



EDUCATE | EMPOWER | ELEVATE
TAX PROFESSIONALS

FREE TAX PRO RESOURCE

2026 TAX PRO DUE DILIGENCE CHECKLIST

Dumbing It Down for Tax Pros™

Good Questions
Lead to
Great
Tax Returns!

PREPARE.
EDUCATE.
PROTECT.
EMPOWER.

Less searching.
More preparing.
More confidence.

PRINT IT • KEEP IT AT YOUR DESK • USE IT ALL SEASON LONG

1. CLIENT INTAKE & RETURN REVIEW *Start with the Basics.*

- ☐ Confirm taxpayer (and spouse, if applicable) identity with a government-issued ID.
- ☐ Verify SSNs/ITINs and dates of birth.
- ☐ Confirm current address, phone, and email.
- ☐ Confirm filing status — does it match the client's story?
- ☐ Ask about all household members (not just dependents).
- ☐ Review all income documents (W-2, 1099, etc.).
- ☐ Ask about any missing income.
- ☐ Look for information that seems incomplete, inconsistent, or unusual.
- ☐ Ask follow-up questions and document the answers.
- ☐ Review prior-year returns (if available).

A better return starts with a better conversation.

2. FORM 8867 – DUE DILIGENCE *More Than a Form.*

- ☐ Complete Form 8867 when required.
- ☐ Check credits that require due diligence (EITC, CTC/ACTC, ODC, AOTC).
- ☐ Use the rules as a guide, but also rely on your common sense.
- ☐ Ask follow-up questions when something doesn't add up.
- ☐ Compute the credit(s) correctly.
- ☐ Keep all required records in your client file.
- ☐ Be prepared to show your work if the IRS asks.

It's not just a form — it's proof you asked, verified, and used common sense.

3. DEPENDENT & CHILD CREDIT CHECK *Don't Just Click the Box.*

- ☐ Who is the child to your client? Confirm the relationship.
- ☐ Check age requirements for the credit being claimed.
- ☐ Where did the child actually live, and for how long?
- ☐ Confirm the SSN/ITIN requirements that apply.
- ☐ Could another taxpayer have a claim to this child? Ask before you file.
- ☐ Shared custody? Divorce? Different addresses? Dig deeper.
- ☐ When two taxpayers may qualify, review the tie-breaker rules.
- ☐ Verify support requirements when applicable.
- ☐ Ensure the child is a U.S. citizen, U.S. national, or resident alien (as required).
- ☐ Document the questions you asked and the answers received.

Kids bring credits — but only when the rules are met.

4. EITC CHECKLIST *Slow Down & Check the Facts.*

- ☐ Where does the earned income come from? Review the source and document it.

Examples of earned income:

- Wages (W-2)
- Self-employment (Schedule C)
- Tips (reported or unreported)
- Non-employee compensation (1099-NEC)
- Farm income
- Household employee wages
- Union strike benefits
- Taxable scholarships (if any)
- Jury duty pay
- And other taxable earned income

- ☐ If there's a qualifying child, work through each requirement.
- ☐ Check the applicable investment income limit.
- ☐ Confirm the filing status works for EITC.
- ☐ Verify residency requirements.
- ☐ Ensure the taxpayer (and spouse, if MFJ) has a valid SSN by the due date.
- ☐ If something doesn't add up, ask more questions.
- ☐ Document how you reached your conclusion.

Big credit. Bigger responsibility. Ask. Verify. Document.

5. AOTC CHECKLIST *Don't Stop at the 1098-T.*

- ☐ Review Form 1098-T.
- ☐ Confirm who the student is and whether the taxpayer can claim the credit.
- ☐ Verify the school and enrollment status (Title IV school).
- ☐ Determine which expenses actually qualify (tuition, fees, course materials).
- ☐ Ask about scholarships, grants, or other educational assistance.
- ☐ Check how many years AOTC has already been claimed (max 4).
- ☐ Confirm the taxpayer is eligible to claim the credit and is not claimed as a dependent.
- ☐ Keep your calculations and document your conclusion.

Education opens doors — verify the details.

6. HEAD OF HOUSEHOLD (HOH) *More Than Checking "HOH".*

- ☐ Is the taxpayer unmarried (or considered unmarried)?
- ☐ If married, did the spouse live apart for the last 6 months of the tax year?
- ☐ Who is the qualifying person?
- ☐ Did that person live with the taxpayer for more than half the year (when required)?
- ☐ Did the taxpayer pay more than half the cost of keeping up the home?
- ☐ Review temporary absences, multiple support agreements, or other special circumstances.
- ☐ Could the taxpayer qualify for another filing status instead?
- ☐ Document why HOH applies for this return.

Same house. Different rules. Check before you file.

7. DOCUMENTATION & RECORDKEEPING *Keep Good Records. They Matter.*

- ☐ Keep a copy of Form 8867 (if required).
- ☐ Retain copies of all supporting documents (IDs, income docs, 1098-T, etc.).
- ☐ Keep worksheets, calculations, and notes.
- ☐ Record who provided the information and when.
- ☐ Maintain required due-diligence records for the applicable 3-year retention period (from the latest of the due date, filing date, or date the return was filed).

If it's not documented, it didn't happen.

8. FINAL REVIEW BEFORE E-FILE *Take One More Look.*

- ☐ Does the client's story match the documents?
- ☐ Do the numbers make sense?
- ☐ Are all dependents and credits supported?
- ☐ Have you resolved any inconsistencies?
- ☐ Are all required forms attached (e.g., Form 8867)?
- ☐ Did you document your questions and conclusions?

A few extra minutes now can save a lot of problems later.

COMMON-SENSE CHECK *The Software Gave You a Result. That Doesn't Mean You're Done.*

- ☐ Does the client's story match the documents?
- ☐ Do the documents support the tax position?
- ☐ Did you ask questions when something didn't make sense?
- ☐ Did you resolve any inconsistencies?
- ☐ Did you document the answers in the client file?

ASK. VERIFY. DOCUMENT. THEN FILE.

IRS REFERENCES: Form 8867 & Instructions | IRC §6695(g) | Treas. Reg. §1.6695-2 | IRS Publication 4687