

## Common Tax Credits

Taxpayers should consider claiming tax credits for which they might be eligible when completing their federal income tax returns. A tax credit is a dollar-for-dollar reduction of taxes owed. Some credits are refundable – taxes could be reduced to the point that a taxpayer would receive a refund rather than owing any taxes. Below are some of the credits taxpayers could be eligible to claim:

**The Earned Income Tax Credit** is a refundable credit for low-income working individuals and families. Income and family size determine the amount of the credit. For more information, see IRS Publication 596, Earned Income Credit.

**The Child and Dependent Care Credit** is for expenses paid for the care of children under age 13, or for a disabled spouse or dependent, to enable the taxpayer to work or look for work. For more information, see IRS Publication. 503, Child and Dependent Care Expenses.

**The Child Tax Credit** is for people who have a qualifying child. The maximum amount of the credit is \$1,000 for each qualifying child. This credit can be claimed in addition to the credit for child and dependent care expenses. For more information on the Child Tax Credit, see IRS Publication 972, Child Tax Credit.

**Adoption Credit:** Adoptive parents may qualify for a tax credit of up to \$10,630 for qualifying expenses paid to adopt an eligible child. The credit may be allowed for the adoption of a child with special needs even if you do not have any qualifying expenses. For more information, see the instructions for Form 8839, Qualified Adoption Expenses.

**Credit for the Elderly or the Disabled:** This credit is available to individuals who are either age 65 or older or are under age 65 and retired on permanent and total disability, and who are U.S. citizens or residents. There are income limitations. For more information, see IRS Publication 524, Credit for the Elderly and the Disabled.

There are other credits available to eligible taxpayers. Since many qualifications and limitations apply to the various tax credits, taxpayers should carefully check the instructions for Form 1040, the publications and additional information on the IRS web site at [www.irs.gov](http://www.irs.gov). IRS publications are available on the IRS web site at [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).