



# TaxNewsFlash

## United States

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### **Notice 2018-70: Future regulations on “qualifying relative” and personal exemption amount (new tax law measures)**

The IRS today released an advance version of Notice 2018-70 stating that the U.S. Treasury Department and IRS intend to issue proposed regulations clarifying the definition of “qualifying relative” for the new \$500 credit for dependents and head of household filing status for years in which the exemption amount is zero—taxable years 2018-2025.

According to an [IRS transmittal message](#), Notice 2018-70 explains that proposed regulations will provide that the reduction of the personal exemption amount to zero will not be taken into account for purposes of the \$500 credit and head of household filing status. Instead, the exemption amount for the application of these provisions will be treated as \$4,150, as adjusted for inflation, for years in which the exemption amount is zero.

[Notice 2018-70](#) [PDF 42 KB] further provides that taxpayers may rely on the rules of this notice prior to the issuance of proposed regulations.

Today's IRS notice includes a request for comments on all aspects of the proposed regulations. Comments are due by November 16, 2018.

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