



Watauga County Department of Social Services

Foster Care Tax Policy

You are able to claim a child if they have lived with you for at least 6 months and 1 day in a calendar year.

File your taxes early! Preferably the first day of tax season, to avoid conflict with anyone else claiming the child.

Make sure you have the child's social security number well in advance of filing taxes, you can ask their social worker or licensing worker for this.

If someone claims a child before you, then it can take over a year to fix and requires extra paperwork for you to send to the IRS.

DSS can provide you with a letter stating when the child was placed with you.

DSS does not file or handle any tax paperwork.

DSS does not give tax advice other than what is stated in this policy.

If you adopted a child, you can claim the child tax credit.

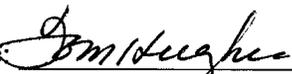
If there are issues with the advance child tax credit, stimulus money or other monies received outside of regular taxes, DSS is not able to help with those issues. You'll need to go through a tax professional or the IRS.

If there are issues between multiple placements a child has been in (foster care, kinship, adoptive) those issues are to be worked out between the parties and DSS cannot intervene.

You do not need to report foster care board payments to the IRS.

You do need to report payment of over \$500 for emergency care stipends. DSS will send you a tax form for this.

If you other questions not listed, please contact a tax advisor.

Director Signature 
Tom Hughes