

The Child Tax Credit: 11 Key Points

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The Child Tax Credit is available to eligible taxpayers with qualifying children under age 17. The IRS would like you to know these eleven facts about the child tax credit.

1. **Amount With the Child Tax Credit**, you may be able to reduce your federal income tax by up to \$1,000 for each qualifying child under age 17.
2. **Qualification**: A qualifying child for this credit is someone who meets the qualifying criteria of seven tests: age, relationship, support, dependent, joint return, citizenship and residence.
3. **Age test**: To qualify, a child must have been under age 17 – age 16 or younger – at the end of 2011.
4. **Relationship test**: To claim a child for purposes of the Child Tax Credit, the child must be your son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister or a descendant of any of these individuals, which includes your grandchild, niece or nephew. An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.
5. **Support test**: In order to claim a child for this credit, the child must not have provided more than half of his/her own support.
6. **Dependent test**: You must claim the child as a dependent on your federal tax return.
7. **Joint return test**: The qualifying child cannot file a joint return for the year (or files it only as a claim for refund).
8. **Citizenship test**: To meet the citizenship test, the child must be a U.S. citizen, U.S. national or U.S. resident alien.
9. **Residence test**: The child must have lived with you for more than half of 2011. There are some exceptions to the residence test, found in IRS Publication 972, Child Tax Credit.
10. **Limitations**: The credit is limited if your modified adjusted gross income is above a certain amount. The amount at which this phase-out begins varies by filing status. For married taxpayers filing a joint return, the phase-out begins at \$110,000. For married taxpayers filing a

separate return, it begins at \$55,000. For all other taxpayers, the phase-out begins at \$75,000. In addition, the Child Tax Credit is generally limited by the amount of the income tax and any alternative minimum tax you owe.

11. Additional Child Tax Credit: If the amount of your Child Tax Credit is greater than the amount of income tax you owe, you may be able to claim the Additional Child Tax Credit.

For more information, see IRS Publication 972, available at www.irs.gov or by calling 800-TAX-FORM (800-829-3676). You can also use the Interactive Tax Assistant on the IRS website to determine if you're eligible for the Child Tax Credit. The ITA is a tax law resource that takes you through a series of questions and provides you with responses to tax law questions.