

Eight Tax Benefits for Parents-Feb 11, 2013

Your children may help you qualify for valuable tax benefits, such as certain credits and deductions. If you are a parent, here are eight benefits you shouldn't miss when filing taxes this year.

1. Dependents. In most cases, you can claim a child as a dependent even if your child was born anytime in 2012. For more information, see IRS Publication 501, Exemptions, Standard Deduction and Filing Information.

2. Child Tax Credit. You may be able to claim the Child Tax Credit for each of your children that were under age 17 at the end of 2012. If you do not benefit from the full amount of the credit, you may be eligible for the Additional Child Tax Credit. For more information, see the instructions for Schedule 8812, Child Tax Credit, and Publication 972, Child Tax Credit.

3. Child and Dependent Care Credit. You may be able to claim this credit if you paid someone to care for your child or children under age 13, so that you could work or look for work. See IRS Publication 503, Child and Dependent Care Expenses.

4. Earned Income Tax Credit. If you worked but earned less than \$50,270 last year, you may qualify for EITC. If you have qualifying children, you may get up to \$5,891 dollars extra back when you file a return and claim it. Use the EITC Assistant to find out if you qualify. See Publication 596, Earned Income Tax Credit.

5. Adoption Credit. You may be able to take a tax credit for certain expenses you incurred to adopt a child. For details about this credit, see the instructions for IRS Form 8839, Qualified Adoption Expenses.

6. Higher education credits. If you paid higher education costs for yourself or another student who is an immediate family member, you may qualify for either the American Opportunity Credit or the Lifetime Learning Credit. Both credits may reduce the amount of tax you owe. If the American Opportunity Credit is more than the tax you owe, you could be eligible for a refund of up to \$1,000. See IRS Publication 970, Tax Benefits for Education.

7. Student loan interest. You may be able to deduct interest you paid on a qualified student loan, even if you do not itemize your deductions. For more information, see IRS Publication 970, Tax Benefits for Education.

8. Self-employed health insurance deduction - If you were self-employed and paid for health insurance, you may be able to deduct premiums you paid to cover your child. It applies to children under age 27 at the end of the year, even if not your dependent. See IRS.gov/aca for information on the Affordable Care Act.