

Dependent – Online School

By [Gina L. Gwozdz, CPA](#)

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Ted writes:

My son is 20. He dropped out of college and has been home doing some Online School to try and get a degree, can I still claim him as my dependent?

My response:

Online School is not a qualified school, but you said that your son did go to college. If he attended college for at least 5 months during the year, being enrolled full-time, and the college is a qualified school (has a regular teaching staff, course of study, student body), then he will probably qualify as your dependent. It would be best to discuss this with your tax consultant.

Comments:

Jim Howard, EA practicing in Autin, Texas writes...

I reviewed pub 501, and based on that I would advise my client that an online accredited university meets the requirements for a 'school' as defined on page 11. There is nothing in the rule that requires accreditation at all, let alone attendance at a physical class or facility.

There are many legitimate universities that offer online programs leading to nationally recognized degrees. Almost everyone in the military is enrolled in such programs, financed by Uncle Sam. The IRS will take degrees from these schools as qualifications for IRS jobs that require degrees.

Are you aware of a ruling that defines 'school' more narrowly than the wording in pub 501?

Jim, Enrolled Agent 6:16 PM

My reply to Jim (and others)...

Hello Jim and thanks for reading and writing your comment.

First, IRS Publications, like blogs, although very helpful are written to assist taxpayers, but they do not cite to authority (some tax blogs may cite to authority, but the articles written on the blogs are still not authoritative).

I never said that the school had to be accredited, but it does need to meet the terms of IRC §170(b)(1)(A)(ii), which you can find online at: http://www.fourmilab.ch/ustax/t26-A-1-B-VI-170.html#_b_1_A_ii which states, "an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on" and a student is defined in IRC §151(c)(4), which can be found at: http://www.fourmilab.ch/ustax/www/t26-A-1-B-V-151.html#_c_4 and states, "...the term 'student' means an individual who during each of 5 calendar months during the calendar year in which the taxable year of the taxpayer begins - is a full-time student at an educational organization described in section 170(b)(1)(A)(ii)", which I referred to above (please note that I did not copy the entire code, and there are additional rules and exceptions).

I agree with you and realize that "there are many legitimate universities that offer online programs leading to nationally recognized degrees": however, the email that I received did not mention that the student was attending online courses from an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance and that he just isn't one of them – he didn't even mention the name of the "online school", such that I could look it up in his specific situation. Based on the limited amount of information I received from the email, I would have to guess that he if his son dropped out of a "legitimate college" he probably is either not now meeting the requirements of a full-time student or he has not enrolled in a qualifying educational organization. Then again, my guess could be wrong, which is why I stated that it would be best if he discussed this with his tax consultant.