



Tax Credit Alliance

O F N E B R A S K A

Child Tax Credit, Additional Child
Tax Credit & Credit for Other
Dependents

Child Tax Credit

- For 2022 Child Tax Credit is nonrefundable
- Must have a tax liability to take the credit
- Will receive up to \$2,000 for a child 16 and younger
- Taxpayers must have a SSN or ITIN
- The phase out amounts are:
 - \$400,000 for Married filing joint
 - \$200,000 for all other taxpayers

Child Tax Credit

- Qualifying Child for Child Tax Credit
 - Under the age 17 at the end of the tax year
 - A U.S. citizen or U.S. National or resident alien
 - Child must be your dependent
 - Must be son, daughter, adopted, step or foster child or any descendent, or
 - Brother, sister, half or step sibling or any descendent
 - The child does not provide more than half of their own support
 - The child lived with the taxpayer for more than half the year
 - Must have a Social Security Number that is valid for employment

Child Tax Credit

Step	Probe/Ask the taxpayer:	Action
1	Is this person your qualifying child dependent? See Tab C, Dependents, Table 1: All Dependents	If YES , go to Step 2. If NO , 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.
2	Did the child have an SSN, ITIN, or adoption taxpayer identification number (ATIN) issued on or before the due date of your return (including extensions)? (Answer "Yes" if you are applying for an ITIN or ATIN for the child on or before the due date of your return (including extensions).)	If YES , go to Step 3. If NO , you can't claim the child tax credit or the credit for other dependents for this child.
3	Was the child a U.S. citizen, U.S. national, or U.S. resident alien? (See Pub. 519, U.S. Tax Guide for Aliens, for the definition of a U.S. national or U.S. resident alien. If the child was adopted, see Exception to citizen test, below.)	If YES , go to Step 4. If NO , you can't claim the child tax credit or the credit for other dependents for this child.
4	Was the child under age 17 at the end of 2022?	If YES , go to Step 5. If NO , you can claim the credit for other dependents for this child.
5	Does this child have a Social Security Number valid for employment issued before the due date of the return (including extensions)?	If YES , you can claim the child tax credit for this person. Use Schedule 8812 to calculate the credit. If NO , you can claim the credit for other dependents for this child.

Additional Child Tax Credit

- Some taxpayers may qualify for additional child tax credit
- It is a refundable credit
- If the taxpayer has one or two qualifying children they must have at least \$2,500 of earned income
- If the taxpayer has three or more qualifying children they are eligible regardless of income
- The credit is limited to \$1,500 per child

Credit for Other Dependents

- \$500 nonrefundable credit for dependents who do not qualify for the child tax credit
 - Children over 16
 - Dependents with other relationships such as parents
 - Children who do not have a valid SSN
- The dependent must be a US Citizen, US National or resident
- The dependent must have a valid identification number (ATIN, ITIN or SSN)

Credit for Other Dependents

Step	Probe/Ask the taxpayer:	Action
1	Is this person your qualifying relative dependent? See Tab C, Dependents, Table 2: Qualifying Relative Dependents.	If YES , go to Step 2. If NO , you can't claim the credit for other dependents for this person.
2	Did your qualifying relative have a SSN, ITIN, or ATIN issued on or before the due date of your 2022 return (including extensions)? (Answer "Yes" if you are applying for an ITIN or ATIN for the qualifying relative on or before the return due date (including extensions).)	If YES , go to Step 3. If NO , you can't claim the credit for other dependents for this person.
3	Was your qualifying relative a U.S. citizen, U.S. national, or U.S. resident alien?	If YES , you can claim the credit for other dependents for this person. If NO , stop. You can't claim the credit for other dependents for this person.

Noncustodial parent

- Generally, the child is considered a dependent for custodial parent
- The noncustodial parent can take the child tax credit, additional child tax credit or credit for other dependent if the child is released by the custodial parent by the form 8332 or similar document
- Noncustodial parent must attach this form to their tax return
- Example from Pub 4491



Mary and Ralph got a divorce in 2015. They have one child together, Amy, who lives with Mary. All are U.S. citizens and have SSNs. Mary and Ralph provide more than half of Amy's support. Mary's AGI is \$31,000, and Ralph's AGI is \$39,000. Amy is 12. The divorce decree does not state who can claim the child.

Ralph, the noncustodial parent, can claim the child tax credit only if Mary signs Form 8332. Mary can still claim the earned income credit, Head of Household, and child and dependent care credit for Amy assuming she qualifies for them.

Examples from Pub 4491

Question 1: Jose and Yolanda Alameda are Married Filing Jointly and have five dependent children under the age of 17. Jose and Yolanda both have valid SSNs. Their children have Individual Taxpayer Identification Numbers (ITINs). Are their children qualifying children for the purpose of the child tax credit?

- a. Yes
- b. No



Ed's son, Jeff, turned 17 on December 30, and has a valid Social Security number (SSN). He is a citizen of the United States. According to the child tax credit rules, he is not a qualifying child for the child tax credit because he was not under the age of 17 at the end of the tax year.



Robert and Susan file a joint return and they both have SSNs. Their tax liability is \$2,000. They have three qualifying dependents. Tom is their 18-year-old son, has an SSN, and meets the qualifying child dependent test. Jill is their 16-year-old adopted child, has an ATIN, and meets the qualifying child dependent test. Robert's mother, Esther, is 65 years old, has an ITIN, and meets the qualifying relative test. They are all U.S. residents. Tom, Jill, and Esther are all qualifying dependents for the credit for other dependents.

Examples from Pub 4491

Question 2: Laura's adopted son Jack is 12. He is a citizen of the United States and lived with Laura for the entire tax year, during which time Laura provided full financial support. Is Jack a qualifying child for the child tax credit?

- a. Yes
- b. No

Question 3: Which one of the following individuals (all of whom have two qualifying children for the purposes of the child tax credit) are eligible to claim the maximum \$2,000 per child for the child tax credit on their tax return?

- a. Fiona, who is Married Filing Separately with a MAGI of \$202,000
- b. Ken, a Qualifying Surviving Spouse with a MAGI of \$30,000 and tax liability of \$490
- c. Nick, who is Single with a MAGI of \$70,000 and a tax liability of \$5,000
- d. Julie, who is Married Filing Jointly with a MAGI of \$422,000

Examples from Pub 4491



May and Bob file as Married Filing Jointly and have two children who qualify for the child tax credit. Their MAGI is \$56,000 and their tax liability is \$954. They can only claim \$954, reducing their tax to zero. As they could not claim the maximum child tax credit, May and Bob may also be eligible for the additional child tax credit.



Remember May and Bob who have two qualifying children, a MAGI of \$56,000, and a tax liability of \$954? Because their tax liability is less than the full amount of the credit (in their case \$4,000), they may be able to take the additional child tax credit of \$2,800 ($\$4,000 - \954 , but limited to \$1,500 per child).



Stan files as Head of Household and has three children who qualify for purposes of the child tax credit. Stan's MAGI is \$54,000 and his tax liability is \$4,680. Stan is eligible to take a child tax credit of up to \$4,680 to offset his tax liability. Stan cannot claim the full \$6,000 child tax credit because it is limited to his tax liability of \$4,680. Stan may also be eligible for the additional child tax credit.

Schedule 8812-Credits for Qualifying Children and Other Dependents

- Schedule 8812- <https://www.irs.gov/pub/irs-pdf/f1040s8.pdf>
- Instructions for Schedule 8812- <https://www.irs.gov/pub/irs-dft/i1040s8--dft.pdf>

Other resources

- <https://www.linklearncertification.com/d/>
- <https://www.irs.gov/pub/irs-pdf/p4491.pdf>

Questions?