

FAMILY TAX CREDITS



How Tax Credits Can Put Money Back in Families' Pockets

Families may be eligible for thousands of dollars in federal and state tax credits. These credits can lower the income taxes that families must pay and, in some cases, give cash refunds to families whose incomes are too low to owe taxes. **And for tax year 2012, state and federal tax credits more valuable than ever.** But families have to know about these credits in order to claim them on their tax returns.

Federal Tax Credits

- The **Child and Dependent Care Tax Credit** can offset some of the child and dependent care costs that families pay in order to work. It is worth up to **\$2,100**.
- The **Child Tax Credit** helps families meet some of the costs of raising children. It is worth up to **\$1,000** per child. Even families who owe little or no income tax can receive at least some of this credit as a refund if they have at least \$3,000 in earnings in 2012.
- The **Earned Income Tax Credit** is designed to boost the wages of eligible families (earning less than \$45,060 if single or less than \$50,270 if married filing jointly, in 2012). It is worth up to **\$5,891** and is refundable.

State Tax Credits

- **State child and dependent care tax provisions:*** **Arkansas**, California, **Colorado**, Delaware, the District of Columbia, Georgia, **Hawaii**, Idaho, **Iowa**, Kansas, Kentucky, **Louisiana**, **Maine**, Maryland,

Massachusetts, **Minnesota**, Montana, **Nebraska**, **New Mexico**, **New York**, North Carolina, Ohio, Oklahoma, **Oregon**, Rhode Island, South Carolina, **Vermont**, and Virginia.

- **State earned income tax credits:*** **Connecticut**, Delaware, **the District of Columbia**, **Illinois**, **Indiana**, **Iowa**, **Kansas**, **Louisiana**, Maine, **Maryland**, **Massachusetts**, **Michigan**, **Minnesota**, **Nebraska**, **New Jersey**, **New Mexico**, **New York**, **North Carolina**, **Oklahoma**, **Oregon**, **Rhode Island**, **Vermont**, Virginia and **Wisconsin**. Some states have other tax provisions especially for low-income families. For example, **New Mexico** has a low-income comprehensive tax rebate – a refundable credit.
- **State child tax credits:*** **New York**, North Carolina, and Oklahoma.

You can help families claim these tax credits. Visit www.nwlc.org/loweryourtaxes for more information.

**States listed in bold have at least one fully or partially refundable tax credit in this category.*