

# Family Tax Credits

Created by the Washington and Lee Tax Clinic  
<https://law.wlu.edu/clinics/tax-clinic>

## What are tax credits?

Having a family can be expensive. However, there are a number of federal income tax credits to help offset the expenses that families incur.

Tax credits reduce your tax liability dollar for dollar. This means that a taxpayer who has \$1,000 in tax credits will have his tax liability reduced by \$1,000. Some credits are refundable, meaning you receive them even if you have no tax liability.

## Child Tax Credit

You may be able to claim a credit of up to \$1,000 for each qualifying child.

Eligibility is based on the following factors: age, dependent, relationship, support, citizenship, and residence.

**Age/ Dependent:** The child must be under 17 years old at the end of the tax year and you must claim the child as your dependent.

**Relationship:** The following relationships will qualify as a child under this credit: your child, an adopted child, a stepchild, a foster child placed with you by an authorized agency, brothers, sisters, stepsiblings, nieces, nephews, and grandchildren.

**Support:** The child must not have provided more than half of the financial support for himself or herself.

**Citizenship:** The child must be a U.S. citizen, U.S. national, or U.S. resident alien.

**Residency:** The child must live with you for more than half the year.

## Additional information

There are organizations that provide free tax preparation services in our area. You can locate the sites and hours of Tax-Aide and VITA sites near you at <https://www.irs.gov/individuals/free-tax-return-preparation-for-you-by-volunteers>.

Please note that our Tax Clinic does not handle routine income tax preparation, but we may be able to assist you with a post-filing controversy, should one arise.

## Earned Income Tax Credit (EITC)

In order to qualify for the EITC, you must have earned income, such as wages or self-employment earnings. The size of the EITC depends on your income and how many qualifying children reside with you. To determine whether you are eligible, visit the IRS website.

You may be eligible for the EITC if your adjusted gross income is less than the following thresholds:

No children: \$14,880 (if married: \$20,430)

One child: \$39,296 (if married: \$44,846)

Two children: \$44,648 (if married: \$50,198)

Three + children: \$47,955 (if married: \$53,505)

## Child and Dependent Care Credit

This credit was created to help defray the cost of childcare for working parents. The care must be provided so that you can work. A qualifying child is your child or dependent who was claimed on your tax return and is under 13 years old when the care is provided. You must have earned income. The childcare payments cannot be made to your spouse or a qualifying family member. The child or the spouse must have lived with you for half the year. You can claim expenses of up to \$3,000 for one child and \$6,000 for two or more qualifying children. The credit is calculated based on your income and your childcare expenses.