

# Responding to an IRS Audit If You Claimed Kids on Your Taxes



**PLA** PHILADELPHIA  
LEGAL ASSISTANCE

## THIS ADVICE IS FOR YOU IF:

- You got a letter from the IRS saying "you're being audited" or one describing "proposed changes" to your tax return.
- You claimed children for the Earned Income Credit (EITC) or Child Tax Credit (CTC).
- You're not sure what to do next.

## WHAT'S GOING ON?

The IRS is asking you to provide proof of the claims you made on your tax return. They may have provided a deadline to respond by. They may also have temporarily frozen all or part of your refund.

If you claimed the Earned Income Credit or Child Tax Credit, proving your claim usually means giving the IRS documents that show that you are eligible for the credit. Most often, this involves showing relationship and residence for the children you are claiming.

## PROVING RELATIONSHIP

In order to claim the EITC or CTC for a child, it is not enough that you are taking care of them. You must also be related to them, either by blood or marriage, or through legal adoption, foster care, or a custody order.

**To prove:** Send copies of birth certificates, custody orders, or DNA tests. Just one type of proof is enough.

If the child is a family member but not your biological child, you must show the entire "family tree" connecting you. For example, to claim your nephew, you must provide his birth certificate, his parent (your sibling)'s birth certificate, and your own birth certificate.

If you are not related to the child (for example, your friend's child that you care for but never legally adopted), you cannot claim tax credits for the child. But you may still be able to claim them as a dependent to reduce your tax burden if you lived with and supported them all year.

### Why does the IRS audit people?

To make sure people qualify for the tax credits they claim, and to correct unintentional mistakes.

### Why me? Why now?

Some audits are random. Others are prompted by a mistake on the return, a previous tax problem, or a situation where two people have claimed the same child and the IRS needs to determine which claim is valid.

### What happens if I don't respond?

If you ignore the audit, the IRS will remove all the tax credits and benefits associated with your children, and will deny your refund, ask you to pay back refund money you already received, or you say you owe more taxes than you thought.

# Responding to an IRS Audit If You Claimed Kids on Your Taxes



## PROVING RESIDENCE

EITC and CTC also require that you lived with the children you are claiming for at least 6 months of the year.

**To prove:** The IRS generally wants one or more documents that show the **name** of the child, the **address** you used on your tax return, AND the **year** that the audit is for. Any "official" document will work as long as it shows these three things. For example, a lease, a school record, or a benefits statement.

All three pieces (name, address, year) must be present on the document. So for example, if you are being audited for 2017, a lease showing the names of your family and the address would not work if it was signed in 2018, but it would work if it was signed in 2017. For another example, your child's report card from 2017 listing their home address would work, but a report card that does not show the address would not help with the audit.

**What if you don't have proof?** If you don't have documents that prove that you met the residency requirement, contact us to learn about your other options.

## GENERAL TIPS

- **Pay attention to and meet any deadlines.** If you don't think you can gather the documents you need before a deadline, call or write to the IRS and ask for more time.
- **Don't give up if you miss a deadline.** If you are entitled to a credit, even if an audit goes against you the first time, you can send additional evidence and ask the IRS to reconsider.
- **Keep records.** Often, taxpayers who get audited for one year will be audited the next year as well. Hold on to papers that could be helpful in case of a future audit.

## STILL NEED HELP?

The Low Income Taxpayer Clinic at Philadelphia Legal Assistance helps Philadelphia residents struggling with federal tax issues, including IRS audits. Contact us through the main Philadelphia Legal Assistance intake line at 215-981-3800, Tuesday or Thursday 9:30 am- 12 pm, or come to our offices in person on Monday or Wednesday, 9:30 am - 12 pm, at 718 Arch St, Suite 300N.

The Philadelphia Low Income Taxpayer Clinic is part of **Philadelphia Legal Assistance**, which provides free civil legal services to low-income Philadelphia residents. To learn about the full range of services we offer, go to [philalegal.org](http://philalegal.org) or check us out on social media:



[facebook.com/philadelphialegalassistance](https://www.facebook.com/philadelphialegalassistance)



[@phila\\_legal](https://twitter.com/phila_legal)



[@phila\\_legal](https://www.instagram.com/phila_legal)

**Note:** The Low-Income Taxpayer Clinic is not part of the IRS. We also do not prepare taxes. To find free help with tax preparation near you, go to <https://irs.treasury.gov/freetaxprep/>