

# CHILD TAX CREDIT

The Child Tax Credit (CTC) helps working families offset the cost of raising children. This federal tax credit is worth up to \$2,000 for each qualifying child under age 17 claimed on a worker's tax return. The CTC has two components. First, the non-refundable CTC reduces any income tax owed. If any of the CTC remains after the income tax has been eliminated, the refundable "Additional CTC" delivers a tax refund to some workers, even if they owe no income tax.

Claiming the CTC does not affect eligibility for other benefits like SNAP (food stamps), SSI, Medicaid, cash assistance, or public housing. A saved tax refund does not count against federally-funded benefit program resource/asset limits for 12 months after the refund is received.

## CTC FAST FACTS

- The CTC helps boost income in low-income families, which is associated with better health, more schooling, and higher earnings in adulthood
- In 2017:
  - The CTC lifted approximately 2.8 million people out of poverty, including about 1.6 million children
  - The CTC lessened poverty for another 13.1 million people, including 6.7 million children

## ELIGIBILITY

Single and married people who worked full- or part-time at some point during the tax year can qualify for the CTC if they earned more than \$2,500.

Qualifying children are biological or adopted children, grandchildren, foster children, stepchildren, younger siblings, or their descendants who lived with the worker in the U.S. for more than half the year. Children must be under 17. Foster children must be placed with the worker by a government agency.

**Additional CTC:** Workers can claim the refundable "additional CTC" – equal to 15 percent of their earnings above \$2,500 – up to \$1,400 per child.

**New:** A \$500 non-refundable credit is available for families with qualifying non-child dependents. This includes children over 17, children with an ITIN, and adults who are considered dependents for tax filing.

## CLAIMING THE CREDIT

To claim the CTC, a worker must file a federal income tax return. Workers may get any remaining CTC as an additional CTC refund by filing Schedule 8812, "Additional Child Tax Credit" with their tax return.

A child may not be claimed for the CTC if the child provides over one-half of his or her own support.

Workers who are married filing separately can claim the CTC even though they are ineligible for the EITC.

## SAMPLE ADDITIONAL CTC VALUES BY INCOME

2018 Income	Number of Qualifying Children Under Age 17			
	1 Child	2 Children	3 Children	4 Children
\$5,000	\$375	\$375	\$375	\$375
\$10,000	\$1,125	\$1,125	\$1,125	\$1,125
\$14,000	\$1,400	\$1,725	\$1,725	\$1,725
\$18,000	\$1,400	\$2,325	\$2,325	\$2,325
\$20,000	\$1,400	\$2,625	\$2,625	\$2,625
\$25,000	\$1,335	\$2,800	\$3,375	\$3,375
\$30,000	\$835	\$2,800	\$4,125	\$4,125
\$35,000	\$279	\$2,279	\$4,200	\$4,875
\$40,000	0	\$1,679	\$3,679	\$5,600
\$45,000	0	\$1,079	\$3,079	\$5,079
\$50,000	0	\$479	\$2,479	\$4,479

This chart is not a tax table. The amounts shown are for the "Additional" Child Tax Credit refund that single workers will receive after all their income tax, if any, is eliminated by the basic Child Tax Credit. Note: married workers and families with larger incomes or more children than shown here may also receive refunds.

