

In Perspective

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Individual Tax Section

Ten Facts about the Child Tax Credit

1. **Amount** – The [Child Tax Credit](#) may reduce your federal income tax by up to \$1,000 for each qualifying child under the age of 17.
2. **Qualification** - A qualifying child for this credit is someone who meets the qualifying criteria of six tests: age, relationship, support, dependent, citizenship, and residence.
3. **Age Test** - To qualify, a child must have been 16 years old or younger on December 31, 2010.
4. **Relationship Test** - To claim a child for purposes of the Child Tax Credit, they must either be your son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister or a descendant of any of these individuals, which includes your grandchild, niece or nephew. An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.
5. **Support Test** - The child must not have provided more than half of their own support.
6. **Dependent Test** - The child must be claimed as a dependent on your federal tax return.
7. **Citizenship Test** - To meet the citizenship test, the child must be a U.S. citizen, U.S. national, or U.S. resident alien.
8. **Residence Test** - The child must have lived with you for more than half of 2010. There are [some exceptions](#) to the residence test.
9. **Limitations** - The credit is limited if your modified adjusted gross income is above a certain amount. For married taxpayers filing a joint return, the phase-out begins at \$110,000. For married taxpayers filing a separate return, it begins at \$55,000. For all other taxpayers, the phase-out begins at \$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.
10. **Additional Child Tax Credit** - If the amount of your Child Tax Credit is greater than the amount of income tax you owe, you may be able to claim the Additional Child Tax Credit.

Contact one of our tax specialists today with your personal tax questions.