



## 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 refundable federal tax credit which can be worth up to \$1000 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
- Taxable earned income above \$11,300
- must have either a Social Security number or Individual Taxpayer Identification Number (ITIN).

##### How Do I Apply?

- File federal income tax return 1040 or 1040A only.
- File Form 8812, "Additional Child Tax Credit" form, and attach to tax return.

*\* A Qualifying Child for the CTC must be under age 17; live with the you for more than 6 months in the United States; be either a citizen or a resident alien; and have a valid Social Security number or ITIN (Individual Taxpayer Identification Number).*

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

reduces the amount of taxes you owe, increases your income, and does not affect other public assistance benefits. You can also receive free tax preparation. You must have a qualifying child(ren)\* under 19 (or under 24 if a full-time student) live with you for more than 6 months of the year. You will need Social Security numbers for all children born before December 31, 2006.

##### 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

Status	Maximum Income	Maximum Tax Credit
<b>Single</b>		
▪ With no children	\$12,590	\$577
▪ With child	\$33,241	\$3,852
▪ With 2 or more children	\$37,783	\$6,367
<b>Married/filing jointly</b>		
▪ With no children	\$14,590	\$577
▪ With child	\$35,241	\$3,852
▪ With 2 or more children	\$39,783	\$6,367

## EITC; continued...

### 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.

### How do you get free tax preparation?

Go to your local IRS office and ask about free tax preparation. They will be able to provide you with a list of local volunteers who will be able to assist you

- You can get back some or all of the federal income taxes that were withheld.
- You can receive part of the EITC in your paychecks throughout the year if you arrange for the Advance EITC\*\* payment option.

*\* Qualifying Child for EITC include son, daughter, stepchildren, grandchildren, adopted children, brothers, sisters, stepbrothers and sisters. Foster children who are placed with you by a government or private agency and children with permanent disabilities may also qualify.*

*\*\* Advance EITC-Employers can add part of the EITC to every paycheck and you will receive the rest of the credit after filing a return. If you meet the qualifications to claim the EITC, you complete a W-5 which is the EITC Advance Payment Certificate and give the bottom part to your employer. Your employer will adjust your pay to include the additional amount in each check. Employers cannot deny you this as it is a federal tax benefit.*

## Child/Dependent Care Credit...

is a refundable 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.

### 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.

### How Do I Apply?

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

## New York State Tax Credit...

is a refundable tax credit offered on the state level. Even if you owe no taxes, you can still get a refund!

### Who Qualifies for the New York State Tax Credit?

If you claimed the Federal EITC, you can claim the State Tax Credit. The State Tax Credit is based on a percentage of the Federal EITC. You must be a resident or a part time resident. The NYS EITC is 30% of your allowable Federal EITC.

### How Do I Apply?

You must complete form IT-215 "Claim for Earned Income Tax Credit," and attach it to Form IT-150, IT-201 or IT-203. When you use both the Federal and State tax credits, YOU can save even more money!

## 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.state.ny.us](http://www.tax.state.ny.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.
- In Westchester County. the local IRS office is located in White Plains at 210 East Post Road, White Plains, NY 10601, 914-684-7302.