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Eight Tax Benefits for Parents

Your children may help you qualify for valuable tax benefits, such as certain credits and deductions. If you are a parent, here are eight benefits you shouldn't miss when filing taxes this year.

- 1. Dependents.** In most cases, you can claim a child as a dependent even if your child was born anytime in 2012
- 2. Child Tax Credit.** You may be able to claim the Child Tax Credit for each of your children that were under age 17 at the end of 2012. If you do not benefit from the full amount of the credit, you may be eligible for the Additional Child Tax Credit.
- 3. Child and Dependent Care Credit.** You may be able to claim this credit if you paid someone to care for your child or children under age 13, so that you could work or look for work.
- 4. Earned Income Tax Credit.** If you worked but earned less than \$50,270 last year, you may qualify for EITC. If you have qualifying children, you may get up to \$5,891 dollars extra back when you file a return and claim it.
- 5. Adoption Credit.** You may be able to take a tax credit for certain expenses you incurred to adopt a child.
- 6. Higher education credits.** If you paid higher education costs for yourself or another student who is an immediate family member, you may qualify for either the American Opportunity Credit or the Lifetime Learning Credit. Both credits may reduce the amount of tax you owe. If the American Opportunity Credit is more than the tax you owe, you could be eligible for a refund of up to \$1,000.
- 7. Student loan interest.** You may be able to deduct interest you paid on a qualified student loan, even if you do not itemize your deductions.
- 8. Self-employed health insurance deduction** - If you were self-employed and paid for health insurance, you may be able to deduct premiums you paid to cover your child. It applies to children under age 27 at the end of the year, even if not your dependent.