



Current Federal Tax Credits That Impact Working Families



Child Tax Credit

The Child Tax Credit (CTC), which was signed into law by President Bill Clinton in 1997, is worth up to \$1,000 per eligible child and it is subtracted from the total amount of Federal income taxes families owe on a yearly basis. CTC, which was also expanded in 2001, includes the “Additional Child Tax Credit,” that working families qualify for if their CTC value exceeds the amount of income tax owed. As a result, a family may receive part or all of the difference in a refund.

The CTC is important for low-income and working class families, because without it, many would not receive tax benefits to help offset the costs of raising children.

Child Care Aware® of America strongly supports CTC and calls on Congress to work together in an effort to expand this credit as it helps lift families out of poverty and helps to provide more opportunities for children.

More information on the CTC can be found [here](#).

Earned Income Tax Credit

The Earned Income Tax Credit (EITC) supports working class families with children who earn approximately \$40,000 to \$55,000 annually. In addition, low-income adults who have no children may qualify for a portion of an EITC refund.

The EITC was designed to lift families out of poverty and encourage work. In 2015, over 6 million were lifted out of poverty with the EITC benefit, including approximately 3.5 million children.

The average EITC benefit is \$3,000 for families with children, and roughly \$300 for low-income adults without children.

More information on EITC can be found [here](#).