



# FEDERAL CHILD TAX CREDIT

(Tax Year 2002)

**Would a Reduction in Federal  
Taxes Help You?**

# Federal Child Tax Credit

## 1 What Is It?

The **Federal Child Tax Credit** is for taxpayers raising dependent children under age 17. This federal tax credit can give a worker back some or all of any additional income tax still owed at the end of the year.

## 2 Who Qualifies?

The Federal Child Tax Credit is available for families whose children meet the following criteria:

- ✧ The child must be a child, a relative cared for as the worker's own child, or a foster child placed by an agency.
- ✧ The child must be under age 17 for the entire 2002 tax year.
- ✧ The child must be a U.S. citizen or resident alien, or resident of Canada or Mexico (there is an exception for certain adopted children).
- ✧ The child's gross income must be less than \$3,000, unless a college student.

## 3 How Does It Work?

- ✧ Single parents with income up to \$75,000 and married parents with incomes up to \$110,000 can claim a Federal Child Tax Credit of \$600 per child. The credit amount declines as income increases beyond these levels.
- ✧ Workers with children who receive the Earned Income Tax Credit (EITC), and who owe income tax, may also receive the Child Tax Credit. The Child Tax Credit will not reduce benefits from the EITC.

## 4 How Do You Get the Credit?

- ✧ To claim the credit, you must file Form 1040 or 1040A, which includes a detailed Child Tax Credit Worksheet. Since the worksheet is fairly complicated, taxpayers should be encouraged to seek free assistance from a free Volunteer Income Tax Assistance (VITA) site near them.
- ✧ To determine eligibility for an extra child tax credit amount, a worker with three or more children, who also claims the EITC, must complete the IRS Form 8812, "Additional Child Tax Credit". Form 8812 must be attached to the tax return.

## 5 Do You Need Help With Your Claim?

Call **1 (800) 829-3676** to receive a copy of the IRS Form 8812, or contact a local Volunteer Income Tax Assistance (VITA) site near you, or call **1 (800) 829-1040** for assistance. Be patient—the 24-hour line is often busy.



### Remember...

Workers who know they will be eligible for the Federal Child Tax Credit in 2003 can arrange to have less income tax withheld from their pay, since the credit reduces their income tax. This can increase their take-home pay throughout the year.