

# Child Tax Credit

This is a credit intended to reduce the tax. This part of the credit isn't refundable. The credit is up to \$2,000 per qualifying child.

## Qualifying child:

1. Under age 17 at the end of the tax year.
2. A U.S. citizen or U.S. national\* or resident alien of the United States. See Tab L, Resident/NR Alien.
3. Claimed as your dependent.\*\*
4. Your:
  - a. son or daughter, adopted child, stepchild, eligible foster child, or a descendant of any of them
  - b. brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (for example, your niece or nephew)
5. Didn't provide over half of his or her own support.
6. Lived with the taxpayer for more than half of the tax year. (See Exception to Time Lived with You section on the Child Tax Credit chart on the following page.)
7. Must have a valid social security number by the due date of the return

\* A National is an individual who, although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens.

\*\*Refer to the tables in Tab C, Dependents, for the rules governing who may be claimed as a dependent.



If the taxpayer is able to claim the dependent under the rules for divorced and separated parents, he or she is the only parent entitled to claim the child tax credit or additional child tax credit.

## Additional Child Tax Credit – General Eligibility

**Note:** Make sure the taxpayer's credit hasn't been disallowed previously. If previously disallowed, see Form 8862, Information To Claim Certain Refundable Credits After Disallowance in Tab I, Earned Income Credit.

The child tax credit is generally a nonrefundable credit; however, certain taxpayers may be entitled to a refundable additional child tax credit.

- Taxpayers with more than \$2,500 of taxable earned income may be eligible for the additional child tax credit if they have at least one qualifying child.
- Taxpayers with three or more children may also be eligible for additional child tax credit regardless of their income.
- Limited to \$1,400 per qualifying child

Schedule 8812, Additional Child Tax Credit, is used to calculate the allowable additional child tax credit.

See Tab C, Dependents, and the worksheet in the instruction booklet for additional information (including definitions and special rules relating to an adopted child, foster child, or qualifying child of more than one person).

**Note:** No credit or refund for an overpayment for a taxable year shall be made to a taxpayer before the 15th day of the second month following the close of the taxable year (generally February 15th) if the taxpayer claimed the EITC or additional child tax credit on the tax return.

**Note:** The qualifying child must now have a valid social security number by the due date of the tax return (including extensions). Taxpayers may not file an amended return to retroactively claim the additional child tax credit for a qualifying child if a valid SSN for the child is issued after the due date of the tax return.

**Note: You must claim the child as a dependent on your return to qualify for the Child Tax Credit**

**Note: (International Certification only)** If you claim the foreign earned income exclusion, the housing exclusion, or the housing deduction on Form 2555 or Form 2555-EZ, you can't claim the additional child tax credit.

**Note:** See Disallowance of Certain Refundable Credits in Tab I, Earned Income Credit, if the taxpayer received a letter saying they had to complete Form 8862.

# Table 1: Child Tax Credit

Remember to apply the steps for each dependent. To claim the child tax credit and/or the credit for other dependents, you can't be a dependent of another taxpayer.

Probe/Action: Ask the taxpayer:

<b>step 1</b>	Is this person your son, daughter, adopted child, stepchild, foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew)? A descendant is of any generation.	If <b>YES</b> , go to Step 2. If <b>NO</b> , you can't claim the child tax credit for this person. This person may qualify for the credit for other dependents, go to Table 2.
<b>step 2</b>	Did this person provide over half of his or her own support for the tax year?	If <b>NO</b> , go to Step 3. If <b>YES</b> , you can't claim the child tax credit or the credit for other dependents for this person. STOP if the taxpayer has no other dependents.
<b>step 3</b>	Did this person live with you for more than half of the tax year? If the dependent didn't live with you for the required time, see the following notes below the chart: <ul style="list-style-type: none"> <li>Exception to Time Lived with You</li> <li>Kidnapped Child</li> <li>Children of Divorced or Separated Parents or Parents who live apart.</li> </ul>	If <b>YES</b> , go to Step 4. If <b>NO</b> , you can't claim the child tax credit for this person. This person may qualify for the credit for other dependents, go to Table 2.
<b>step 4</b>	Is this person a U.S. citizen, U.S. national, or resident alien of the United States? Note: A national is an individual who, although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens. See Tab L, Resident/NR Alien for definition of Resident Alien.	If <b>YES</b> , go to Step 5. If <b>NO</b> , you can't claim the child tax credit or the credit for other dependents for this person.
<b>step 5</b>	Does this person have a valid Social Security number that was issued by the due date of the return (including extensions)?	If <b>YES</b> , go to Step 6. If <b>NO</b> , you can't claim the child tax credit for this person. This person qualifies for the credit for other dependents if he or she has an ATIN or ITIN.
<b>step 6</b>	Is this person under age 17 at the end of the tax year?	If <b>YES</b> , go to Step 7. If <b>NO</b> , you can't claim the child tax credit for this person. This person qualifies for the credit for other dependents.

## Questions: Who Must Use Publication 972, Child Tax Credit?

<b>step 7</b>	Are you excluding income from Puerto Rico or are you filing Form 2555, Form 2555-EZ (relating to foreign earned income), or Form 4563, <i>Exclusion of Income for Bona Fide Residents of American Samoa</i> ?	If <b>NO</b> , go to Step 8. If <b>YES</b> , you must use Publication 972 to figure the credit.
<b>step 8</b>	Are you claiming any of the following credits? <ul style="list-style-type: none"> <li>Adoption Credit, a residential energy credit, Form 5695, Part II;</li> <li>Mortgage Interest credit, Form 8396; District of Columbia first-time homebuyer credit, Form 8859.</li> </ul>	If <b>NO</b> , use the Child Tax Credit Worksheet to figure the credit. If <b>YES</b> , you must use Publication 972 to figure the credit.

### Exception to Time Lived with You

A child is considered to have lived with you for all of the current tax year if the child was born or died in 2018 and your home was this child's home for the entire time he or she was alive. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, or detention in a juvenile facility, count as time lived at home.

### Kidnapped Child

A kidnapped child is considered to have lived with you for all of the current tax year if:

- In the year the kidnapping occurred, the kidnapped child is presumed by law enforcement to have been taken by someone who isn't a family member, and
- The kidnapped child lived with the taxpayer for more than half of the portion of the year prior to the kidnapping.

### Modified Adjusted Gross Income Limits

- Married filing jointly - \$400,000
- All other filing statuses - \$200,000

**Note:** Current tax year reference applies to tax year 2018.

### Children of Divorced or Separated Parents

A child will be treated as being the qualifying child of his or her noncustodial parent if all of the following apply:

- The parents were divorced or legally separated or lived apart at all times during the last 6 months of the current tax year.
- The child received over half of his or her support for the current tax year from the parents.
- The child was in the custody of one or both of the parents for more than half of the current tax year.
- A decree of divorce or separate maintenance or written separation agreement that applies to the current tax year provides that (a) the noncustodial parent can claim the child as a dependent, or (b) the custodial parent will sign a written declaration that he or she won't claim the child as a dependent for the current tax year.
- The custodial parent signs Form 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent, or similar statement that he or she won't claim the child as a dependent in the current tax year. If the divorce decree or separation agreement went into effect before 2009, the non custodial parent may be able to attach certain pages of the decree or agreement instead of Form 8332.

# Credit for Other Dependents

There is a \$500 credit for other dependents who do not qualify for the \$2,000 child tax credit. The dependent must be a U.S. citizen, U.S. national, or resident of the U.S. The dependent must have a valid identification number (ATIN, ITIN, or SSN).

The \$500 nonrefundable credit is available for dependents who don't qualify for the child tax credit, such as children who are age 17 and above or dependents with other relationships (such as elderly parents). Taxpayers cannot claim the credit for themselves (or a spouse if Married Filing Jointly).



Dependents who are residents of Canada or Mexico do not qualify for either the Child Tax Credit or the Credit for Other Dependents.



While there have been tax law changes this year, in many instances calculations take place “behind the scenes” and you will not see changes reflected in the entry screens. Follow the menus and prompts to enter current year tax information in the software.

## Table 2: Credit for Other Dependents

**You must start with Table 1:** Child Tax Credit (To claim the child tax credit and/or the credit for other dependents, you can't be a dependent of another taxpayer.)

Probe/Action: Ask the taxpayer:

<b>step 1</b>	Is the person the qualifying child of any taxpayer? For this purpose, a person isn't a taxpayer if he or she isn't required to file a U.S. income tax return and either doesn't file such a return or files only to get a refund of withheld income tax or estimated tax paid.	If <b>YES</b> , you can't claim the credit for other dependents for this person. If <b>NO</b> , go to Step 2.
<b>step 2</b>	Was the person your son, daughter, stepchild, foster child, or a descendant of any of them (i.e., your grandchild)? OR  Was the person your brother, sister, half brother, half sister, or a son or daughter of any of them? OR  Was the person your father, mother, or an ancestor or sibling of either of them? OR  Was the person your stepbrother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law (Any relationships established by marriage aren't ended by death or divorce) OR  Was the person any other person (other than your spouse) who lived with you all year as a member of your household and your relationship did not violate local law at any time during the year?  See the following note below the chart: • Exceptions to Time Lived with You	If <b>YES</b> , go to Step 3. If <b>NO</b> , you can't claim the credit for other dependents for this person.
<b>step 3</b>	Did the person have gross income of less than \$4,150 in 2018? See the following note below the chart: • Exceptions to Gross Income Test	If <b>YES</b> , go to Step 4.  If <b>NO</b> , you can't claim the credit for other dependents for this person.
<b>step 4</b>	Did you provide more than half the person's total support for the year? See the following notes below the chart: • Kidnapped Child • Child of Divorced or Separated Parents or Parent who live apart • Multiple Support Agreement	If <b>NO</b> , you can't claim the credit for other dependents for this person. If <b>YES</b> , go to Step 5.

Continued on next page

## Table 2: Credit for Other Dependents

### Continued

Probe/Action: Ask the taxpayer:

**step 5** Is the person a U.S. citizen, U.S. national, U.S. resident alien, or a resident alien of the United States?  
 Note: A national is an individual who although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who choose to become U.S. nationals instead of U.S. citizens. See Tab L, Resident/NR Alien for definition of Resident Aliens.

If **NO**, you can't claim the credit for other dependents for this person.  
 If **YES**, go to Step 6.

**step 6** Does this person have a SSN, ATIN, or an ITIN?

If **YES**, you can claim the credit for other dependents for this person.  
 If **NO**, you can't claim the credit for other dependents. A SSN, ATIN, or ITIN is required.

See the following note below the chart:

- Taxpayer Identification Numbers (SSN, ATIN, ITIN)

#### Exception to Time Lived with You

A child is considered to have lived with you for all of the current tax year if the child was born or died in 2018 and your home was this child's home for the entire time he or she was alive. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, or detention in a juvenile facility, count as time lived at home.

#### Kidnapped Child

A kidnapped child is considered to have lived with you for all of the current tax year if:

- In the year the kidnapping occurred, the kidnapped child is presumed by law enforcement to have been taken by someone who isn't a family member, and
- The kidnapped child lived with the taxpayer for more than half of the portion of the year prior to the kidnapping.

#### Modified Adjusted Gross Income Limits

- Married filing jointly - \$400,000
- All other filing statuses - \$200,000

**Note:** Current tax year reference applies to tax year 2018.

#### Children of Divorced or Separated Parents

A child will be treated as being the qualifying child of his or her noncustodial parent if all of the following apply:

- The parents were divorced or legally separated or lived apart at all times during the last 6 months of the current tax year.
- The child received over half of his or her support for the current tax year from the parents.
- The child was in the custody of one or both of the parents for more than half of the current tax year.
- A decree of divorce or separate maintenance or written separation agreement that applies to the current tax year provides that (a) the noncustodial parent can claim the child as a dependent, or (b) the custodial parent will sign a written declaration that he or she won't claim the child as a dependent for the current tax year.
- The custodial parent signs Form 8332 Release/Revocation. Of Release of Claim to Exemption for Child by Custodial Parent, or similar statement that he or she won't claim the child as a dependent in the current tax year. If the divorce decree or separation agreement went into effect before 2009, the noncustodial parent may be able to attach certain pages of the decree or agreement instead of Form 8332.

#### Gross Income Test

- The gross income of an individual who is permanently and totally disabled at any time during the year doesn't include income for services the individual performs at a sheltered workshop.
- Gross income means all income the person received in the form of money, goods, property and services, that isn't exempt from tax. Don't include social security benefits unless the person is married filing a separate return and lived with their spouse at any time during the tax year or if 1/2 the social security benefits plus their other gross income and tax-exempt interest is more than \$25,000 (\$32,000 if MFJ).

#### Multiple Support

If no one person contributed over half of the support of your relative (or person who lived with you all year as a member of your household) but you and another person(s) provided more than half of the person's support, special rules may apply that would treat you as having provided over half of the support. For details, see Publication 501.

#### Taxpayer Identification Numbers (SSN, ATIN, ITIN)

- Child tax credit is not allowed on your original or an amended tax return with respect to a child who didn't have a social security number (SSN) issued before the due date of the return (including extensions).
- If the person that qualifies you for the credit for other dependents was placed with you for a legal adoption and you don't know his or her SSN, you must get an adoption taxpayer identification number (ATIN) from the IRS. Complete Form W-7A, Application for IRS Adoptions Taxpayer Identification Number. If the person isn't a U.S. citizen or resident alien, apply for an individual taxpayer identification number (ITIN) instead.
- If you are or the person qualifying you for the credit for other dependents is not eligible for a SSN, apply for an individual taxpayer identification number (ITIN) using Form W-7/W-7(SP), Application for IRS Individual Taxpayer Identification Number. If you apply for and ITIN on or before the date of your return (including extension) and the IRS issues you an ITIN as a result of the application, the IRS will consider your ITIN as issued on or before the due date of your return.