

# What the child tax credit changes mean

## YOUR FINANCE

BY TINA OREM  
NerdWallet for AP

The wallet-emptying experience of raising kids fuels a lot of interest in the child tax credit. Thanks to some big changes recently, the fascination could reach Tickle Me Elmo-like proportions.

Here are a few things tax pros say you should know about this credit and how you can take maximum advantage of it on your tax return.

### Double down

One notable change to the child tax credit in 2018 is that it doubled from \$1,000 per kid to \$2,000 per kid. Even though the end of the personal exemption in 2018 may eat away at some of those tax savings, many parents will most likely see a benefit, says Chad Harrison, a certified public accountant in Mason City, Iowa.

There are other factors to think about, adds Michael Ruger, a partner and chief investment officer at Greenbush Financial Group in upstate East Greenbush. For example, the child tax credit is more potent than a tax deduction. That is, it's a dollar-for-dollar reduction in your tax bill rather than a reduction in your taxable income.

Also, federal income tax rates are broadly lower for most people in 2018 compared with 2017, meaning that even if you had more taxable income this year, it will likely be taxed at a lower rate. And the bigger child tax credit could erase a larger chunk of that tax bill.

### Stop assuming you don't qualify

Last year, the child tax credit started phasing out for single filers with modified adjusted gross incomes over \$75,000 and for joint filers with MAGIs over \$110,000. For 2018, however, the phase-out doesn't start until single filers hit \$200,000 MAGI and joint filers hit \$400,000.

That's a game-changer, according to Harrison.

"It has drastically increased the amount of money a person can make and still qualify for the credit," he says.

And if the child tax credit reduces your tax bill to zero, the IRS may even send you up to \$1,400 of that leftover credit per child, Harrison notes.

### Mind those birthdays

They grow up so fast — and that



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The child tax credit has a new little brother this year — a credit that can knock \$500 off your tax bill for each of your qualifying dependents other than children. Aging parents and adult children might fall into this bucket — if they meet the IRS' somewhat complicated definition of a dependent. Relationship, age, residency, special-needs status and filing status are some of the factors the IRS considers. Giving a down-and-out friend or relative money to pay the bills doesn't necessarily make you eligible for this credit.

can raise your tax bill. Among other things, your children still have to be 16 or younger by the end of the calendar year for you to qualify for the child tax credit. That can complicate things if there's a teenager in the family. Not only is the personal exemption gone; you may only qualify for the \$500 Credit for Other Dependents instead of the \$2,000 child tax credit, Ruger says.

"That \$500 tax credit may not make up for that personal exemption," he says.

"It's going to be, in general, tough for taxpayers to know where they land, because so much changed," he adds. "I think a lot of people are going to be surprised both at the upside and the downside when they get to filing their taxes for 2018."

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The US Department of Labor has certified that workers of **Hologic, Inc., Cynosure-Ellman Division, Hicksville, New York**, may be eligible for Trade Adjustment Assistance (TAA). The petition number is 94,083. This petition applies to all workers who:

- Were engaged in activities related to the production of radio frequency equipment and related accessories
- Were laid off between 8/22/2017 and 9/18/2018 or
- Were notified that they will be laid off by 9/18/2020

TAA benefits may include:

- Career counseling services
- Paid training for a new job
- Financial support while looking for new employment or attending approved training
- Allowances to:
  - Pay travel expenses to job interviews outside the commuting area
  - Relocate family and household goods to a new job location
- A wage subsidy for workers aged 50 years or older, if they find a new job that pays less

To apply for these benefits or get more details:

Call (518) 485-1597 or  
Write to NYS Department of Labor, TRA Unit,  
State Office Campus,  
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Albany, NY 12240



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## WORKER ELIGIBILITY FOR TRADE ACT BENEFITS

The US Department of Labor has certified that workers of **Telephonics Corporation, a wholly owned subsidiary of Griffon Corporation, including on-site leased workers from Nationwide Technical Resources Corporation, Huntington, New York**, may be eligible for Trade Adjustment Assistance (TAA). The petition number is 93645. This petition applies to all workers who:

- Were engaged in activities related to the production of radar systems, surveillance systems, communication systems, and Application Specific Integrated Circuits (ASICs)
- Were laid off between 3/14/2017 and 9/4/2018 or
- Were notified that they will be laid off by 9/4/2020

TAA benefits may include:

- Career counseling services
- Paid training for a new job
- Financial support while looking for new employment or attending approved training
- Allowances to:
  - Pay travel expenses to job interviews outside the commuting area
  - Relocate family and household goods to a new job location
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