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CAN YOU CLAIM THE CHILD TAX CREDIT?

By Victor Sy, CPA

Child Tax Credit allows you to reduce your federal income tax by a maximum amount of **\$1,000** for **each** qualifying child through age 16.

A qualifying child is someone who meets the following criteria:

- **Age** - child is **17 or younger** at the end of the year.
- **Relationship** - child is your son, daughter, adopted child, stepchild or eligible foster child, brother, sister, stepbrother, stepsister, or a descendant of any of these individuals or other eligible person who lived with you all year as a member of your household
- **Citizenship** - child is a U.S. citizen, U.S. national or resident of the U.S.
- **Support** - child did not provide over half of his or her own support.
- **Lived with you** - child must have lived with you for more than half of 2008 (exception for students living outside your home).

The credit is limited if your modified adjusted gross income is above a certain amount. Phase out for **2011** begins at:

- Married Filing Jointly **\$110,000**
- Married Filing Separately **\$ 55,000**
- All others **\$ 75,000.**

The Child Tax Credit is generally **limited by the amount of income tax** as well as any alternative minimum tax that you owe.

If the amount of your Child Tax Credit is greater than the amount of income tax you owe, you may be able to claim some or all of the difference as an “**Additional**” **Child Tax Credit**. The Additional Child Tax Credit may give you a refund *even if you do not owe any tax*. The total amount of the Child Tax Credit and any Additional Child Tax Credit cannot exceed the maximum of \$1,000 for each qualifying child.