



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 file 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 DO COUNT for keeping up a Home:	Costs that DO NOT COUNT for keeping up a home:
• Rent or Mortgage Interest	• Clothing
• Real Estate Taxes	• Education or Tuition
• Homeowners/Renters Insurance	• Medical Expenses
• Utilities (Gas, Electric, Water, Etc.)	• Vacations
• Repairs and Maintenance	• Life Insurance
• Food Eaten at home	• Transportation

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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- b. Married Filing Jointly (MFJ)**
- c. Married Filing Separately (MFS)
- 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

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- 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

April's 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.