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## Happenings and News

# NTA Recommendation Becomes Law

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### Uniform Definition of a Qualifying Child

On October 4, 2004, the President signed into law the Working Families Tax Relief Act of 2004, Public Law No. 108-311. Section 201, Uniform Definition of Child, Etc., provides that for purposes of the dependency exemption, the child credit, the earned income tax credit, the dependent care credit, and head of household filing status, there shall be one uniform definition of a qualifying child.

This change in the law was advocated by Nina E. Olson, the National Taxpayer Advocate, in her 2001 Annual Report to Congress. Until now, a taxpayer had to satisfy different eligibility criteria for each of the five provisions named above. A child who qualified for one provision did not necessarily qualify for the others.

In general, a child is a qualifying child of a taxpayer if the boy or girl:

- 1) has a specified relationship to the taxpayer;
- 2) has the same principal place of abode as the taxpayer for more than one-half of the taxable year;
- 3) has not yet attained a specified age; and
- 4) has not provided over one-half of his or her own support for the calendar year in which the taxable year of the taxpayer begins.

The uniform definition of a child reduces both the complexity of the law and the associated taxpayer burden. It will affect a very large number of taxpayers who confront family status issues each year when preparing their returns.

The proposal for a uniform definition of a qualifying child begins on page 78. Section 201 of Pub. L. No. 108-311 will be codified as IRC § 152(c), "Qualifying Child," and is effective for taxable years beginning after December 31, 2004.