

**IRS TAX TIP: ATIP-2006-45**  
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## **CLAIMING THE CHILD TAX CREDIT**

With the Child Tax Credit, you may be able to reduce the federal income tax you owe by up to \$1,000 for each qualifying child under the age of 17.

A qualifying child for this credit is someone who meets the following criteria:

1. **Dependent** Is claimed as your dependent
2. **Age** Was under age 17 at the end of 2005
3. **Relationship** Is your son, daughter, adopted child, grandchild, stepchild or eligible foster child, your sibling, stepsibling or their descendant
4. **Citizenship** Is a U.S. citizen or resident alien

The credit is limited if your modified adjusted gross income is above a certain amount. The amount at which this phase-out begins varies depending on your filing status:

- |                                     |           |
|-------------------------------------|-----------|
| 1. <b>Married Filing Jointly</b>    | \$110,000 |
| 2. <b>Married Filing Separately</b> | \$ 55,000 |
| 3. <b>All others</b>                | \$ 75,000 |

In addition, the Child Tax Credit is generally limited by the amount of the income tax you owe as well as any alternative minimum tax you owe.

If the amount of your Child Tax Credit is greater than the amount of income tax you owe, you may be able to claim some or all of the difference as an "additional" Child Tax Credit. The additional Child Tax Credit may give you a refund even if you do not owe any tax. For 2005, the total amount of the Child Tax Credit and any additional Child Tax Credit cannot exceed the maximum of \$1,000 for each qualifying child.

You may claim the Child Tax Credit on Form 1040 or 1040A. Details on how to compute the credit can be found in the forms' instructions and in Publication 972, Child Tax Credit. The forms and publications are available from the IRS Web site at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

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