

Changes to the 2018 Child Tax Credit

If you are wondering how the new tax law changes the child tax credit, there is good news! The law increases the credit to \$2,000 and offers up to \$1,400 of that as a refundable credit, even if you owe no tax.

The eligibility for this credit has not changed from last year, you still must have all of the following:

the child must be younger than 17 at the end of the year

the taxpayer must be eligible to claim the child as a dependent

the child must live with the tax payer at least six months out of the year

The family claiming the credit must have earned income of at least \$2,500 and the credit phases out at \$200,000 (\$400,000 if married filing jointly).

Dependents who are not eligible to be claimed for the child tax credit may still qualify for the credit for other dependents. This is a \$500 non-refundable credit that you may qualify for dependents who are your children over age 17, qualifying parents, or other qualifying relatives.

Check out this IRS bulletin to find out more or drop us a line today!

<https://www.irs.gov/newsroom/whats-new-with-the-child-tax-credit-after-tax-reform>