

FTD COMPLIANCE CARD — Dependent Eligibility Calculator

Fbaum Enterprises LLC d/b/a The Federal Tax Desk | Version 1.4 | Issued 2026-09-25 | Last verified 2026-09-20

HOW TO USE THIS CARD IN YOUR FIRM'S TOOL REVIEW

Circular 230 §10.36 requires the practitioners with principal authority and responsibility for overseeing a firm's tax practice to take reasonable steps to ensure that the firm has adequate procedures for complying with Circular 230, and that the firm follows them. OPR Alert 2026-19 (June 24, 2026) says firms must put policies and procedures in place for their use of AI, says outsourced or third-party AI tools should be vetted, and calls for documenting all steps and processes to show adherence to §10.36. This tool is deterministic, not a generative AI tool (Element 6 describes how it works). The Alert says no single definition covers every form of AI, and that at a basic level AI can be defined as the use of machines in a way that mimics human cognitive skills, including judgment, perception, and prioritization. Your firm can review this tool under the same AI policies and procedures. To record that review on this card:

1. Print or save this PDF.
2. Add this card to your firm's list of third-party tools, such as its technology inventory or the third-party provider list in its written information security plan (WISP).
3. Before first use with any client matter, verify that the qualifying-relative gross income limit in Element 3 matches current IRS.gov content by following the verification steps in that element.
4. Fill in the Firm Adoption Record at the end of this card: the reviewer's name and credentials, the firm name, the date of your review, the date you did the step 3 check, and your initials. Tick its box once you finish step 2.
5. Keep the completed card with your firm's procedures. It records your firm's review of this tool. It does not by itself meet §10.36 or any other Circular 230 requirement. §10.36 looks at whether the firm's responsible practitioners took reasonable steps to make sure the firm has adequate procedures and follows them. It also looks at whether, once they knew or should have known that people in the firm had a pattern or practice of not complying, they acted promptly to correct it.

ELEMENT 1 — TOOL IDENTIFICATION

Tool name / version

Dependent Eligibility Calculator, version 1.4

FTD issue date

2026-09-25 (tool live since 2026-09-20)

Most recent update

2026-09-26

Last verified against source

2026-09-20

Governing authority

IRC §152(a)–(f); IRC §151(d)(5)(A); Rev. Proc. 2025-32 §4.23; IRS Publication 501 (2025); Instructions for Form 1040 (2025), Step 4

Figures source

Qualifying-relative gross income limit (IRC §152(d)(1)(B)): \$5,200 for tax year 2025, printed in Publication 501 (2025) and the Instructions for Form 1040 (2025); \$5,300 for tax year 2026, Rev. Proc. 2025-32 §4.23 (irs.gov/pub/irs-drop/rp-25-32.pdf). Read 2026-09-20.

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tools.federaltaxdesk.com/dependent-eligibility-calculator/

Note: The one indexed figure is the qualifying-relative gross income limit. IRC §152(d)(1)(B) ties it to the exemption amount in §151(d), which §151(d)(5)(A) sets to zero after 2017, so the operative figure is the one the IRS publishes for this test. Every other rule in the tool is a fixed statutory test.

ELEMENT 2 — WHAT THIS TOOL DOES

The Dependent Eligibility Calculator applies the qualifying child tests of IRC §152(c), the qualifying relative tests of §152(d), the three §152(b) exceptions, and the divorced-or-separated-parent rules of §152(e), and returns whether the person is the user's qualifying child, qualifying relative, or not a dependent, with each test shown as met or not met and cited. A separate section applies the §152(c)(4) tie-breaker when more than one person can

claim the same child.

Inputs

Tax year (2025 or 2026); the person's relationship to the user; the person's age, student status, and disability status; whether the person lived with the user all year or more than half the year; who provided support; the person's gross income (including sheltered-workshop income); whether the person files a joint return (and whether only to claim a refund); citizenship or residency; whether the user can be claimed by someone else; divorced-or-separated-parent facts, including a Form 8332 release; and, for the tie-breaker, nights of residence and AGIs. No taxpayer-identifying information.

Output

The dependency result, each test with its outcome, reason, and citation, the tie-breaker result where asked, a list of what the tool does not model, and a plain-text version of the result.

What this tool IS

This tool produces a dependency-test reference. Every result shows each test with its outcome and its citation.

What this tool IS NOT

This tool does not produce tax advice, legal advice, or written advice subject to Circular 230 §10.37. It does not say what claiming a dependent is worth: the credits and filing statuses a dependent can unlock have their own tests. The practitioner retains full professional responsibility for all conclusions presented to clients.

ELEMENT 3 — ACCURACY AND VERIFICATION

Primary sources

IRC §152(a) (dependent); §152(b) (the three exceptions); §152(c) (qualifying child, its five tests, and the (c)(4) tie-breaker); §152(d) (qualifying relative, its four tests, and the (d)(3) multiple-support rule); §152(e) (divorced or separated parents); §152(f) (definitions of child, student, brother and sister); §151(d)(5)(A); Rev. Proc. 2025-32 §4.23; Publication 501 (2025); Instructions for Form 1040 (2025), Step 4.

Test fixtures

All ten printed examples in Publication 501 (2025), Qualifying Child of More Than One Person, are test fixtures for the tie-breaker.

How to verify the dependency result

1. Open Publication 501 for the tax year at irs.gov/publications/p501 and confirm the qualifying-relative gross income limit (Qualifying Relative, Gross Income Test). For tax year 2026, confirm \$5,300 in Rev. Proc. 2025-32 §4.23.
2. Open IRC §152 at law.cornell.edu/uscode/text/26/152 and confirm that the tests shown on a result match §152(c) or §152(d).
3. Re-run one of the Publication 501 tie-breaker examples in the tool and compare the answer to the publication.
4. Confirm the tool's answers to the support and residency questions match your own records; the tool does not check them.

Known limitations — KNOWN FAILURE MODES

- Support arithmetic is not modeled. The user answers whether they provided more than half of the person's support; Publication 501 Worksheet 2 is linked.
- The exact residency day count and the special residency rules (a child born or who died during the year, an adopted or foster child, a kidnapped child) are answered by the user, not computed.
- The state-law custody findings behind the divorced-or-separated-parent rule are the user's to supply, and the pre-1985 divorce instrument rule of §152(e) is not modeled.
- The tie-breaker does not cover a child treated as the noncustodial parent's under a release; Publication 501 gives a separate rule set for that case.
- The tool says whether a person IS a dependent, not what claiming one is worth; credits and filing statuses have their own tests.

ELEMENT 4 — DATA HANDLING

The eligibility questions do not ask for names, Social Security numbers, or addresses: they ask yes-or-no questions, ages, and amounts. The tie-breaker asks you to label each person; use a word such as "me" or "other parent" instead of a real name. Do not enter taxpayer-identifying information.

Short version: FTD's code keeps your entries in your browser. The email form sends your result, which can

include your entries, out of your browser. A program from another company that runs on the page can also read what the page shows (see Analytics and other scripts).

In your browser: this tool runs in your web browser. FTD's servers do not receive the answers and amounts you enter, and FTD does not log or store what you enter.

Section 7216: a federal law, IRC §7216, limits what tax return preparers can do with the information people give them. FTD is not a tax return preparer under that law (Treas. Reg. §301.7216-1(b)(2)). FTD's tools estimate, check, and analyze; they do not prepare or file income tax returns. FTD does not offer to prepare returns, or to help anyone prepare or file them. That law therefore does not govern how FTD handles what you enter in its tools.

Analytics and other scripts: FTD's pages send usage events to two analytics services, Plausible and Google Analytics. The events record the page address and what you do on the page: that the tool opened, that a calculation ran, and actions such as copying or emailing a result. None of these events carries an amount, date, name, or text you enter. Google Analytics also runs its own standard page measurement, which FTD controls in Google's dashboard, not in its page code. The pages also load Grow by Mediavine, a program from another company that adds reader features to the page. FTD's code sends it nothing you enter, but it runs inside the page, so it can read the page and its address, and FTD's code cannot limit what it reads.

If you email a result: the "Email me this result" form sends three things to the program on FTD's web host that sends FTD's email: the email address you type, the tool's name, and the result text. The result text is a plain-text copy of the result, which can include what you entered. Before sending, the program turns any web address in the result that points outside [federaltaxdesk.com](https://www.federaltaxdesk.com) and the government sites FTD's tools cite ([irs.gov](https://www.irs.gov), [ssa.gov](https://www.ssa.gov), and [bls.gov](https://www.bls.gov)) into plain text that can't be clicked. The program then passes all three to Resend, the company that delivers FTD's email. FTD's code does not log or save the result text. To limit how many emails go out, the program saves send counts in storage run by FTD's web host, Netlify: one count for the email address, one for your IP address (the number that identifies your internet connection), and one total for the whole site. It files the email-address and IP-address counts under a scrambled code made from each address with a secret key, never the address itself, and FTD's code deletes the counts within two days. Resend's own terms, not FTD's code, govern what Resend keeps.

ELEMENT 5 — CIRCULAR 230 COMPLIANCE STATEMENT

FTD built this tool for tax practitioners subject to Circular 230, and individual taxpayers can use it for their own returns. Use of this tool does not satisfy the practitioner's obligation to exercise due diligence under Circular 230 §10.22, or the requirement of Circular 230 §10.35 that a practitioner possess the necessary competence to engage in practice before the Internal Revenue Service. The practitioner must independently verify tool outputs before relying on them in client matters or submissions to the IRS. OPR Alert 2026-19 (June 24, 2026), which addresses AI tools, says that technology is not a substitute for professional judgment and that final decisions must rest with qualified professionals. This tool is not a generative AI tool, but the same rule applies to it: the practitioner makes the final decision. A taxpayer who uses this tool for their own return makes their own final decision and should check the result against the law and IRS sources the result cites before relying on it.

ELEMENT 6 — TOOL CLASSIFICATION

TOOL CLASSIFICATION: This tool is a deterministic rules engine, not a generative AI tool. Given the same answers and tax year, it always returns the same result. It does not generate, infer, or predict outputs. The practitioner retains full obligation to exercise appropriate judgment and verify outputs before relying on them in client matters.

ELEMENT 7 — UPDATE AND CORRECTION LOG

Table A — Version History

Date	Version	Change Description	Trigger
2026-09-25	v1.0	Initial card for the Dependent Eligibility Calculator (tool live since 2026-09-20). Data handling from the shared source, <code>lib/data-handling.js</code> .	The tool had no compliance card

2026-09-25	v1.1	FTD updated Element 4 (Data Handling) for a change in how the email form works. The email function now accepts only FTD's own tool names, turns web addresses outside federaltaxdesk.com and the government sites FTD's tools cite into plain text, and saves send counts in Netlify's storage under keyed hashes of the email and IP addresses, which FTD's code deletes within two days; it no longer keeps the plain address in memory. No calculation logic changed.	Email endpoint hardening and share-link privacy fix
2026-09-25	v1.2	FTD rewrote the §7216 statement in Element 4 (Data Handling). It now rests on FTD not being a tax return preparer under IRC §7216(a) and Treas. Reg. §301.7216-1(b)(2): FTD's tools estimate, check, and analyze but do not prepare or file income tax returns, and FTD does not hold itself out as providing return-preparation or auxiliary services. The statement no longer depends on where the calculation runs, and it gives no §7216 instructions for emailing or sharing a result. No calculation logic changed.	§7216 basis determination (Forrest Baumhover, 2026-09-25)
2026-09-25	v1.3	FTD rewrote the text every card shares, from one shared source. "How to use this card" now states what Circular 230 §10.36 and OPR Alert 2026-19 say, and calls the completed card a record of the firm's review instead of the §10.36 vetting documentation. Element 5 now limits the OPR Alert sentence to AI tools, which the Alert addresses, and opens in the active voice; its heading names SSTS 1.4 only where the statement mentions it. The Firm Adoption Record's inventory checkbox no longer names a §10.36 AI tool inventory. Element 4's first paragraph no longer uses the legal term "tax return information"; the shared paragraphs after it already say what happens to what you enter. No calculation logic or tax figure changed.	Card template accuracy review

2026-09-26	v1.4	Element 5 now states the Circular 230 §10.35 standard in the regulation's own words (a practitioner must possess the necessary competence to engage in practice before the Internal Revenue Service) instead of "technological competence", a phrase OPR Alert 2026-19 uses but §10.35 does not. No card cites SSTS 1.4 any longer; FTD could not open the AICPA text of that standard to verify it. No calculation logic changed. Table B's heading no longer carries an internal document code, and its last column now reads "What it affected" instead of "Affected TCs". Element 5's closing sentence for taxpayers now says to check the result against the law and the IRS sources the result cites.	Citation review
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Table B — Correction Log

Date	Error Class	Description	Authority	What it affected
2026-09-25	Compliance statement defect	"How to use this card" said OPR Alert 2026-19 requires firms to vet third-party tools, and called the completed card "the §10.36 vetting documentation for this tool." Element 5 said the Alert "confirms that practitioners may not delegate professional judgment to software tools." §10.36 sets no vetting or documentation requirement of its own; the Alert says firms must have AI policies and procedures, and that those procedures should include vetting third-party AI tools; it addresses AI tools, not software tools in general.	31 C.F.R. §10.36 (eCFR, read 2026-09-25); OPR Alert 2026-19 (IRS, June 24, 2026)	N/A — card wording only; no calculation logic changed
2026-09-26	Citation defect	Element 5 said Circular 230 §10.35 requires "technological competence." §10.35(a) requires a practitioner to "possess the necessary competence to engage in practice before the Internal Revenue Service"; "technological competence" is OPR Alert 2026-19's phrase in its discussion of §10.35. FTD replaced it with the regulation's wording.	31 C.F.R. §10.35(a) (eCFR, read 2026-09-26); OPR Alert 2026-19 (IRS, June 24, 2026)	N/A — card wording only; no calculation logic changed

FIRM ADOPTION RECORD

Practitioner who reviewed and adopted this tool (name and credentials):

Firm name:

Date of initial review:

Qualifying-relative gross income limit verified against IRS.gov on:

Initials:

☐ The firm added this card to its list of third-party tools.