



## How You Can Afford Quality Child Care

At the Child Care Council of Westchester, Inc., 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 on quality early care and education or how to make it more affordable, please call us at (914) 761-3456 ext. 140.

### **Summary of Tax Credits:**

#### **Child Tax Credit (CTC) for Working Families...**

Is a federal tax credit which can be worth up to \$1,000 per qualifying child. 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 will 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.

#### **Earned Income Tax Credit (EITC)...**

reduces the amount of taxes you owe, increases your income, and does not affect other public assistance benefits. You must have a qualifying child(ren) under 19 (or under 24 if a full-time student or permanently and totally disabled regardless of age) live with you for more than 6 months of the year.

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.

### EITC income levels and tax credit for 2016

Status	Earned Income & Adjustable Income must be less than (Maximum Income)	Maximum Tax Credit (The actual tax credit will vary based on Adjusted Gross Income)
<b>Single</b>		
▪ With no qualifying children	\$14,880	\$506
▪ With one qualifying child	\$39,296	\$3,373
▪ With 2 qualifying children	\$44,648	\$5,572
▪ With 3 or more qualifying children	\$47,955	\$6,269
<b>Married filing jointly</b>		
▪ With no qualifying children	\$20,430	\$506
▪ With one qualifying child	\$44,846	\$3,373
▪ With 2 qualifying children	\$50,198	\$5,572
▪ With 3 or more qualifying children	\$53,505	\$6,269

### 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.

### Child/Dependent Care Credit...

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 will be refunded to you in a check. 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 20-35% 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.



### **Who Qualifies for the Child/Dependent Care Credit?**

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

### **How Do I Apply? (Child/Dependent Care Credit continued)**

- File a federal tax return 1040 with Schedule 2441 attached or 1040A with Schedule Z attached.
- 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.

### **Detailed information, forms and assistance for all tax credits is available at:**

- IRS 1-800-829-1040 or [www.irs.gov](http://www.irs.gov) for federal info or [www.tax.ny.gov](http://www.tax.ny.gov) .us for state credit details.
- 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](http://www.irs.gov) web site.
- In Westchester County, the local IRS office is located in White Plains at 210 East Post Road, White Plains, NY 10601, 914-684-7302.