

Fact Sheet

Module 8: Child Tax Credit and Additional Child Tax Credit

The child tax credit allows taxpayers to claim a tax credit of up to \$1,000 per qualifying child under the age of 17. This reduces their tax liability, potentially to \$0. In order to claim the credit, the taxpayer and child must meet numerous requirements.

When a taxpayer's child tax credit is more than their tax liability, they may be eligible to claim an additional child tax credit as well as the child tax credit. The additional child tax credit is also a tax credit of up to \$1,000 per qualifying child. This further reduces their tax liability and can result in a refund. Taxpayers must meet additional requirements to claim this credit.

Tax, credits, and payments

22	Enter the amount from line 21 (adjusted gross income).	22	
23a	Check <input type="checkbox"/> You were born before January 2, 1945, <input type="checkbox"/> Blind if: <input type="checkbox"/> Spouse was born before January 2, 1945, <input type="checkbox"/> Blind } Total boxes checked ▶ 23a <input type="checkbox"/>		
b	If you are married filing separately and your spouse itemizes deductions, see page 32 and check here ▶ 23b <input type="checkbox"/>		
24a	Enter your standard deduction (see left margin).	24a	
b	If you are increasing your standard deduction by certain real estate taxes, new motor vehicle taxes, or a net disaster loss, attach Schedule L and check here (see page XX) ▶ 24b <input type="checkbox"/>		
25	Subtract line 24a from line 22. If line 24a is more than line 22, enter -0-.	25	
26	Exemptions. If line 22 is \$125,100 or less and you did not provide housing to a Midwestern displaced individual, multiply \$3,650 by the number on line 6d. Otherwise, see page 32.	26	
27	Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your taxable income. ▶ 27	27	
28	Tax , including any alternative minimum tax (see page 33).	28	
29	Credit for child and dependent care expenses. Attach Form 2441.	29	
30	Credit for the elderly or the disabled. Attach Schedule R.	30	
31	Education credits. Attach Form 8863.	31	
32	Retirement savings contributions credit. Attach Form 8880.	32	
33	Child tax credit (see page 37).	33	
34	Add lines 29 through 33. These are your total credits.	34	
35	Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-.	35	
36	Advance earned income credit payments from Form(s) W-2, box 9.	36	
37	Add lines 35 and 36. This is your total tax. ▶ 37	37	
38	Federal income tax withheld from Forms W-2 and 1099.	38	
39	2009 estimated tax payments and amount applied from 2008 return.	39	
40	Making work pay and government retiree credits. Attach Schedule M.	40	
41a	Earned income credit (EIC).	41a	
b	Nontaxable combat pay election. 41b		
42	Additional child tax credit. Attach Form 8812.	42	
43	Refundable education credit from Form 8863, line 16.	43	
44	Add lines 38, 39, 40, 41a, 42, and 43. These are your total payments. ▶ 44	44	

Standard Deduction for—

- People who checked any box on line 23a, 23b, or 24b or who can be claimed as a dependent, see page 32.
- All others:

Single or Married filing separately, \$5,700

Married filing jointly or Qualifying widow(er), \$11,400

Head of household, \$8,350

If you have a qualifying child, attach Schedule EIC.

Refund

Direct deposit? See page 55 and fill in 46b, 46c, and 46d or Form 8888.

45	If line 44 is more than line 37, subtract line 37 from line 44. This is the amount you overpaid.	45	
46a	Amount of line 45 you want refunded to you. If Form 8888 is attached, check here ▶ <input type="checkbox"/> 46a		
b	Routing number <input type="text"/> ▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
d	Account number <input type="text"/>		
47	Amount of line 45 you want applied to your 2010 estimated tax.	47	

Amount you owe

48	Amount you owe. Subtract line 44 from line 37. For details on how to pay, see page 56. ▶ 48	48	
49	Estimated tax penalty (see page 57).	49	

Third party designee

Do you want to allow another person to discuss this return with the IRS (see page 57)? **Yes.** Complete the following. **No**

Designee's name ▶	Phone no. ▶	Personal identification number (PIN) ▶ <input type="text"/>
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Sign here

Joint return? See page 17. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	

Paid preparer's use only

Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ▶	EIN	Phone no.	

Child Tax Credit Requirements and Limits

Child Requirements

To qualify, the child must:

- be under age 17 at the end of the tax year
- be a citizen or resident of the United States
- not have provided over half of his/her own support for the tax year
- lived with the taxpayer for more than half of the tax year
- be the taxpayer's:
 - child or a descendant of a child (for example, a grandchild)
 - stepchild or adopted child or a descendent of one
 - brother, sister, stepbrother, stepsister, or a descendent of one
 - eligible foster child

Taxpayer Requirements

Taxpayers must provide the name and social security number of each qualifying child on their tax returns.

Credit Limits

The credit depends on the taxpayer's:

- tax liability: the credit cannot be more than the taxpayer's tax liability
- modified adjusted gross income and filing status: the credit may be reduced if the taxpayer's modified adjusted gross income is above a certain amount for their filing status.

Additional Child Tax Credit Requirements and Limits

Child Requirements

To qualify for the additional child tax credit, the child must qualify for the child tax credit.

Taxpayer Requirements

To qualify for the additional child tax credit, taxpayers must:

- meet the requirements previously discussed for the child tax credit
- have a tax liability that is less than their allowable child tax credit
- earn more than \$3,000 during the tax year

Credit Limits

The credit is whichever is lower:

- 15% of the taxpayer's taxable earned income that is over \$3,000, or
- The amount of unused child tax credit (caused when tax liability is less than allowed credit)