

IPPIN Can Allow a Return with a Previously Claimed Dependent to be Accepted by IRS

Prior to this change, when a potential dependent had already been claimed on an income tax return, IRS rejected the e-filing of a second income tax return claiming that same person as a dependent.

Now IRS, in News Release IR-2024-294, announced it is taking steps to help prevent refund delays by accepting the second income tax return as long as the PRIMARY taxpayer on the second return has an Identity Protection Personal Identification Number (IPPIN) for 2025 filing season (i.e., 2024 returns).

IRS states it will accept the Form 1040 return, even if a dependent had already been claimed on a previously filed return as long as the PRIMARY taxpayer on the second return includes a valid IPPIN. In previous years the second tax return had to be paper filed.

The IPPIN application closed for maintenance November 23, 2024 (two days after this News Release was issued) and reopens in early January.

Editor notes – This could be beneficial in divorce cases where one parent of a child claims the child on a return, but the other one has the right to do so (such as due to a properly signed Form 8332). This could also create more improper claims or fraud since IRS could be issuing the refund before determining who is actually entitled to the dependency exemption.

- IRS does not state how soon the refunds shown on the second return will be issued; just that the returns will be accepted electronically.

This text has been shared courtesy of: David & Mary Mellem, EAs & Ashwaubenon Tax Professionals, 920-496-1065 (fax 920-496-9111).

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