and receive the benefit of lower tax amounts if:

- They file a return, separate from their spouse, for the tax year.
- They paid more than half the cost of keeping up their home for the year.
- They lived apart from their spouse during the entire last six months of the tax year. The spouse is considered to have lived in the home even if temporarily absent due to special circumstances, such as military service or education.
- They provided the main home for more than half the year of a dependent child, stepchild, or foster child placed by an authorized agency.

Qualifying Widow(er) with Dependent Child

A widow or widower with one or more dependent children may be able to use the **Qualifying Widow(er) with Dependent Child** filing status. This filing status yields as low a tax amount as Married Filing Jointly and is available for only two years following the year of the spouse's death. To qualify for this filing status, the taxpayer must:

- Have had a spouse who died in either of the prior two years. The taxpayer must not remarry before the end of the current tax year.
- Have been eligible to file a joint return for the year the spouse died. It does not matter if a joint return was actually filed.
- Have a child, stepchild, or adopted child who qualifies as the taxpayer's dependent for the year. This does not include a foster child.
- Live with this child in the taxpayer's home all year, except for temporary absences.
- Have paid more than half the cost of keeping up the home for the year

Filing Status

Qualifying Widow(er) with Dependent Child

The table shows which filing status to use for a widowed taxpayer who does not remarry and has a qualifying dependent.

Tax Year	Filing Status
Year of Death	Married Filing Joint or Separate
First Year After Death	Qualifying Widow(er)
Second Year After Death	Qualifying Widow(er)
Third Year After Death	Head of Household

Filing Status

New York State Filing Status

In nearly all cases, taxpayers must use the same filing status that they used on their federal return. If they did not have to file a federal return, they must use the same filing status they would have used if they had filed a federal return. However, there are exceptions for married individuals, which will be discussed next.

New York State Filing Status

There are **three exceptions** to the rule that taxpayers must use the same filing status that they used on their federal return. The exceptions apply to married individuals who file a joint federal return when:

1. One spouse is a New York State resident and the other is a nonresident or part-year resident.

   In this case you must either:

   - file separate New York State returns using filing status *Married Filing Separate*; or
   - file jointly, as if both were New York State residents, using filing *Married Filing Joint*.

2. You are unable to file a joint New York return because:

   - the address or whereabouts of one spouse is unknown,
   - the other can demonstrate that reasonable efforts have been made to locate the spouse, and

   good cause exists for the failure to file a joint New York return.

   In this case, you may file a separate New York return using filing status *Married Filing Separate* returns.

New York State Filing Status

3. You are unable to file a joint New York return because:
   - one spouse refuses to sign a joint New York return,
   - reasonable efforts have been made to have the spouse sign a joint return,
   - there exists objective evidence of alienation from the spouse such as a judicial order of protection, legal separation under a decree of divorce or separate maintenance, or living apart for the twelve months immediately preceding application to file a separate return or commencement of an action for divorce or commencement of certain court proceedings, and
   - good cause exists for the failure to file a joint New York return.

   In this case you may file separate returns.

Knowledge Check

In 2008, Carla and her spouse Jim adopted two-year-old Rachel. Although eligible to file jointly, Carla and Jim always filed separately. After Jim died in October 2012, Carla continued to support Rachel and she did not remarry.
Which filing status should Carla use for tax year 2014?

- ○ Qualifying Widow(er) with dependent child
- ○ Married filing joint or seperate
- ○ Head of Household
- ○ Single

Knowledge Check

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Which filing status should Carla use for tax year 2014?

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- ( ) Married filing joint or seperate
- ( ) Head of Household
- ( ) Single

Who may choose to file under either the Married Filing Jointly or the Married Filing Separately status in 2014?

- ( ) a married taxpayer whose spouse does not have income
- ( ) a divorced taxpayer who itemizes deductions
- ( ) taxpayers who are legally separated and share child custody
- ( ) a taxpayer whose spouse died in 2013

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