



...ensuring affordable, accessible, high quality child care for all young children and families.

## 2009 Tax Credit Information for Families

These charts provide information about tax credits that you may be eligible for as you file your 2009 taxes. While care has been taken to provide you with accurate information, please note that CCSA staff are not tax experts. We hope you find this information helpful. Enclosed you will also find a list of VITA tax filing sites, which may be able to provide you with free tax filing services. Please feel free to contact one of our offices if we can be of further assistance with any of your child care needs.

Type of Credit	Description	Requirements for Child(ren) being Claimed	Amount of Credit or Refund	Income Eligibility Limits	Forms and Documents to Refer to
<b>Federal Credits</b>					
<b>Child Tax Credit (CTC)</b>	Refundable* credit that families may claim for each qualifying child.	Under age 17	Up to \$1,000 per child OR 15% of income over \$3,000	\$75,000 (filing single) \$110,000 (married filing jointly)	IRS Form 1040 or 1040A and Publication 972
<b>Child &amp; Dependent Care Tax Credit (DCTC)</b>	Non-refundable credit for work-related child care expenses. Expenses can not exceed \$3,000 for 1 child or \$6,000 for 2+ children.	Under age 13	1 Child: 20-35% of expenses, up to \$1,050 2+ Children: 20-35% of expenses, up to \$2,100	No eligibility limits, but amount of credit will depend on income level	IRS Form 2441 and Publication 503
<b>Earned Income Tax Credit (EITC) and Advance Earned Income Tax Credit (AEITC)</b>	Refundable credit available to low-income, working individuals and families.  The AEITC allows tax payers who expect to qualify for EITC & have at least one qualifying child to receive an advance on their credit. Amount of credit is spread throughout the tax year as extra money in worker's paycheck.	Under age 19, or under age 24 if a full-time student, or have permanent and total disability	1 Child: up to \$3,043 2 Children: up to \$5,028 3+ Children: up to \$5,657	<u>Single</u> w/1 Child: \$35,463 w/2 Children: \$40,295 w/3+ Children: \$43,279  <u>Married Filing Jointly</u> w/1 Child: \$40,463 w/2 Children: \$45,295 w/3+ Children: \$49,279	IRS Form 1040 or 1040A and Publication 596  For AEITC, a W-5 form must also be completed & submitted to employer
<b>Making Work Pay Tax Credit</b>	New refundable tax credit created by the American Recovery and Reinvestment Act (ARRA) effective 2009 and 2010 tax years. The credit will typically be handled by employers through automated withholding changes. Those who do not have taxes withheld can claim the credit on their return.	n/a	\$400 (filing single) \$800 (married filing jointly)	\$75,000 (filing single) \$150,000 (married filing jointly)	Publication 919 and Schedule M
<b>North Carolina Credits</b>					
<b>Credit for Children</b>	Non-refundable state credit for each child claimed as a dependant on your federal tax return.	Under age 17	\$100 per child	\$60,000 (filing single) \$100,000 (married filing jointly)	Form D-400TC parts 3 & 4
<b>Credit for Child &amp; Dependent Care Expenses</b>	Non-refundable tax credit for families who are entitled to claim an income tax credit for child and dependent care expenses on their federal returns. Expenses claimed on federal return will also be used in determining state credit. Expenses can not exceed \$3,000 for 1 child; \$6,000 for 2+ children.	Under age 13	20-35% of first \$3,000 of expenses, up to \$780	No eligibility limits, but amount of credit will depend on income level	Form D-400TC parts 2 & 4
<b>State Earned Income Tax Credit</b>	Refundable credit available tax years 2008 through tax year 2012. Must have filed federal income tax return and claimed federal EITC.  Advance payment of earned income credit does not apply to the State EITC	Under age 19, or under age 24 if a full-time student, or have permanent and total disability	1 Child: up to \$152 2 Children: up to \$251 3+ Children: up to \$283	<u>Single</u> w/1 Child: \$35,463 w/2 Children: \$40,295 w/3+ Children: \$43,279  <u>Married Filing Jointly</u> w/1 Child: \$40,463 w/2 Children: \$45,295 w/3+ Children: \$49,279	Form D-400TC

**\*Note:** A refundable credit means that if the amount of credit you qualify for is more than the taxes you owe, the IRS/state tax agency will send you the difference as a refund, even if you do not owe any taxes and are not required to file a tax return based on your income.

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