

American Taxpayers Eligible for Dependents Tax Deduction

Tax season will be coming again and taxpayers can take advantage of the tax deductions for having dependents.

TRAVERSE CITY, MI, US, May 6, 2023 /EINPresswire.com/ -- Tax season will be coming again and taxpayers can take advantage of the <u>tax deduction for having dependents</u>.

The Internal Revenue Service (IRS) allows taxpayers to deduct up to \$4,000 from their taxable income if they are responsible for supporting dependent children or other relatives. This deduction is available to all taxpayers who meet the IRS's definition of a "qualifying child", regardless of whether they are itemizing deductions.

The dependent deduction applies to any qualifying child who is: under the age of 19, or under the age of 24 if a full-time student; or any age if permanently disabled. The dependent must also have lived with you for more



Tax Deductions for Dependents



Tax Credits for Having Dependents

than half of the year and must not have provided more than half of his/her own support during that time.

In addition to kids and grandkids, adult relatives can qualify as dependents under certain conditions. For working families with dependent care costs, the tax code has a new credit to help ease the burden.

The <u>Dependent Care Credit provides a</u> tax break for parents who pay for daycare and other types of dependent care.

The Dependent Care Credit applies to expenses incurred for the care of qualifying individuals, such as dependent children under the age of 13, disabled spouses, or dependent relatives who live in your home and require care so that you can work or look for work.



Child Care Tax Credit

The credit is generally 20-35% of

eligible expenses up to \$3,000 (for one qualifying person) or up to \$6,000 (for two or more). The credit can be used to offset taxes owed on your federal income tax return. However, unlike some other tax credits, the Dependent Care Credit cannot be used as a refundable credit.

For more information about American Tax Service and the dependents tax deduction visit https://americantaxservice.org/

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