

# Married Filing Separately

## First, can we prepare a Married Filing Separate return in this case?

Check out the chart on the back of this page.

You can also refer to the MFS reference docs on CTC Resources for more detail.

Foundation Communities' policy is that (1) if the spouses lived apart during all of the tax year and did not transfer income between themselves or (2) if the client does not know about, does not have, and cannot get the amount of their spouse's income (in cases of domestic abuse or spousal abandonment), then CTC volunteers may prepare an MFS return for the CTC client. The MFS return will report only income of the spouse who files the return.

If the client was married on December 31 of the tax year, lived with the other spouse during the tax year, and has or can get the other spouse's income, then CTC volunteers may **not** prepare a MFS return.

**If we can prepare a MFS return in this case, proceed. If not, let the taxpayer know of their options.**

## If yes, what do we need to know when preparing the return?

For the preparer and quality reviewer:

- **All MFS returns will be paper returns.**
- **IMPORTANT:** We need to know the spouse's name and SSN/ITIN. If the taxpayer does *not* know the spouse's SSN/ITIN or the spouse does not have a taxpayer identification number:
  - **Preparer:** Enter 111-00-1111 as the spouse's taxpayer identification number AND NOTHING ELSE.
  - **Quality Reviewer:** White out this number everywhere it appears on the printed return. In summary, you want either the spouse's real SSN/ITIN or no number to appear on the return. You don't want a number other than the spouse's actual SSN/ITIN to appear on the return.
- **IMPORTANT:** Before completing the return, you will be required to fill out Form 8958.
  - **Preparer:** Open the form (under Federal Section > Miscellaneous Forms) and enter \$1 in a field with income already entered from the spouse that is present.
  - **Quality Reviewer:** Once the return is printed, you will then white out all entries where \$1 is allocated to the spouse or where the total amount is not correct and then write in the correct amount. You will confirm the totals and ensure column A (total amount) matches column B (amount allocated to taxpayer) and that both match the amount from the taxpayer's income document. Also confirm that column C (amount allocated to spouse) is blank.
- On a MFS return, the taxpayer:
  - Is not eligible for Earned Income Tax Credit
  - Is not eligible for the Child and Dependent Care Credit
  - Is not eligible for Education Credits
  - Is not eligible for the health insurance Premium Tax Credit
  - Is eligible on a reduced basis for the Child Tax Credit and Retirement Savings Credit
  - Cannot claim the standard deduction if the spouse itemizes deductions
- Volunteer preparers should inform the client that the IRS may question the return, especially if the other spouse itemizes deductions or claims the same dependents.
- A return can generally not be changed from MFJ to MFS after the due date of the return.

## Filing Status Options for Married Taxpayers

Are you legally married?

Yes.

Yes. ▶ We can prepare the return as:

*Married filing jointly:*  
This is the preferred option.

*Head of household:*  
If lived apart from spouse the last 6 months of the year, has a qualifying dependent, and meets other tests.

*Married filing separately:*  
Only in cases of domestic abuse or spousal abandonment (i.e. the client does not know about, does not have, and cannot get the amount of their spouse's income).  
[Taxpayer cannot be living with spouse at time of filing the return.]

Did you live with your spouse for **any part** of 2018?

No. ▶ We can prepare the return as:

*Married filing jointly:*  
This is an option if they choose to file jointly.

*Head of household:*  
If also has a qualifying dependent and meets other tests.

*Married filing separately:*  
If spouses did not live together at all in 2018 and also did not share income.

**Note: we are not able to prepare returns that do not meet the criteria listed above.**