

# Diligence Questions

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## **Instructions:**

This form must be completed and signed in order to take any of the following credits:

- Head of Household (*For tax purposes, this means single parents only*)
- Child Tax Credit
- Earned Income Credit
- American Opportunity/Education Credit

Please fill out the form to the best of your ability.


If a question or section does not apply to you, please write N/A.

This form is not valid unless **signed** and **dated**

Our office will be penalized \$1,000 per item claimed without this *signed* form from you.

Even Paul's own family members need to fill out & sign this form!

Thank you for understanding.

A handwritten signature in cursive script that reads "Paul Dion".

Paul Dion CPA

# Diligence Questions

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Name: \_\_\_\_\_ Last 4 of SSN: \_\_\_\_\_

## General Questions (for everyone):

1. Have any of the following tax credits been disallowed or reduced in a prior year?
  - a. EIC: Earned Income Credit **YES / NO**
  - b. CTC: Child Tax Credit **YES / NO**
  - c. AOTC: American Opportunity Tax Credit (Education Credit) **YES / NO**
  - d. HOH: Head of Household filing status **YES / NO**
  
2. Were you, or your spouse if filing jointly, a nonresident alien for any part of the year? **YES / NO**
  
3. Could you, or your spouse if filing jointly, be a qualifying child of another person for the year? **YES / NO**
  
4. Are you, or your spouse if filing jointly, eligible to be claimed as a dependent on anyone else's federal income tax return for the year? **YES / NO**
  
5. Was your main home in the U.S. for more than half the year? **YES / NO**
  
6. How many qualifying children (children claimed on your tax return) do you have? \_\_\_\_
  - a. Did the child(ren) live with you for over half the year? \_\_\_\_\_
  
7. Are you filing MFS (Married Filing Separately)? **YES / NO**
  
8. Do you, and your spouse if filing jointly, have a valid Social Security Number? **YES / NO**

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## Filing Status

(check one)

**Single**

- Others who lived in your home but are not reported on this tax return: \_\_\_\_\_
- Is this person biologically related to you? **YES / NO** Relationship? \_\_\_\_\_
- If this person is a child, why are you not claiming the child on your tax return? \_\_\_\_\_

**Married Filing Jointly (MFJ)**

**Married Filing Separately (MFS)**

Marriage Date: \_\_\_\_\_

Taxpayer Name: \_\_\_\_\_ Spouse's Name: \_\_\_\_\_

**Head of Household** (For tax purposes, HOH is a **Single Parent** paying more than ½ the cost of keeping up a home)

If filing **Head of Household (HOH)**, please fill out the following:

Monthly Income: \$ \_\_\_\_\_ (wages, child support, other income)\*

	Amount you paid	Total Cost
Property Taxes		
Mortgage interest expense		
Rent		
Utility Charges		
Repairs/Maintenance		
Property Insurance		
Food eaten in the home		
Other Household expenses		
<b>Totals:</b>		

\*Do not count money received under public assistance/welfare/food stamps in the amount you paid. But include costs paid with public assistance in the total cost

Other Notes: \_\_\_\_\_

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Name: \_\_\_\_\_ Last 4 of SSN: \_\_\_\_\_

## **Head of Household (continued):** *(If not filing HOH, skip this page)*

1. Marital Status:

- Never Married
- Spouse deceased
- Divorced or legally separated
- Married but lived apart from spouse during the last 6 months of the year
- Separation Agreement

2. If you are divorced or legally separated, can you provide the IRS with any of the following documents?

- Divorce decree
- Separate maintenance agreement or separation agreement

3. If you are married but did not reside with your spouse for the last 6 months of the tax year, can you provide the IRS with any of the supporting documents verifying that your spouse did not live with you?

- Not Applicable
- Lease agreement
- Utility Bills
- Letter from a clergy member
- Letter from social services
- Other supporting documentation: \_\_\_\_\_

4. If requested, would you be able to provide the IRS with receipts and bills substantiating the cost of maintaining more than half the cost of the home (check all that apply)?

- Utility bills
- Property tax bills
- Grocery receipts
- Rent receipts or mortgage interest statement
- Maintenance and repair bills
- Other household bills

5. Did you receive any non-taxable support/income?

- Family support
- Food stamps
- Housing assistance
- Childcare assistance
- Other: \_\_\_\_\_

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Name: \_\_\_\_\_ Last 4 of SSN: \_\_\_\_\_

## **Self-Employment Income:** *(If you or your spouse are not self-employed, skip this page)*

1. Description of business (*Type of work, service rendered, product sold, business location, hours of operation*) \_\_\_\_\_  
\_\_\_\_\_
2. EIN #: \_\_\_\_\_
3. How long have you owned your business? \_\_\_\_\_
4. If requested, would you be able to provide any of the following documentation to substantiate your business?
  - Business Cards
  - Business stationary
  - Receipts or receipt book (with company header)
  - Business/occupational license (if required)
  - Other tax returns (sales/excise, employment, etc)
  - Other documentation: \_\_\_\_\_
5. Who maintains the business records? \_\_\_\_\_
6. Do you maintain separate banking accounts for personal and business transactions?
  - YES: In what form were records provided? \_\_\_\_\_
  - NO: How do you differentiate between personal and business transactions and monetary assets? \_\_\_\_\_  
\_\_\_\_\_
7. Do you keep good records of income and expenses?
  - YES: In what form?
    - Accounting records
    - Paid invoices/receipts
    - Log books
    - Computer records
    - Car/truck expenses
    - Ledgers
    - Business bank accounts
    - Other: \_\_\_\_\_
  - NO: How did you determine:
    - The amount of income? \_\_\_\_\_
    - The amount of expenses? \_\_\_\_\_
8. Have you received Forms 1099-MISC or 1099-NEC to support your income? **YES / NO**  
-If NO, is it reasonable that your business type would **not** receive Form 1099-MISC for services? **YES / NO**
9. Are your expenses consistent with the type of business? **YES / NO**
10. Are the amounts of expense reasonable? **YES / NO**
11. Are any expenses that are typical for this type of business missing? **YES / NO**
12. List any other information you can provide related to your business: \_\_\_\_\_  
\_\_\_\_\_

# Diligence Questions

Name: \_\_\_\_\_ Last 4 of SSN: \_\_\_\_\_

## **Qualifying Child:** (fill out if you claim a child as a dependent)

	Child's SSN	Child's Full Name	Child's Date of Birth	Months Child Lived with You
1				
2				
3				

- a. If over 18, what school does the child attend? \_\_\_\_\_
- b. Can you provide documentation showing that the child was a full-time student for at least 5 months? **YES / NO**

## **Non-Biological Child:** (if not applicable, skip)

1. Name of non-biological dependent: \_\_\_\_\_
2. If this is not your biological child, what is your relationship to the dependent? \_\_\_\_\_
3. Did the dependent live in your home for more than 6 months? **YES / NO**
4. Do you have custody? **YES/ NO** If so, through what court/agency? \_\_\_\_\_
5. Who are the biological parents? \_\_\_\_\_
6. Where do the biological parents live?
  - a. Biological Mother: \_\_\_\_\_
  - b. Biological Father: \_\_\_\_\_
7. What were the circumstances leading to the dependent(s) being placed in your home? \_\_\_\_\_  
\_\_\_\_\_
8. Do you receive any financial aid for this child such as WIC, Medicaid, SNAP, listed on your health insurance policy, etc? **YES / NO** If yes, which ones? \_\_\_\_\_
9. Are you listed as the guardian for this dependent(s) on school records, medical records, daycare records, or place of worship records? **YES / NO**
10. Adopted children:
  - a. Is the adoption final or pending? **FINAL / PENDING**
  - b. If the adoption is pending, do you have a letter from an authorized adoption agency? **YES / NO**
11. Foster Children:
  - a. Do you have a letter from the authorized placement agency or applicable court document? **YES / NO**
12. Brother, sister, niece, nephew, grandchildren, great-grandchildren:
  - a. Can you provide a birth certificate that verifies your relationship to the child? **YES / NO**
13. Stepchildren or descendent of them, step-grandchildren, step-great-grandchildren:
  - a. Can you provide a birth certificate & marriage certificate verifying your relationship to the child? **YES/ NO**

# Diligence Questions

Name: \_\_\_\_\_ Last 4 of SSN: \_\_\_\_\_

## **Disabled at any age:** *(fill out this section if any of your dependents are disabled.)*

1. If your dependent is over the age of 18 and disabled, what is their ailment? \_\_\_\_\_
2. Has this dependent been declared disabled by a physician? **YES / NO**
  - a. If so, can you provide documentation? **YES / NO**
3. Does dependent receive social security/disability benefits? **YES / NO**
  - b. If yes, how much do they receive? \$ \_\_\_\_\_ (Please provide form 1099-SSA)
4. Are you listed as the Social Security Representative Payee for this dependent? **YES / NO**
5. Is this the dependent(s) expected to recover in the next year? **YES / NO**
6. If this is not your biological child, why is this child living with you and not another family member?  
\_\_\_\_\_  
\_\_\_\_\_
- c. Where are the biological parents of your disabled dependent(s)? \_\_\_\_\_
21. Who cares for the disabled dependent while the taxpayer works? \_\_\_\_\_

## **College Credits** *(fill out if you or any of your dependents attended college. If it doesn't apply, skip this section)*

1. Student's Name: \_\_\_\_\_ Relationship to Taxpayer: \_\_\_\_\_
2. Which college did the student attend? \_\_\_\_\_
3. Did student attend at least half time? **YES / NO** Degree seeking? \_\_\_\_\_
4. Did this student receive a tuition statement from the school? **YES / NO\*** Tuition amount: \$ \_\_\_\_\_
  - a. IF **YES**, PLEASE PROVIDE 1098-T TUITION STATEMENT
  - b. IF **NO**, PLEASE PROVIDE BURSAR STATEMENT OR ACCOUNT HISTORY
5. Cost of Books/Materials: \$ \_\_\_\_\_
6. Did this student work while attending school? **YES / NO** If so, how much did they earn? \$ \_\_\_\_\_
7. How many tax years have you claimed the American Opportunity Tax Credit (AOTC)? \_\_\_\_\_
23. Any Drug-Related Felonies? **YES / NO**

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Name: \_\_\_\_\_ Last 4 of SSN: \_\_\_\_\_

## **Qualifying Relative: (other than a child under 19 years old, 24 if student – see *Qualifying Child*)**

1. Name of relative: \_\_\_\_\_
2. Age of relative: \_\_\_\_\_
3. Relationship to taxpayer: \_\_\_\_\_
4. Is this person someone else's Qualifying Child\*? **YES / NO** (\**Qualifying child is a child who is claimed as a dependent*)
5. How many months out of the year did the person live you? \_\_\_\_\_
6. Please list the person's **gross income** for the year and whether or not this income was from Social Security:
  - a. Social Security Income: \$ \_\_\_\_\_
  - b. Other income (ie. W2, 1099, etc): \$ \_\_\_\_\_
7. Is the person required to file a tax return? **YES / NO**
  - a. Will the person be filing a tax return this year? **YES / NO**
8. Did you provide more than half of the support for that person during the year? **YES / NO**
9. Please include any other pertinent information that might help in determining the eligibility of this person as your dependent: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



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Name: \_\_\_\_\_ Last 4 of SSN: \_\_\_\_\_

## Signature of Taxpayer

If requested by the government, can you, the Taxpayer, provide documentation to substantiate eligibility for the credits claimed on your tax return? **YES / NO**

I have filled out this form to the best of my ability, and the answers therein are accurate to the best of my knowledge.

Taxpayer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Spouse Signature (if filing jointly): \_\_\_\_\_ Date: \_\_\_\_\_

Notes: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Taxpayer has provided all answers to the above questions to be true and correct to the best of the taxpayer's knowledge. Taxpayer has been informed that claiming a dependent for EITC/CTC/AOTC/HOH or other can result in an audit, fines and penalties if information provided to the preparer is incorrect.*

Preparer signature \_\_\_\_\_

Answers were provided by taxpayer on the above date unless otherwise noted here: \_\_\_\_\_