



How You Can Afford Quality Child Care

At the Child Care Council of Westchester, we know that quality early care and education is expensive. There are several tax benefits and programs that can put more money in your hands; money that you can use for child care and other household expenses. For more information about how to find or afford care, please call the Council at (914) 761-3456 x140.

Detailed info forms and assistance for all tax credits can be found at:

- Federal (IRS): 1-800-829-1040 or www.irs.gov
- State: 1-518-457-5181 www.tax.ny.gov
- Free tax preparation and assistance is offered through VITA (Volunteer Income Tax Assistance). A list of VITA providers can be obtained at your local IRS office or by calling 2-1-1 or on the www.irs.gov website.

Summary of Tax Credits:

1. Child Tax Credit (CTC) for Working Families

This is a federal tax credit, which can be worth up to \$3,000 per qualifying child ages 7 to 17 and \$3,600 per child under age six in 2021. It does not count as income in determining eligibility for other benefit programs. You may be eligible for the credit even if you owe no income taxes. The credit is used first to eliminate any income tax owed. If there is an amount, remaining after the taxes are paid, all or part may be refunded to you.

Who Qualifies for the Child Tax Credit?

- Single or married adults with a qualifying child under the age of 17.
- Must have either a social security number or Individual Taxpayer Identification Number (ITIN).

How Do I Apply?

- File federal income tax return 1040A or 1040NR only.
- You can apply for the Additional Child Tax Credit (file form 8812) which may give you a refund even if you do not owe any taxes.

Advanced Payment for Child Tax Credit (for more Info: <https://www.irs.gov/credits-deductions/advance-child-tax-credit-payments-in-2021>)



- Up to \$300 per month for each child under age 6 and \$250 per month for each child age 6 through 17.
- Families who earn up to \$440,000 per year are eligible.
- You must apply if you did not file your 2019 or 2020 tax return or if you filed your 2019 or 2020 tax returns but did not provide direct deposit information. ONLY apply via IRS website. <https://www.irs.gov/credits-deductions/advance-child-tax-credit-payments-in-2021>

2. Child and Dependent Care Credit

This is a tax benefit that helps you pay for the child care you need in order to work or look for work. It reduces the amount of federal income tax you pay by lowering the amount you owe. Anything left over after your taxes are paid may be refunded to you. The size of your credit is determined by the number of children in your care, your income and the amount you paid for child care. If you are eligible, you can expect to receive up to 50% of child/dependent care expenses depending on income.

If you qualify for the Federal Child/Dependent Care Credit, you would qualify the New York State Child/Dependent Care Credit. This credit is a minimum of 20% and as much as 110% of the Federal credit.

Both the Federal and State Child/Dependent Care Tax Credits are fully refundable, which means that you can get back more money than you actually paid in State or Federal taxes.

You qualify for the Child/Dependent Care Credit if all of these is true:

- You paid for care for a qualifying child under age 13
- You need child/dependent care to work or look for work
- You are married or joint filers you must have paid less for child care than the income of the spouse with the lowest income
- You use any type of care including a center, family child care, camp, in-home or a church; neighbor or relative (except a spouse & dependent child).

Please note:

- You cannot apply for credit if you receive free child care.
- You must identify the care provider on your tax return; including the care providers name, address and taxpayer identification number/social security number. You can use Form W-10, *Dependent Care Provider's Identification and Certification*, to request this information from the care provider.



How to Apply for the Child/Dependent Care Credit

- File a federal tax return 1040 with Schedule 2441 attached or 1040A.
- For the New York State Child/Dependent Care Credit you must complete form IT-216 “Claim for Child and Dependent Care Credit” and attach it to your New York State Income Tax return.

You can claim up to \$8,000 in child care expenses per child (maximum 2 children).

Example of possible refund credit:

Household Income	Child Care Expenses for one child (can claim up to)	Possible Refundable Credit (sliding scale based on income)
Below \$125,000	\$8,000	\$4,000
Between \$125,000 - \$185,000	\$8,000	\$4,000 to \$1,600
Between \$185,000 - \$400,000	\$8,000	\$1,600
Between \$185,000 - \$400,000	\$8,000	\$1,600 to \$0
Above \$440,000	\$8,000	\$0

To check if you are eligible: 2021 Child Tax Credit Calculator by Kiplinger
<https://www.kiplinger.com/taxes/602334/2021-child-tax-credit-calculator>

3. Earned Income Tax Credit (EITC)

This is a benefit for working people with low to moderate income. To qualify, you must meet certain requirements and file a tax return, even if you do not owe any tax or are not required to file. EITC reduces the amount of tax you owe and may give you a refund.

You must be at least 19 years of age and have at least \$1 of earned income and have investment earnings of \$10,000 or less. Full time students under age of 24 do not qualify.

Both the Federal and State Earned Income Tax Credits are fully refundable, which means that you can get back more money than you actually paid in State or Federal taxes.

If you qualify for the Federal Earned Income Tax Credit, you would qualify for the New York State Earned Income Tax Credit, which is worth 30% of the Federal Earned Income Tax Credit.

Who Qualifies for the EITC?

Depending on your income, if you are single or married and work full or part time during the previous year, you may qualify for the EITC. If you are new to this country, are legally authorized to work, and meet other eligibility requirements you can qualify for the EITC.



2021 EITC income levels and tax credit – Below are the new amounts, not yet updated on the IRS website. Source: <https://www.nerdwallet.com/article/taxes/can-you-take-earned-income-tax-credit>

Number of Qualifying Children	Single workers with income less than	Married workers with income less than	Maximum Tax Credit for 2021
Zero	\$21,430	\$27,380	\$1,502
One	\$42,158	\$48,108	\$3,618
Two	\$47,915	\$53,865	\$5,980
3 or more	\$51,464	\$57,414	\$6,728

Source: IRS.gov

<https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/earned-income-and-earned-income-tax-credit-eitc-tables>

How Do I Apply?

- You must file either a 1040 or 1040A with a Schedule EITC attached.
- Married couples must file jointly to get the EITC.
- Name and social security numbers must be provided for every person listed on the tax return and schedule.
- You don't have to calculate your own EITC; the IRS will do it for you.
- For the New York State EITC you must complete form IT-215 "Claim for Earned Income Tax Credit" and attach it to your New York State Income Tax Return.

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