



Families With Children

Sprague & Jackson

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Child Tax Credit

Maximum Credit

The maximum credit is \$2,000 per qualifying child.

Maximum Refundable Credit

The maximum refundable credit (Additional Child Tax Credit) is \$1,600 per qualifying child.

Adjusted Gross Income (AGI) Phaseout

The \$2,000 credit is reduced by \$50 for each \$1,000 of modified AGI above:

- \$400,000 Married Filing Jointly.
- \$200,000 Single, Head of Household, Qualifying Widow(er), or Married Filing Separately.

Credit for Other Dependents

Maximum credit: \$500 per qualifying dependent.

A nonrefundable credit of up to \$500 is allowed for dependents other than a qualifying child for the Child Tax Credit.

Child and Dependent Care Credit

Credit

The credit is 20 to 35% of the smallest of:

- \$3,000 (\$6,000 for two or more qualifying persons).
- Qualified expenses incurred and paid during the year.
- Include expenses for care in 2023 that were paid before 2023. Reduce expenses by dependent care benefits excluded from income.
- Your earned income.
- Your spouse's earned income.

Exclusion

Instead of taking the credit, you may be eligible to exclude from income an amount up to \$5,000 for dependent care

benefits received under an employer plan.

Child and Dependent Care Expenses

Qualified	Not Qualified
<ul style="list-style-type: none"> • Care outside your home for a qualifying person who regularly spends at least eight hours each day in your home. • Amounts paid for items other than care (food and schooling) if they are incidental to the care and cannot be separated from the total cost. • Before and after school care. • Household services, including cooks, maids, babysitters, or cleaners, if services were partly for the care of a qualifying person. • Employment taxes, meals, and extra lodging expenses for household employees. • Day camps and similar programs even if they specialize in a particular activity. • Transportation provided by a childcare provider to or from a place that care is provided. 	<ul style="list-style-type: none"> • Schooling for a child in kindergarten or above. <i>Clarification:</i> The IRS has confirmed that kindergarten costs are educational and do not qualify for the credit. This includes costs paid for a full day of kindergarten at a private school in a district where public schools have half-day classes. Costs of pre-school do qualify even if the programs have some educational content. • Cost of an overnight camp. • Expenses reimbursed by a state social service agency not included in income. • Child support payments. • Transportation of the care provider and transportation of a qualifying person not provided by a childcare provider.

Earned Income Credit (EIC)

The EIC is a refundable credit for low-income earners.

Requirements for Everyone

The following requirements must be met whether or not you have qualifying children.

- **Valid Social Security Numbers.** You and your spouse (if filing jointly) must have valid Social Security Numbers. Qualifying children must also have valid Social Security Numbers except a child who was born and died during the year. Adoption and individual taxpayer identification numbers (ATINs and ITINs) do not qualify. A Social Security Number on a card that reads "Not Valid for