

Tax Credits

CHILD CARE AND FAMILIES

Child and Dependent Care Credit

The Child and Dependent Care Credit is a tax benefit that helps families pay for child care they need in order to work or to look for work.

Who Qualifies?

Families who paid for child care for a child under age 13 and

- need child care to work or look for work;
- have earned income; and
- for whom they can claim an exemption

Eligible families must file a federal income tax return. Payments may be reduced if employer dependent care benefits are received and not included as income.

In general, the credit can only be claimed for a child claimed as a tax dependent. However, there are special rules for children of divorced or separated parents. Call the IRS at 1-800-TAX-1040 or visit www.irs.gov/pub/irs-pdf/p503.pdf for more information.

Earned Income Tax Credit (EITC)

The EITC is a special tax benefit for people who work full or part time and meet income eligibility requirements. If you qualify, you'll owe less in taxes, and may even get cash back. Even if you don't owe income tax, you can get the credit but must file a federal tax return.

Who Qualifies?

Tax Year	Must earn less than		Number of Children
	If Single	If Married Filing Jointly	
2013	\$46,227	\$51,567	3 or More
	\$43,038	\$48,378	2
	\$37,870	\$43,210	1

In order to get the credit, you must have a valid Social Security number and have earned income. Any investment income must be \$3,300 or less. For more information, log onto www.irs.gov/pub/irs-pdf/p596.pdf.

Child Tax Credit

The Child Tax Credit (CTC) is a federal tax credit, worth up to \$1000 per child for families with dependent children under age 17.

Who Qualifies?

To qualify for the CTC, you must have a child who meets the following criteria:

- under age 17;
- a U.S. citizen, U.S. national or U.S. resident;
- did not provide more than half his/her own support*;
- lived with you over half the year*;
- is a son, daughter, stepchild, foster child, adopted child, sibling, step-sibling or a descendant of any of these. If the claimed child is not your dependent, you must complete *Form 8901*;
- is claimed as a dependent on your tax return.

Income limitations apply to the CTC. If your income is above \$75,000 as a single, head of household or qualifying widow(er), \$110,000 if married filing jointly or \$55,000 if married filing separately or if you pay no income tax, your CTC will be reduced and you must file for the *Additional Child Tax Credit*.

** There are special rules for divorced or separated parents. Contact the IRS for more information.*

**For More Information on the Child Tax Credit log onto
www.irs.gov/publications/p972/ar02.html**