

ARE YOUR PARENTS YOUR DEPENDENTS?

By: SUE FREED, CPA

For years, taxpayers have asked if they can claim their adult children as dependents when they move back home. Now the tables have turned and children are wondering if they can claim their parents as dependents on their tax return.

As the population has aged, more and more of the “sandwich” generation are assuming financial responsibility for their parents. Even if your parents live in their own home or in a retirement community they can still be legally claimed as dependents if they meet IRS requirements.

Criteria your parent must meet to qualify as a dependent:

- Must be your biological or adopted parent
- Gross taxable income must be less than \$4050
- Must receive more than 50% of all financial support from you
- Must be a U.S. resident or a resident of Canada or Mexico
- They are not required to file a federal income tax return
- They can't file a joint return for any purpose other than to receive a tax refund.
- If you wish to claim both parents, they must each meet these criteria

If your parent doesn't meet the income requirement for dependents, medical expenses can still be claimed on your return as itemized deductions if you provide 50 percent of their support.

You can also qualify for the non-refundable Child and Dependent Care Credit. The criteria for this credit require that your parent be physically or mentally unable to care for themselves.

Expenses must be paid for the care of your parent to allow you and your spouse to work or look for work.



If you feel that your parents may qualify as your dependents, let us know and we will be happy to discuss the issue with you.

If you have questions about this or any other business or tax issue, please contact your Account Manager or [Sue Freed, CPA](mailto:sfreed@connerash.com), at (314) 205-2510 or via email at sfreed@connerash.com.