



Greetings!

The Tax Season has arrived and as you begin to prepare for your 2018 filing there are some new tax breaks that you will need to know.

If you have children, you may be able to reduce your tax bill using these tax credits and deductions.

Having children can impact your tax situation in multiple ways. Make sure that you're taking advantage of the credits and deductions for which you are entitled. Call me today and let's discuss how you can maximize your deductions.

Sharon

8 Tax Breaks for Parents

#1 Child Tax Credit

You may be able to take this credit on your tax return for each of your children under age 17. Qualifying dependents must have a valid Social Security Number. This credit is refundable, which means you may get a refund even if you don't owe any tax.



#2 Credit for Other Dependents

This is a new tax credit under tax reform and is available for dependents for whom taxpayers cannot claim the Child Tax Credit. These dependents may include dependent children who are age 17 or older at the end of 2018 or parents or other qualifying relatives supported by the taxpayer.

This credit is nonrefundable.

#3 Child and Dependent Care Credit

You may be able to claim this credit if you pay someone to care for your child under age 13 while you work or look for work. To claim this credit you will need to accurately track your child care expenses.





#4 Earned Income Tax Credit

Earned Income Tax Credit: The EITC is a benefit for certain people who work and have earned income from wages, self-employment, or farming. EITC reduces the amount of tax you owe and may also give you a refund.

#5 Adoption Credit

Adoption Credit: You may be able to take a tax credit for qualifying expenses paid to adopt a child.



#6 Coverdell Education Savings Account

are tax-free.

This savings account is used to pay qualified expenses at an eligible educational institution, which starting in 2018, includes primary and secondary schools as well as colleges and vocational schools. Contributions are not deductible; however, qualified distributions generally

#7 Higher Education Tax Credit

Education tax credits can help offset the costs of education. The American Opportunity and the Lifetime Learning Credits are education tax credits that reduce your federal income tax dollar for dollar, unlike a deduction, which reduces your taxable income.



#8 Student Loan Interest

You may be able to deduct interest you pay on a qualified student loan. The deduction is claimed as an adjustment to income, so you do not need to itemize your deductions.

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