

Child Tax Credit Available for Working Families

This credit is for people who have a qualifying child as defined below. It is in addition to the credit for child and dependent care expenses and the earned income credit. The maximum amount you can claim for the credit is \$1,000 for each qualifying child.

A qualifying child for purposes of the child tax credit is a child who:

1. Is your son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them (for example your grandchild),
2. Was under age 17 at the end of 2005.
3. Did not provide over half of his or her own support for 2005.
4. Lived with you for more than half of 2005.
5. Was a U.S. citizen or resident alien.

An adopted child is always treated as your own child. An adopted child includes a child placed with you by an authorized placement agency for legal adoption even if the adoption is not final. An authorized placement agency includes any person or court authorized by state law to place children for legal adoption.

In order to qualify for the full \$1000 credit, there are income limitations. Your modified adjusted gross income (AGI) can be no more than:

- 1) Married filing jointly - \$110,000.
- 2) Single, head of household, or qualifying widow(er) - \$75,000.
- 3) Married filing separately - \$55,000.

The child tax credit and the additional child tax credit should not be confused with the child and dependent care credit. Lastly, the qualifying child requirements for the child tax credit are not the same as the earned income credit qualifying child requirements.

For more information on this and other tax topics, please go to the IRS Web site at www.irs.gov.