

משה שדה
הנהלת חשבונות
רח' ההסתדרות 10
ירושלים 94230
טלפון 02-6246057
פקס 972-2-6236105



Moshe Sadeh
Accountant
10 Hahistadrut St.
Jerusalem 94230
Tel. 02-6246057
Fax. 972-2-6236105

CHILD TAX CREDIT

A maximum tax credit of \$1,000 for each qualifying child under age 17 is available for tax year 2003 (and was extended for tax years 2004-2009). For the tax years 2001 and 2002 the maximum child credit was \$600 per child.

A qualifying child for the purpose of receiving the child tax credit must be all of the following.

1. Under age 17 at the end of 2003 or the tax year claimed.
2. Claimed as your dependent.
3. A citizen or resident of the United States.
4. Son, Daughter, Adopted child, Stepchild, Grandchild, or Great Grandchild or descendent of any of these.

A Brother, Sister, Stepbrother, Stepsister, or their Descendent also qualifies if cared for as your own child.

To Claim The Child Tax Credit you need more than \$10,350. of earned income to qualify. If filers owe taxes for years mentioned the child tax credit will reduce their taxes.

Phase out of child tax credit:

The credit is limited or eliminated if your Adjusted Gross Income (AGI) is above a threshold amount for your filing status.

Filing Status	Phase out applies if AGI exceeds
MARRIED FILING JOINTLY	\$110,000
HEAD OF HOUSEHOLD	\$75,000
SINGLE	\$75,000
QUALIFYING WIDOW(ER)	\$75,000
MARRIED FILING SEPERATELY	\$55,000

ADDITIONAL CHILD TAX CREDIT

This credit is for individuals who receive less than the full amount of the child tax credit. Starting in the year 2001 the tax law allowed the additional child tax credit.

To individuals who reported earned income prior to 2001- the Additional Child Tax Credit was limited to individuals who paid Social Securities Taxes.