

Tips for Taxes:

A Tip Sheet for CCR&R's on 2023 Child Care Taxes

A new year and a new tax season are upon us. Tax filings are due April 18, 2024. While many expanded tax programs from 2021 expired or benefit amounts decreased, the need for tax relief and assistance continues to be high for families and child care providers. With this in mind, Child Care Aware of America (CCAoA) has compiled a listing of current tax resources that families and child care providers may be eligible for, as well as resources for accessing free [tax preparation](#).

Child Care Resource & Referral agencies (CCR&Rs) can help inform families and child care providers about tax breaks and credits to maximize tax refunds and reduce or eliminate taxes owed. This is especially critical for families and providers that did not claim the 2022 tax credits in full, but are still eligible to back file, to ensure they are not leaving money on the table. Sharing this information widely across your agency and partners supports their children, their families, and child care providers in accessing the information they need to claim all the tax benefits available to them.

Tax Benefits for Families and Child Care Providers

Below, find a listing of key tax breaks and credits, along with a brief description, that families and/or child care providers may be able to take advantage of.

Child and Dependent Care Tax Credit (CDCTC)

- Tax credit for working families (and in some cases those studying full-time) to help offset the cost of:
 - child care for children under the age of 13 (e.g. child care center, family child care home, family, friend, neighbor care, before or after school care, summer or vacation day camps, co-pays, etc.) and
 - care for qualified adult dependents (e.g. aging parents, other relatives with disabilities).
- Determine [eligibility](#).
- Some states offer their own version of the child and dependent care tax credit, [find out](#) if your state offers one.

Child Tax Credit (CTC)

- Tax credit to help families raising children.
- Determine [eligibility](#).
- Families may be eligible even if they earn little or no money, and even if they don't usually file taxes.
- Individual taxpayer identification numbers or social security numbers are accepted to claim the CTC, however the child being claimed will need a social security number to be eligible.
- Many states offer their own version of the CTC, [find out](#) if your state provides one.

Credit for Qualifying Children and Other Dependents (ODC)

- Tax credit for qualifying dependent children who can't be claimed under the Child Tax Credit due to eligibility requirements (e.g. a child that is older than 17 or if the child does not have an individual taxpayer identification number, etc.).
- Determine [eligibility](#).
- Individual taxpayer identification numbers and social security numbers are accepted to claim the credit for the parents/family members and the child being claimed.

Earned Income Tax Credit (EITC)

- Tax credit for low-to-moderate-income workers, with and without children,
- Determine [eligibility](#).
- Requires a valid social security number for both the tax filer and everyone who is claimed on the filer's taxes.
- Many states, some localities and Washington, D.C offer their own EITC, which may have broader access (e.g. individual tax identification numbers accepted in some areas) compared to the federal one. [Find out](#) if your state offers this credit.

Education Credits

Must meet all three of the following for both education credits available:

- You, your dependent or a third party pays qualified education expenses for higher education.
- An eligible student must be enrolled at an eligible educational institution.
- The eligible student is yourself, your spouse or a dependent you list on your tax return.

Free Tax Filing Assistance

Families and child care providers may be eligible for free tax preparation using the services listed below.

IRS Free File

- Free federal tax return for families earning \$73,000 or less.
- Guided tax preparation through an IRS partner site, using IRS Free File guided tax software, or IRS Free File Fillable Forms. More information about IRS resources for Free File are available [here](#).
- Some state tax preparation and filing may be available.

Volunteer Income Tax Assistance (VITA)

- Free tax preparation for those who qualify (persons with low-to-moderate income (\$60,000 or less), persons with disabilities, the elderly, and persons with limited English proficiency).
- Find a provider [here](#) or call 800-906-9887.

AARP Foundation Tax-Aide

- Free in-person and virtual tax assistance to anyone, with a focus on taxpayers over 50 years of age and who have low-to-moderate income.
- Find a provider [here](#) or call 888-227-7669.
- Generally, Tax-Aide service will run from February 1 to April 18

Get Your Refund

- Online, mobile-friendly app connecting tax filers with tax preparation assistance.
- Free service for families earning less than \$66,000 per year.
- Chat support available.
- Service offers filing back taxes as well (2019-2022).

United Way "My Free Taxes"*

- Help for filing federal and state taxes for free.
- Income limitations - Under \$60,000
- Filing Years - 2019 - 2023
- Helpline: 866-698-9435.