



# AccountingAidSociety

## Filing Status

- Filing Status Decision Tree is included in your folder

# Filing Status

Filing status affects the amount of the standard deduction, impacts the calculation of income tax, and determines allowance or limitation of certain credits and deductions.

- There are five filing statuses:
  - Single
  - Married Filing Jointly (MFJ)
  - Married Filing Separately (MFS)
  - Head of Household
  - Qualifying Surviving Spouse (QSS)

# Filing Status: Single

Taxpayers may file as **Single** if they are **unmarried on the last day of the tax year**, which means:

- Never been married,
- Divorced or Legally Separated\*\*
- Widowed before the beginning of the tax year and did not remarry

\*\*Legal separation is not available in Michigan.

**Example 1:** Taylor is 28 years old and has never been married. He has no children, lives on his own, and had a full-time job making \$37,000 in the year.

**Example 2: Jordan** and his spouse finalized their divorce on **October 15, 2025**. They have no children, and Jordan lives alone.

**Example 3: Maria's** husband passed away in **2023**. She did not remarry in 2024 or 2025, and she has no dependent children.

# Filing Status: Married Filing Jointly (MFJ)

**Married couples can file one joint return** that combines both of their incomes and deductions.

- They can choose this status **even if**:
  - One spouse had no income or deductions
  - They didn't live together all year
- **If one spouse passed away during the year**, the surviving spouse can still file jointly **for that year**, as long as they didn't remarry.
- For **returning clients**, use the **same primary taxpayer** as in past years to ensure their tax info carries over correctly.
- **Both spouses should be present** when filing — if not, check with the site coordinator.

**Example 1: David and Maya** are married. David earned \$48,000 in 2025. Maya was unemployed all year and had no income. They lived together the entire year.

**Example 2: Lorenzo and Amber** are married. They separated in November 2025 but did **not divorce**. Amber moved into her own home, but they stayed legally married.

**Example 3: Anita's** husband, **Paul**, passed away in March 2025. Anita did **not remarry** that year. Paul had retirement income early in the year.

# Filing Status: Married Filing Jointly (MFJ)

- **Both spouses must report all worldwide income** — even if one spouse earned all the money.
- **Both spouses are equally responsible** for the tax, interest, or penalties — even if only one person caused the issue.
- **If only one spouse owes a debt** (like past-due child support or student loans), the other spouse may be able to **protect their part of the refund** by filing as an **injured spouse**.

**Example 1: Emily and Carlos** are married and file jointly. Emily worked in the U.S. and earned \$55,000. Carlos worked overseas for a company in Spain and earned €30,000. Carlos thought his foreign income didn't need to be reported.

**Example 2: Anna and Mark** are married and filed jointly. Mark is self-employed and underreported his income. They received a large refund at first. A year later, the IRS audits the return and finds \$5,000 in unpaid taxes plus penalties.

**Example 3: Samantha and Jason** are married and file jointly. Jason owes \$8,000 in **defaulted student loans**. Samantha had federal income tax withheld from her job and was expecting a refund. Their **entire joint refund** was taken to cover Jason's debt

# Filing Status: Married Filing Separately (MFS)

For married taxpayers who **either choose not to file jointly** or **can't agree** to file together.

- Each spouse files **their own return**, reporting only their own income and deductions.
- To **e-file** using MFS, you **must include your spouse's Social Security Number**.
- Generally, the tax law encourages married couples to file a joint return.
  - It is not required, but it is generally more beneficial.

**Note: The software will ask whether or not the taxpayer lived with the spouse at any point during the year to determine any taxable Social Security Benefits.**

# Filing Status: Married Filing Separately (MFS)

## Why Married Taxpayers Might File Separately

- To avoid being **responsible for their spouse's taxes or debts**
- To prevent a **refund from being taken** for a spouse's:
  - Past-due child support
  - Defaulted student loans
  - Old tax debt from before the marriage

**Example 1: Emily** and **Chris** are married. Chris runs a small business and hasn't filed taxes in two years. Emily has a clean record and doesn't want to be liable if the IRS audits Chris. **Emily chooses MFS** so she won't be held responsible for **Chris's unpaid taxes or penalties**. If they filed jointly, both would be **legally responsible** for any issues — even if Emily didn't earn the income.

**Example 2: Jason** owes **\$6,000 in child support** from a prior relationship. His wife, **Monica**, has W-2 income and expects a \$1,200 refund. If they file **jointly**, the IRS will apply their entire refund to Jason's debt. **They file separately** to protect Monica's refund.

# Filing Status: Married Filing Separately (MFS)

Taxpayers who file as **Married Filing Separately** often pay more in taxes and lose eligibility for many credits and deductions:

- **Higher tax rates**
  - You pay more tax on the same income compared to MFJ
- **No Earned Income Credit**
  - Unless they have a qualifying dependent that does not qualify them for **Head of Household (See Filing Status Decision Tree)**
- **No Child/Dependent Care Credit**
  - Can't claim even if you paid for care
- **No Education Credits**
  - AOTC & Lifetime Learning are not allowed
- **No Student Loan Interest Deduction**
  - Not allowed at all
- **No Adoption Credit/Exclusion**
  - In most cases

**Example 1:** Both spouses earn \$30,000. If they file jointly, their combined income is taxed at **lower rates**. If they file separately, each is taxed using **less favorable brackets**, so their **total tax owed is higher**.

**Example 2:** **Jake** paid \$2,500 in tuition for community college while filing MFS. Even though he qualifies otherwise, he **can't claim the American Opportunity Credit** due to MFS rules.

**Example 3:** **Maria** makes \$18,000 and has one grandchild and lived separate from her husband for the whole year. She files MFS. Because she meets the income and child requirements, she **can claim the EIC** because they have a dependent even though she does not qualify them as head of household.



# Filing Status: Married Filing Separately (MFS)

More credits and deductions they lose eligibility for:

- **Capital loss limited to \$1,500**
  - MFJ gets \$3,000
- **No savings bond interest exclusion**
  - For college tuition expenses
- **More Social Security taxed**
  - If you lived with your spouse anytime that year
- **No elderly/disabled credit**
  - If lived with spouse
- **Standard deduction may be disallowed**
  - If your spouse itemizes, you must too
- **Very low filing threshold**
  - Must file if income is **\$5 or more**

**Example 1: Susan** receives \$10,000 in Social Security and \$15,000 in pension. She lived with her husband part of the year and filed MFS. Up to **85% of her Social Security** is taxed (more than it would be under MFJ or Single).

**Example 2: Laura** filed MFS, and her spouse chose to itemize deductions. Even though Laura has no deductions to itemize, she **can't take the standard deduction** either — she must itemize too.

**Example 3: Rob** earned only \$150 from a side gig. Because he's married and filing separately, and the filing threshold is just **\$5**, he is **required to file a return** — even for such a small amount.

# Filing Status: Married Filing Separately (MFS)

- **Alternative Option:**
  - Instead of filing separately, they can still file **jointly** and protect their share of the refund by using **Form 8379 (Injured Spouse Allocation)**.
- **Extra Tip:**
  - Some married taxpayers may qualify to file as **Head of Household**, which often results in **lower taxes than MFS**, if they meet specific requirements.

**Example 1: Brianna and Kyle** are married and want to file **Married Filing Jointly**. Kyle owes **back child support** from a previous relationship. Brianna had federal taxes withheld from her job and expects a refund. If they file jointly, the **entire refund** would be taken to cover Kyle's child support.

- Instead of filing separately, Brianna files **Form 8379 (Injured Spouse Allocation)** with their **joint return**. **Result:** Brianna keeps **her share** of the refund (based on her income and withholding), and only **Kyle's share** is used to pay the debt.

**Example 2: Nina** is still legally married but has been living **separately** from her husband since **March**. She has **two children** living with her full time, pays **all the household expenses**, hasn't lived with her husband the **last 6 months of the year**.

- Nina qualifies as **Head of Household**, even though she is still married.
- She gets a **higher standard deduction**, **lower tax rates**, and can claim credits like the dependent care credit — all benefits she would lose if she filed **MFS**.

# Filing Status: Head of Household

A taxpayer may qualify for **Head of Household** if all of the following apply:

- **Unmarried or "Considered Unmarried"** on the **last day of the year**
- **Paid more than half** the cost of keeping up the home for the year
- Had a **qualifying person** (usually a child or dependent) living in the home for **more than half the year**

**Example 1: Samantha** is single and never married. She has a 5-year-old daughter who lived with her all year. Samantha worked full time and paid 100% of rent, utilities, groceries, and other household costs.

- Samantha is **unmarried**, paid **more than half** of household expenses, and has a **qualifying child** who lived with her all year. **Qualifies for HOH filing status**

**Example 2: Maya** got legally divorced in **June**. Her 4-year-old son lived with her all year. She paid all household expenses.

- Maya is **unmarried** on the last day of the year, paid **over half** the cost of keeping up the home, and has a **qualifying child**.

# Filing Status: Head of Household

## What Does "Considered Unmarried" Mean?

- Even if you're still legally married, you're "**considered unmarried**" if all of these are true:
  - You **paid more than half** the cost of the home
  - Your **spouse did not live with you** during the **last 6 months** of the year
  - Your home was the **main home of your child** (biological, step, or foster) for more than half the year
  - You can **claim the child as a dependent**  
*(some exceptions apply for divorced/separated parents)*

**Example 1: Devin** is still legally married but has been living apart from his spouse since **March**. He lives with his 9-year-old son full time. He pays for all household expenses. His spouse did **not live with him during the last 6 months** of the year. He is claiming the son as a dependent.

- **Filing Status:** Head of Household  
Even though Devin is still married, he is "**considered unmarried**" and qualifies for HoH.

**Example 2: Keisha** is still married. Her husband **moved out in March** and never returned. She is a **foster parent to a 10 year old boy** who was **placed with her in February**. She **paid all home expenses** and she **claims the child as a dependent**.

- **Filing Status:** Head of Household
- **Considered unmarried**, Spouse did not live with her in the last 6 months, paid more than half of the costs, foster child lived with her for more than half the year, and she claims him as a dependent.

# Filing Status: Head of Household

Costs that <b>DO COUNT</b> for keeping up a Home:	Costs that <b>DO NOT COUNT</b> for keeping up a home:
<ul style="list-style-type: none"><li>• Rent or Mortgage Interest</li></ul>	<ul style="list-style-type: none"><li>• Clothing</li></ul>
<ul style="list-style-type: none"><li>• Real Estate Taxes</li></ul>	<ul style="list-style-type: none"><li>• Education or Tuition</li></ul>
<ul style="list-style-type: none"><li>• Homeowners/Renters Insurance</li></ul>	<ul style="list-style-type: none"><li>• Medical Expenses</li></ul>
<ul style="list-style-type: none"><li>• Utilities (Gas, Electric, Water, Etc.)</li></ul>	<ul style="list-style-type: none"><li>• Vacations</li></ul>
<ul style="list-style-type: none"><li>• Repairs and Maintenance</li></ul>	<ul style="list-style-type: none"><li>• Life Insurance</li></ul>
<ul style="list-style-type: none"><li>• Food Eaten at home</li></ul>	<ul style="list-style-type: none"><li>• Transportation</li></ul>

## Additional Tip:

- You can use the **fair market rental value** of the home (instead of adding mortgage, taxes, insurance) under **proposed IRS regulations**.
- Use the **worksheet on page B-16 of IRS Pub 4012** to help determine if the taxpayer paid **more than half** the total cost.

# Filing Status: Head of Household

## Who Can Be a Qualifying Person for HOH?

- **Qualifying Child (Single)**
  - Must live with the taxpayer **more than half the year** (at least 183 days)
  - Can still qualify **even if not claimed** as a dependent
- **Married Child**
  - Must live with the taxpayer **more than half the year**
  - Must be **claimed as a dependent**

**Example 1: Alicia** is single and lives with her **10-year-old daughter** all year. She provides more than half the cost of keeping up the home.

- Even if Alicia doesn't **claim her daughter** as a dependent (e.g., because of shared custody), the child **still qualifies** her for HoH if all other conditions are met.

**Example 2: Brian** lives with his **19-year-old son**, who is married but a full-time student with no income. The son lives with Brian all year, and Brian claims him as a dependent.

- Because the **married child is claimed** as a dependent and lived with Brian more than half the year, he qualifies Brian for HoH.

# Filing Status: Head of Household

## Who Can Be a Qualifying Person for HoH?

- **Dependent Parent**
  - **Does not have to live** with the taxpayer
- **Qualifying Relative**
  - Must live with the taxpayer **more than half the year**
  - Must be one of the relatives listed in the IRS chart (e.g., sibling, grandparent, etc.)
  - Must be **claimed as a dependent**

**Example 1: Cheryl** is single and pays over half the cost of her **mother's nursing home**, including food and medical expenses. Her mother lives there full time and qualifies as Cheryl's dependent.

- Parents are **the exception** — they **don't have to live with the taxpayer** to be a qualifying person for HoH.

**Example 2: Daniel** is single and supports his **niece**, who lives with him all year. He claims her as a dependent.

- Because the niece is a **qualifying relative**, lived with Daniel **more than half the year**, and is a dependent, she qualifies him for HoH.

# Filing Status: Qualifying Surviving Spouse (QSS)

You can file as **Qualifying Surviving Spouse** for **up to 2 years** after your spouse dies **if all of the following are true**:

- You **could have filed jointly** in the year your spouse died (even if you didn't).
- Your spouse **died in the prior two years** (e.g., for 2025 taxes, spouse died in **2023 or 2024**).
- You **did not remarry** before the end of the current year.
- You have a **child, stepchild, or adopted child** (not a foster child or grandchild) who:
  - Lived with you **all year**, and
  - Would qualify as your dependent (even if they fail the income or joint return test)
- You **paid more than half** the cost of keeping up your home in that year.

**Example 1:** Karen's husband passed away in **2024**. In **2025**, she has not remarried, lives with her **10-year-old daughter** all year, claims her daughter as a dependent, and pays all household costs

**Example 2:** Mike's wife died in **2023**. In **2025**, Mike has not remarried, lives with his **12-year-old adopted son**, his son earned \$5,000, so Mike can't claim him as a dependent due to the **gross income test**, but otherwise would qualify, and paid 100% of home expenses



# Filing Status: Practice Scenario

I'm a confirmed bachelor. Never married; no kids. For three years, I went to a tax preparer who always let me file as head of household. After all, I live alone, so I am the head of my household. Last year, my good tax preparer was out of the business, so I tried one of those volunteer sites where they file your taxes for free. I guess you get what you pay for. They told me that I couldn't file as head of household. They filed my return as single, and my refund was less than it had ever been with my old preparer. I was not happy, but they insisted they were doing the return correctly. I have my doubts.

**Please settle this debate for me, Iris. Can I file as head of household or not? If not, what is the correct filing status.**

# Filing Status: Practice Scenario Answer

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## Answer:

- Since **you live alone** and have **no dependents**, there is **no qualifying person**, you **do not qualify** for Head of Household status.
- You should **not** file as Head of Household just because you live alone or pay all your bills.
- That's a **very common misunderstanding** — but the IRS is clear: **you must have a qualifying dependent**.

✓ Your correct filing status is **Single**

✓ The free tax preparers were **right**

Your old preparer was **wrong**, and possibly exposing you to risk if the IRS ever reviewed your return

# Filing Status: Practice Scenario

**Mark and Ella** got married on **November 3, 2025**. Both work full-time jobs:

- Mark earned **\$45,000**.
- Ella earned **\$37,000**.
- They have no dependents.
- They lived together the entire year after marriage.

1. What is the most **advantageous** filing status for Mark and Ella?
  - a. Single
  - b. Married Filing Jointly (MFJ)
  - c. Married Filing Separately (MFS)
  - d. Qualifying Surviving Spouse (QSS)

# Filing Status: Practice Scenario Answer

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  - a. Single
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  - d. Qualifying Surviving Spouse (QSS)

# Filing Status: Practice Scenario

My husband and I are still married, but he moved out of our home in **May of 2025**. He has an apartment, and I have the house. About the only thing we can agree on is that **we will not file a joint return**. Not happening. I'm keeping up what was our home, and I'm raising our seven-year-old grandson.

1. What filing status can I file for my **2025 taxes**?
  - a. Head of Household
  - b. Married Filing Separately
  - c. Single
  - d. None of the above

# Filing Status: Practice Scenario Answer

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1. What filing status can I file for my **2025 taxes**?
  - a. Head of Household
  - b. Married Filing Separately
  - c. Single
  - d. None of the above

The taxpayer is still **legally married** as of December 31, 2025. Because she is not filing a joint return, she must file as **Married Filing Separately** unless she qualifies to be "**considered unmarried**" for **Head of Household (HoH)** status.

To be "**considered unmarried**" under IRS rules, the taxpayer must:

- Have lived apart from their spouse for the last 6 months of the year ✓
- Paid more than half the cost of maintaining the home ✓
- Have a **qualifying child** (not grandchild) who lived with them for more than half the year ✗

# Filing Status: Practice Scenario

**Devon** is single and supports his elderly father, who lives in a nursing home.

- Devon paid over **60% of his father's support** in 2025.
- His father's only income is Social Security.
- Devon pays for the nursing home and medical bills.

**Can Devon claim his father on his tax return and file Head of Household? Give reasoning for your answer.**

# Filing Status: Practice Scenario Answer

**Devon** is single and supports his elderly father, who lives in a nursing home.

- Devon paid over **60% of his father's support** in 2025.
- His father's only income is Social Security.
- Devon pays for the nursing home and medical bills.

**Can Devon claim his father on his tax return and file Head of Household? Give reasoning for your answer.**

**Yes because:**

- ✓ Devon is **unmarried**
- ✓ Paid more than half of **his parent's support**
- ✓ A **parent** does **not have to live with you** to be a qualifying person



# Filing Status: Practice Scenario

Aprils husband died in **April of 2023** and she has not remarried and has **one daughter**.

- In **2023**, she filed her taxes as **MFJ**.
- In **2024**, she filed her taxes as **Head of Household**.

Did April take the right approach in filing her taxes in 2024? What filing status should she have filed for in 2024 along with her upcoming 2025 taxes?

# Filing Status: Practice Scenario

Aprils husband died in **April of 2023** and she has not remarried and has **one daughter**.

- In **2023**, she filed her taxes as **MFJ**.
- In **2024**, she filed her taxes as **Head of Household**.

Did April take the right approach in filing her taxes in 2024? What filing status should she have filed for in 2024 along with her upcoming 2025 taxes?

**2023: Married Filing Jointly** ✓

- April was still married at the time of her husband's death.
- MFJ is the **correct** filing status for the year a spouse dies

**Since she:**

- **Did not remarry** ✓
- **Has a dependent child** (her daughter) ✓
- **Paid over half the cost of maintaining the home** ✓

She qualifies to file as **Qualifying Surviving Spouse** in **2024 & 2025**.

# End of Filing Status

Take a few moments with your table and discuss any questions you may have regarding this topic.