

### Parents Can Cut Taxes with Child-related Credits

Are you a parent? Give yourself some credit – a child-related tax credit, that is. Here are two that can reduce your 2013 federal income tax liability.

Child tax credit. The child tax credit applies if your dependent children were age 16 or younger at the end of 2013. The basic credit is \$1,000 per child, though the amount you can claim may be less when you file a joint return and your income is more than \$110,000 (\$75,000 for other parents).

You may also qualify for the "additional child tax credit," which can generate a refund even if you owe no tax, and comes into play when your tax bill is less than the basic credit.

Child and dependent care credit. Did you pay a daycare or babysitter to take care of your child so you could work? You can claim a credit of as much as 35% of your expenses, up to a maximum of \$1,050 for one child (\$2,100 for two or more children). To qualify, your child must generally be under age 13. In addition, both you and your spouse must have earned income, unless one of you was attending school full-time.

You can claim both of these credits on your 2013 federal income tax return in addition to the \$3,900 dependency exemption for each child. Contact us if you need assistance. [inquiries@mangoldcpa.com](mailto:inquiries@mangoldcpa.com) or 512-327-0909. Ext 212