

# 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 several 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**

<b>22</b>	Enter the amount from line 21 (adjusted gross income).	22	
<b>23a</b>	Check <input type="checkbox"/> <b>You</b> were born before January 2, 1947, <input type="checkbox"/> <b>Blind</b> if: <input type="checkbox"/> <b>Spouse</b> was born before January 2, 1947, <input type="checkbox"/> <b>Blind</b> } <b>Total boxes checked</b> ▶ 23a <input type="checkbox"/>		
<b>b</b>	If you are married filing separately and your spouse itemizes deductions, check here ▶ 23b <input type="checkbox"/>		
<b>24</b>	Enter your <b>standard deduction</b> .	24	
<b>25</b>	Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-.	25	
<b>26</b>	<b>Exemptions.</b> Multiply \$3,700 by the number on line 6d.	26	
<b>27</b>	Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your <b>taxable income</b> .	▶ 27	
<b>28</b>	<b>Tax</b> , including any alternative minimum tax (see instructions).	28	
<b>29</b>	Credit for child and dependent care expenses. Attach Form 2441.	29	
<b>30</b>	Credit for the elderly or the disabled. Attach Schedule R.	30	
<b>31</b>	Education credits from Form 8863, line 23.	31	
<b>32</b>	Retirement savings contributions credit. Attach Form 8880.	32	
<b>33</b>	Child tax credit (see instructions).	33	
<b>34</b>	Add lines 29 through 33. These are your <b>total credits</b> .	34	
<b>35</b>	Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-. This is your <b>total tax</b> .	35	
<b>36</b>	Federal income tax withheld from Forms W-2 and 1099.	36	
<b>37</b>	2011 estimated tax payments and amount applied from 2010 return.	37	
<b>38a</b>	<b>Earned income credit (EIC).</b>	38a	
<b>b</b>	Nontaxable combat pay election.	38b	
<b>39</b>	Additional child tax credit. Attach Form 8812.	39	
<b>40</b>	American opportunity credit from Form 8863, line 14.	40	
<b>41</b>	Add lines 36, 37, 38a, 39, and 40. These are your <b>total payments</b> .	▶ 41	

**Standard Deduction for—**  
 • People who check any box on line 23a or 23b or who can be claimed as a dependent, see instructions.  
 • All others:  
 Single or Married filing separately, \$5,800  
 Married filing jointly or Qualifying widow(er), \$11,600  
 Head of household, \$8,500

If you have a qualifying child, attach Schedule EIC.

**Refund**

<b>42</b>	If line 41 is more than line 35, subtract line 35 from line 41. This is the amount you <b>overpaid</b> .	42	
<b>43a</b>	Amount of line 42 you want <b>refunded to you</b> . If Form 8888 is attached, check here ▶ <input type="checkbox"/> 43a		
<b>b</b>	Routing number <input type="text"/> ▶ <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
<b>d</b>	Account number <input type="text"/>		
<b>44</b>	Amount of line 42 you want <b>applied to your 2012 estimated tax</b> .	44	

Direct deposit? See instructions and fill in 43b, 43c, and 43d or Form 8888.

**Amount you owe**

<b>45</b>	<b>Amount you owe.</b> Subtract line 41 from line 35. For details on how to pay, see instructions.	▶ 45	
<b>46</b>	Estimated tax penalty (see instructions).	46	

**Third party designee**

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

Designee's name ▶	Phone no. ▶	Personal identification number (PIN) ▶
-------------------	-------------	----------------------------------------

**Sign here**

Joint return? See page 13. 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, <b>both</b> must sign.	Date	Spouse's occupation	

**Paid preparer use only**

Print/type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's address ▶		Firm's 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, national, 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)