

Case Study 1

Paul and Lori Cumberland

General Instructions

Case Study Information

Using the forms provided, complete a return for Paul and Lori Cumberland prior to answering the test questions relating to their return. The couple's personal information and details relating to their wages and health care coverage has been pre-entered for you, but you will need to enter the information shown below to complete their return.

Save Your Work!

It is recommended that you SAVE the work you have done so far on this test before accessing the case study information and beginning this return. If you fail to do so and you are automatically timed out, you will lose your work and have to start over. After entering the required information, you should save a copy of the completed return. You will need to refer to the completed return to answer the test questions about this taxpayer.

Introduction

Paul, age 47, and Lori, age 46, are married and want to file a joint return. Paul works full-time and his only income is from wages. Lori is a homemaker and does not receive any wages. They have one daughter, Kayla, who is age 21 and has been attending college since 2020.

Scenario

Kayla is a full-time student. She completed the second semester of her junior year at Your State College in May 2022, and she finished the first semester of her senior year in December 2022. She is on track to graduate with a degree in business administration in 2023. Although Kayla earned \$5,000 from working at a part-time job during the year, Paul and Lori provided more than half of her support. Kayla does return home on breaks from school.

During 2022, Kayla incurred education expenses of \$15,000 for her tuition and \$1,500 for books. The books were required for coursework, but not purchased through the university. Kayla took out student loans to pay the balance of her tuition. She plans to repay the loans as soon as she can after she graduates. She has never been convicted of a felony for possessing or distributing a controlled substance.

Tax Knowledge Assessment Test: Tax Specialist (2023)

Paul and Lori provide the following Form 1098-T, and they state, if necessary, they can provide additional documentation verifying the amounts paid for Kayla's tuition and fees. The couple previously claimed the American Opportunity Credit for Kayla's college expenses in 2020 and 2021. This year, they want to claim the tax benefit for education that gives them the greatest overall benefit when they file their return.

You will need to make the necessary entries required to report the education expenses and decide which education credit is most optimal to take. There are partially completed forms provided.

<input type="checkbox"/> CORRECTED			
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number YOUR STATE UNIVERSITY 3535 COLLEGE BOULEVARD YOUR CITY, YS XXXXX (800) 555-4132		1 Payments received for qualified tuition and related expenses \$ 15,000.00 2	OMB No. 1545-1574 <div style="font-size: 2em; font-weight: bold;">2022</div> Form 1098-T
FILER'S employer identification no. 09-4130102	STUDENT'S TIN 413-00-2011	3	
STUDENT'S name KAYLA CUMBERLAND		4 Adjustments made for a prior year \$	5 Scholarships or grants \$
Street address (including apt. no.) 5788 WEST ORANGE ROAD City or town, state or province, country, and ZIP or foreign postal code YOUR CITY, YS XXXXX		6 Adjustments to scholarships or grants for a prior year \$	7 Checked if the amount in box 1 includes amounts for an academic period beginning January–March 2023 <input type="checkbox"/>
Service Provider/Acct. No. (see instr.)	8 Checked if at least half-time student <input checked="" type="checkbox"/>	9 Checked if a graduate student <input type="checkbox"/>	10 Ins. contract reimb./refund \$
Form 1098-T (keep for your records) www.irs.gov/Form1098T Department of the Treasury - Internal Revenue Service			

Tuition Statement

Copy B For Student

This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.

Test Questions

After you have made the required entries and completed the couple's tax return, return to the test in Block Academy and answer the corresponding questions about this taxpayer.

Partially Completed Forms

Again, it is best to study the case study scenario, print it, and work through the following forms before answering the test questions.

HINT: Start with Form 8863.

Tax Knowledge Assessment Test: Tax Specialist (2023)

Form 1040	Department of the Treasury—Internal Revenue Service U.S. Individual Income Tax Return	2022	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
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Filing Status ☐ Single ☒ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying surviving spouse (QSS)

Check only If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the one box. qualifying person is a child but not your dependent:

Your first name and middle initial PAUL	Last name CUMBERLAND	Your social security number 325-00-2901
If joint return, spouse's first name and middle initial LORI	Last name CUMBERLAND	Spouse's social security number 413-00-1011

Home address (number and street). If you have a P.O. box, see instructions. 5788 WEST ORANGE ROAD	Apt. no.	Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse
City, town, or post office. If you have a foreign address, also complete spaces below. KANSAS CITY	State MO	
Foreign country name	Foreign postal code	

Digital Assets At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☒ No

Standard Deduction ☐ Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent ☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: ☐ Were born before January 2, 1958 ☐ Are blind Spouse: ☐ Was born before January 2, 1958 ☐ Is blind

Dependents (see instructions):	(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see inst.):
	KAYLA	CUMBERLAND	413-00-2011	DAUGHTER	Child tax credit <input type="checkbox"/> Credit for other dependents <input checked="" type="checkbox"/>

If more than four dependents, see instructions and check here ☐

Income	1a Total amount from Form(s) W-2, box 1 (see instructions)	1a 113,909
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions.	b Household employee wages not reported on Form(s) W-2	1b
	c Tip income not reported on line 1a (see instructions)	1c
	d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)	1d
	e Taxable dependent care benefits from Form 2441, line 26	1e
	f Employer-provided adoption benefits from Form 8839, line 29	1f
	g Wages from Form 8919, line 6	1g
	h Other earned income (see instructions)	1h
	i Nontaxable combat pay election (see instructions) 1i	
	z Add lines 1a through 1h	1z 113,909
	Attach Sch. B if required. Standard Deduction for— • Single or Married filing separately, \$12,950 • Married filing jointly or Qualifying surviving spouse, \$25,900 • Head of household, \$19,400 • If you checked any box under Standard Deduction, see instructions.	2a Tax-exempt interest 2a
3a Qualified dividends 3a		b Ordinary dividends 3b
4a IRA distributions 4a		b Taxable amount 4b
5a Pensions and annuities 5a		b Taxable amount 5b
6a Social security benefits 6a		b Taxable amount 6b
c If you elect to use the lump-sum election method, check here (see instructions) <input type="checkbox"/>		7
7 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>		8
8 Other income from Schedule 1, line 10		9 113,909
9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income		10
10 Adjustments to income from Schedule 1, line 26		11 113,909
11 Subtract line 10 from line 9. This is your adjusted gross income	12 25,900	
12 Standard deduction or itemized deductions (from Schedule A)	13	
13 Qualified business income deduction from Form 8995 or Form 8995-A	14 25,900	
14 Add lines 12 and 13.	15 88,009	
15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income		

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form **1040** (2022)

Tax Knowledge Assessment Test: Tax Specialist (2023)

Form 1040 (2022) CUMBERLAND 325-00-2901		Page 2	
Tax and Credits	16 Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16	10,600
	17 Amount from Schedule 2, line 3	17	
	18 Add lines 16 and 17	18	10,600
	19 Child tax credit or credit for other dependents from Schedule 8812	19	500
	20 Amount from Schedule 3, line 8	20	
	21 Add lines 19 and 20	21	
	22 Subtract line 21 from line 18. If zero or less, enter -0-	22	
	23 Other taxes, including self-employment tax, from Schedule 2, line 21	23	
	24 Add lines 22 and 23. This is your total tax	24	
	Payments	25 Federal income tax withheld from:	
a Form(s) W-2		25a	14,355
b Form(s) 1099		25b	
c Other forms (see instructions)		25c	
d Add lines 25a through 25c		25d	14,355
26 2022 estimated tax payments and amount applied from 2021 return		26	
27 Earned income credit (EIC)		27	
28 Additional child tax credit from Schedule 8812		28	
29 American opportunity credit from Form 8863, line 8		29	
30 Reserved for future use		30	
31 Amount from Schedule 3, line 15	31		
32 Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32		
33 Add lines 25d, 26, and 32. These are your total payments	33		
Refund	34 If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	
	35a Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a	
	b Routing number XXXXXXXXXXXXXXXXXXXX c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d Account number XX		
36 Amount of line 34 you want applied to your 2023 estimated tax	36		
Amount You Owe	37 Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions	37	
	38 Estimated tax penalty (see instructions)	38	
Third Party Designee	Do you want to allow another person to discuss this return with the IRS? See instructions <input type="checkbox"/> Yes. Complete below. <input checked="" type="checkbox"/> No		
	Designee's name	Phone no.	Personal identification number (PIN)
Sign Here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
Joint return? See instructions. Keep a copy for your records.	Your signature	Date	Your occupation
			MANAGER
	Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation
			HOMEMAKER
	Phone no. 816-555-4131	Email address PCUMBERLAND@NET.NET	
Paid Preparer Use Only	Preparer's name	Preparer's signature	Date
	BRIANNA WILLIAMS		01-12-2023
	Firm's name	Firm's address	Firm's EIN
	HRB TAX GROUP INC	9268 BLUE RIDGE BLVD KANSAS CITY MO 64138	431871840
			Check if: <input type="checkbox"/> Self-employed

Go to www.irs.gov/Form1040 for instructions and the latest information.

Form **1040** (2022)

Tax Knowledge Assessment Test: Tax Specialist (2023)

SCHEDULE 3 (Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Credits and Payments

Attach to Form 1040, 1040-SR, or 1040-NR.
Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2022

Attachment
Sequence No. **03**

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

PAUL AND LORI CUMBERLAND

Your social security number

325-00-2901

Part I Nonrefundable Credits

1	Foreign tax credit. Attach Form 1116 if required	1	
2	Credit for child and dependent care expenses from Form 2441, line 11. Attach Form 2441	2	
3	Education credits from Form 8863, line 19	3	
4	Retirement savings contributions credit. Attach Form 8880	4	
5	Residential energy credits. Attach Form 5695	5	
6	Other nonrefundable credits:		
a	General business credit. Attach Form 3800	6a	
b	Credit for prior year minimum tax. Attach Form 8801	6b	
c	Adoption credit. Attach Form 8839	6c	
d	Credit for the elderly or disabled. Attach Schedule R	6d	
e	Alternative motor vehicle credit. Attach Form 8910	6e	
f	Qualified plug-in motor vehicle credit. Attach Form 8936	6f	
g	Mortgage interest credit. Attach Form 8396	6g	
h	District of Columbia first-time homebuyer credit. Attach Form 8859	6h	
i	Qualified electric vehicle credit. Attach Form 8834	6i	
j	Alternative fuel vehicle refueling property credit. Attach Form 8911	6j	
k	Credit to holders of tax credit bonds. Attach Form 8912	6k	
l	Amount on Form 8978, line 14. See instructions	6l	
z	Other nonrefundable credits. List type and amount:	6z	
7	Total other nonrefundable credits. Add lines 6a through 6z	7	
8	Add lines 1 through 5 and 7. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 20	8	

(continued on page 2)

For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 3 (Form 1040) 2022

Tax Knowledge Assessment Test: Tax Specialist (2023)

SCHEDULE 8812
(Form 1040)

Department of the Treasury
Internal Revenue Service

Credits for Qualifying Children and Other Dependents

Attach to Form 1040, 1040-SR, or 1040-NR.

Go to www.irs.gov/Schedule8812 for instructions and the latest information.

OMB No. 1545-0074

2022

Attachment
Sequence No. **47**

Name(s) shown on return

PAUL AND LORI CUMBERLAND

Your social security number

325-00-2901

Part I Child Tax Credit and Credit for Other Dependents

1 Enter the amount from line 11 of your Form 1040, 1040-SR, or 1040-NR	1	113,909
2a Enter income from Puerto Rico that you excluded	2a	
b Enter the amounts from lines 45 and 50 of your Form 2555	2b	
c Enter the amount from line 15 of your Form 4563	2c	
d Add lines 2a through 2c	2d	
3 Add lines 1 and 2d	3	113,909
4 Number of qualifying children under age 17 with the required social security no. 4	4	
5 Multiply line 4 by \$2,000	5	
6 Number of other dependents, including any qualifying children who are not under age 17 or who do not have the required social security number 6	6	1
Caution: Do not include yourself, your spouse, or anyone who is not a U.S. citizen, U.S. national, or U.S. resident alien. Also, do not include anyone you included on line 4.		
7 Multiply line 6 by \$500	7	500
8 Add lines 5 and 7	8	500
9 Enter the amount shown below for your filing status.		
<ul style="list-style-type: none"> • Married filing jointly--\$400,000 • All other filing statuses--\$200,000 	9	400,000
10 Subtract line 9 from line 3.		
<ul style="list-style-type: none"> • If zero or less, enter -0-. • If more than zero and not a multiple of \$1,000, enter the next multiple of \$1,000. For example, if the result is \$425, enter \$1,000; if the result is \$1,025, enter \$2,000, etc. 	10	0
11 Multiply line 10 by 5% (0.05)	11	
12 Is the amount on line 8 more than the amount on line 11?	12	500
<input type="checkbox"/> No. STOP. You cannot take the child tax credit, credit for other dependents, or additional child tax credit. Skip Parts II-A and II-B. Enter -0- on lines 14 and 27.		
<input checked="" type="checkbox"/> Yes. Subtract line 11 from line 8. Enter the result.		
13 Enter the amount from the Credit Limit Worksheet A	13	9,100
14 Enter the smaller of line 12 or 13. This is your child tax credit and credit for other dependents.	14	500

If the amount on line 12 is more than the amount on line 14, you may be able to take the **additional child tax credit** on Form 1040, 1040-SR, or 1040-NR, line 28. Complete your Form 1040, 1040-SR, or 1040-NR through line 27 (also complete Schedule 3, line 11) before completing Part II-A.

For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 8812 (Form 1040) 2022

Tax Knowledge Assessment Test: Tax Specialist (2023)

Form **8863**

Department of the Treasury
Internal Revenue Service

Education Credits (American Opportunity and Lifetime Learning Credits)

Attach to Form 1040 or 1040-SR.
Go to www.irs.gov/Form8863 for instructions and the latest information.

OMB No. 1545-0074

2022
Attachment
Sequence No. **50**

Name(s) shown on return

PAUL AND LORI CUMBERLAND

Your social security number

325-00-2901



Complete a separate Part III on page 2 for each student for whom you're claiming either credit before you complete Parts I and II.

Part I Refundable American Opportunity Credit

1 After completing Part III for each student, enter the total of all amounts from all Parts III, line 30	1	
2 Enter: \$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying surviving spouse	2	180,000
3 Enter the amount from Form 1040 or 1040-SR, line 11. If you're filing Form 2555 or 4563, or you're excluding income from Puerto Rico, see Pub. 970 for the amount to enter instead	3	113,909
4 Subtract line 3 from line 2. If zero or less, stop ; you can't take any education credit	4	66,091
5 Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying surviving spouse	5	20,000
6 If line 4 is:		
<ul style="list-style-type: none"> • Equal to or more than line 5, enter 1.000 on line 6 • Less than line 5, divide line 4 by line 5. Enter the result as a decimal (rounded to at least three places) 	6	1.0000
7 Multiply line 1 by line 6. Caution: If you were under age 24 at the end of the year and meet the conditions described in the instructions, you can't take the refundable American opportunity credit; skip line 8, enter the amount from line 7 on line 9, and check this box <input type="checkbox"/>	7	
8 Refundable American opportunity credit. Multiply line 7 by 40% (0.40). Enter the amount here and on Form 1040 or 1040-SR, line 29. Then go to line 9 below	8	

Part II Nonrefundable Education Credits

9 Subtract line 8 from line 7. Enter here and on line 2 of the Credit Limit Worksheet (see instructions)	9	
10 After completing Part III for each student, enter the total of all amounts from all Parts III, line 31. If zero, skip lines 11 through 17, enter -0- on line 18, and go to line 19	10	
11 Enter the smaller of line 10 or \$10,000	11	
12 Multiply line 11 by 20% (0.20)	12	
13 Enter: \$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying surviving spouse	13	
14 Enter the amount from Form 1040 or 1040-SR, line 11. If you're filing Form 2555 or 4563, or you're excluding income from Puerto Rico, see Pub. 970 for the amount to enter instead	14	
15 Subtract line 14 from line 13. If zero or less, skip lines 16 and 17, enter -0- on line 18, and go to line 19	15	
16 Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying surviving spouse	16	
17 If line 15 is:		
<ul style="list-style-type: none"> • Equal to or more than line 16, enter 1.000 on line 17 and go to line 18 • Less than line 16, divide line 15 by line 16. Enter the result as a decimal (rounded to at least three places) 	17	
18 Multiply line 12 by line 17. Enter here and on line 1 of the Credit Limit Worksheet (see instructions)	18	
19 Nonrefundable education credits. Enter the amount from line 7 of the Credit Limit Worksheet (see instructions) here and on Schedule 3 (Form 1040), line 3	19	

For Paperwork Reduction Act Notice, see your tax return instructions.

Form **8863** (2022)

Tax Knowledge Assessment Test: Tax Specialist (2023)

Form 8863 (2022)	CUMBERLAND 325-00-2901	Page 2
Name(s) shown on return PAUL AND LORI CUMBERLAND		Your social security number 325-00-2901



Complete Part III for each student for whom you're claiming either the American opportunity credit or lifetime learning credit. Use additional copies of page 2 as needed for each student.

Part III Student and Educational Institution Information. See instructions.	
20 Student name (as shown on page 1 of your tax return) KAYLA CUMBERLAND	21 Student social security number (as shown on page 1 of your tax return) 413-00-2011
22 Educational institution information (see instructions)	
a. Name of first educational institution YOUR STATE UNIVERSITY (1) Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions. 3535 COLLEGE BOULEVARD KANSAS CITY, MO 64105 (2) Did the student receive Form 1098-T from this institution for 2022? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (3) Did the student receive Form 1098-T from this institution for 2021 with box 7 checked? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (4) Enter the institution's employer identification number (EIN) if you're claiming the American opportunity credit or if you checked "Yes" in (2) or (3) . You can get the EIN from Form 1098-T or from the institution. 09-4130102	b. Name of second educational institution (if any) (1) Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions. (2) Did the student receive Form 1098-T from this institution for 2022? <input type="checkbox"/> Yes <input type="checkbox"/> No (3) Did the student receive Form 1098-T from this institution for 2021 with box 7 checked? <input type="checkbox"/> Yes <input type="checkbox"/> No (4) Enter the institution's employer identification number (EIN) if you're claiming the American opportunity credit or if you checked "Yes" in (2) or (3) . You can get the EIN from Form 1098-T or from the institution.
23 Has the American opportunity credit been claimed for this student for any 4 prior tax years? Yes -- Stop! Go to line 31 for this student. <input checked="" type="checkbox"/> No -- Go to line 24.	
24 Was the student enrolled at least half-time for at least one academic period that began or is treated as having begun in 2022 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential? See instructions. Yes -- Go to line 25. <input checked="" type="checkbox"/> No -- Stop! Go to line 31 for this student. <input type="checkbox"/>	
25 Did the student complete the first 4 years of postsecondary education before 2022? See instructions. Yes -- Stop! Go to line 31 for this student. <input type="checkbox"/> No -- Go to line 26. <input checked="" type="checkbox"/>	
26 Was the student convicted, before the end of 2022, of a felony for possession or distribution of a controlled substance? Yes -- Stop! Go to line 31 for this student. <input type="checkbox"/> No -- Complete lines 27 through 30 for this student. <input checked="" type="checkbox"/>	



You **can't** take the American opportunity credit and the lifetime learning credit for the **same student** in the same year. If you complete lines 27 through 30 for this student, don't complete line 31.

American Opportunity Credit	
27 Adjusted qualified education expenses (see instructions). Don't enter more than \$4,000.	27
28 Subtract \$2,000 from line 27. If zero or less, enter -0-	28
29 Multiply line 28 by 25% (0.25)	29
30 If line 28 is zero, enter the amount from line 27. Otherwise, add \$2,000 to the amount on line 29 and enter the result. Skip line 31. Include the total of all amounts from all Parts III, line 30, on Part I, line 1	30
Lifetime Learning Credit	
31 Adjusted qualified education expenses (see instructions). Include the total of all amounts from all Parts III, line 31, on Part II, line 10	31

Tax Knowledge Assessment Test: Tax Specialist (2023)

2022 FORM 8863 CREDIT LIMIT WORKSHEET – LINE 19

PAUL AND LORI CUMBERLAND
325-00-2901

Keep for Your Records

NONREFUNDABLE CREDIT WORKSHEET

1. Enter the amount from Form 8863, line 18 1. _____
2. Enter the amount from Form 8863, line 9 2. _____
3. Add lines 1 and 2 3. _____
4. Enter the amount from:
Form 1040 or 1040-SR, line 18 4. 10,600
5. Enter the total of your credits from:
Schedule 3 (Form 1040), lines 1 and 2,
6d and 6l 5. _____
6. Subtract line 5 from line 4 6. 10,600
7. Enter the smaller of line 3 or line 6 here and on Form 8863, line 19 7. _____

Tax Knowledge Assessment Test: Tax Specialist (2023)

Form 8867 (Rev. 11-2022)

CUMBERLAND 325-00-2901

Page 2

Part II Due Diligence Questions for Returns Claiming EIC (If the return does not claim EIC, go to Part III.)

	Yes	No	N/A
9a Have you determined that the taxpayer is eligible to claim the EIC for the number of qualifying children claimed, or is eligible to claim the EIC without a qualifying child? (If the taxpayer is claiming the EIC and does not have a qualifying child, go to question 10.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b Did you ask the taxpayer if the child lived with the taxpayer for over half of the year, even if the taxpayer has supported the child the entire year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c Did you explain to the taxpayer the rules about claiming the EIC when a child is the qualifying child of more than one person (tiebreaker rules)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part III Due Diligence Questions for Returns Claiming CTC/ACTC/ODC (If the return does not claim CTC, ACTC, or ODC, go to Part IV.)

	Yes	No	N/A
10 Have you determined that each qualifying person for the CTC/ACTC/ODC is the taxpayer's dependent who is a citizen, national, or resident of the United States?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Did you explain to the taxpayer that he/she may not claim the CTC/ACTC if the child has not lived with the taxpayer for over half of the year, even if the taxpayer has supported the child, unless the child's custodial parent has released a claim to exemption for the child?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Did you explain to the taxpayer the rules about claiming the CTC/ACTC/ODC for a child of divorced or separated parents (or parents who live apart), including any requirement to attach a Form 8332 or similar statement to the return?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part IV Due Diligence Questions for Returns Claiming AOTC (If the return does not claim AOTC, go to Part V.)

	Yes	No
13 Did the taxpayer provide substantiation for the credit, such as a Form 1098-T and/or receipts for the qualified tuition and related expenses for the claimed AOTC?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Part V Due Diligence Questions for Claiming HOH (If the return does not claim HOH filing status, go to Part VI.)

	Yes	No
14 Have you determined that the taxpayer was unmarried or considered unmarried on the last day of the tax year and provided more than half of the cost of keeping up a home for the year for a qualifying person?	<input type="checkbox"/>	<input type="checkbox"/>

Part VI Eligibility Certification

You will have complied with all due diligence requirements for claiming the applicable credit(s) and/or HOH filing status on the return of the taxpayer identified above if you:

- Interview the taxpayer, ask adequate questions, contemporaneously document the taxpayer's responses on the return or in your notes, review adequate information to determine if the taxpayer is eligible to claim the credit(s) and/or HOH filing status and to figure the amount(s) of the credit(s);
- Complete this Form 8867 truthfully and accurately and complete the actions described in this checklist for any applicable credit(s) claimed and HOH filing status, if claimed;
- Submit Form 8867 in the manner required; and
- Keep all five of the following records for 3 years from the latest of the dates specified in the Form 8867 instructions under Document Retention.
 - A copy of this Form 8867.
 - The applicable worksheet(s) or your own worksheet(s) for any credit(s) claimed.
 - Copies of any documents provided by the taxpayer on which you relied to determine the taxpayer's eligibility for the credit(s) and/or HOH filing status and to figure the amount(s) of the credit(s).
 - A record of how, when, and from whom the information used to prepare this form and the applicable worksheet(s) was obtained.
 - A record of any additional information you relied upon, including questions you asked and the taxpayer's responses, to determine the taxpayer's eligibility for the credit(s) and/or HOH filing status and to figure the amount(s) of the credit(s).

If you have not complied with all due diligence requirements, you may have to pay a penalty for each failure to comply related to a claim of an applicable credit or HOH filing status (see instructions for more information).

	Yes	No
15 Do you certify that all of the answers on this Form 8867 are, to the best of your knowledge, true, correct, and complete?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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Part II Due Diligence Questions for Returns Claiming EIC (If the return does not claim EIC, go to Part III.)

	Yes	No	N/A
9a Have you determined that the taxpayer is eligible to claim the EIC for the number of qualifying children claimed, or is eligible to claim the EIC without a qualifying child? (If the taxpayer is claiming the EIC and does not have a qualifying child, go to question 10.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b Did you ask the taxpayer if the child lived with the taxpayer for over half of the year, even if the taxpayer has supported the child the entire year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c Did you explain to the taxpayer the rules about claiming the EIC when a child is the qualifying child of more than one person (tiebreaker rules)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part III Due Diligence Questions for Returns Claiming CTC/ACTC/ODC (If the return does not claim CTC, ACTC, or ODC, go to Part IV.)

	Yes	No	N/A
10 Have you determined that each qualifying person for the CTC/ACTC/ODC is the taxpayer's dependent who is a citizen, national, or resident of the United States?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Did you explain to the taxpayer that he/she may not claim the CTC/ACTC if the child has not lived with the taxpayer for over half of the year, even if the taxpayer has supported the child, unless the child's custodial parent has released a claim to exemption for the child?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Did you explain to the taxpayer the rules about claiming the CTC/ACTC/ODC for a child of divorced or separated parents (or parents who live apart), including any requirement to attach a Form 8332 or similar statement to the return?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part IV Due Diligence Questions for Returns Claiming AOTC (If the return does not claim AOTC, go to Part V.)

	Yes	No
13 Did the taxpayer provide substantiation for the credit, such as a Form 1098-T and/or receipts for the qualified tuition and related expenses for the claimed AOTC?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Part V Due Diligence Questions for Claiming HOH (If the return does not claim HOH filing status, go to Part VI.)

	Yes	No
14 Have you determined that the taxpayer was unmarried or considered unmarried on the last day of the tax year and provided more than half of the cost of keeping up a home for the year for a qualifying person?	<input type="checkbox"/>	<input type="checkbox"/>

Part VI Eligibility Certification

You will have complied with all due diligence requirements for claiming the applicable credit(s) and/or HOH filing status on the return of the taxpayer identified above if you:

- Interview the taxpayer, ask adequate questions, contemporaneously document the taxpayer's responses on the return or in your notes, review adequate information to determine if the taxpayer is eligible to claim the credit(s) and/or HOH filing status and to figure the amount(s) of the credit(s);
- Complete this Form 8867 truthfully and accurately and complete the actions described in this checklist for any applicable credit(s) claimed and HOH filing status, if claimed;
- Submit Form 8867 in the manner required; and
- Keep all five of the following records for 3 years from the latest of the dates specified in the Form 8867 instructions under Document Retention.
 - A copy of this Form 8867.
 - The applicable worksheet(s) or your own worksheet(s) for any credit(s) claimed.
 - Copies of any documents provided by the taxpayer on which you relied to determine the taxpayer's eligibility for the credit(s) and/or HOH filing status and to figure the amount(s) of the credit(s).
 - A record of how, when, and from whom the information used to prepare this form and the applicable worksheet(s) was obtained.
 - A record of any additional information you relied upon, including questions you asked and the taxpayer's responses, to determine the taxpayer's eligibility for the credit(s) and/or HOH filing status and to figure the amount(s) of the credit(s).

If you have not complied with all due diligence requirements, you may have to pay a penalty for each failure to comply related to a claim of an applicable credit or HOH filing status (see instructions for more information).

	Yes	No
15 Do you certify that all of the answers on this Form 8867 are, to the best of your knowledge, true, correct, and complete?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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