

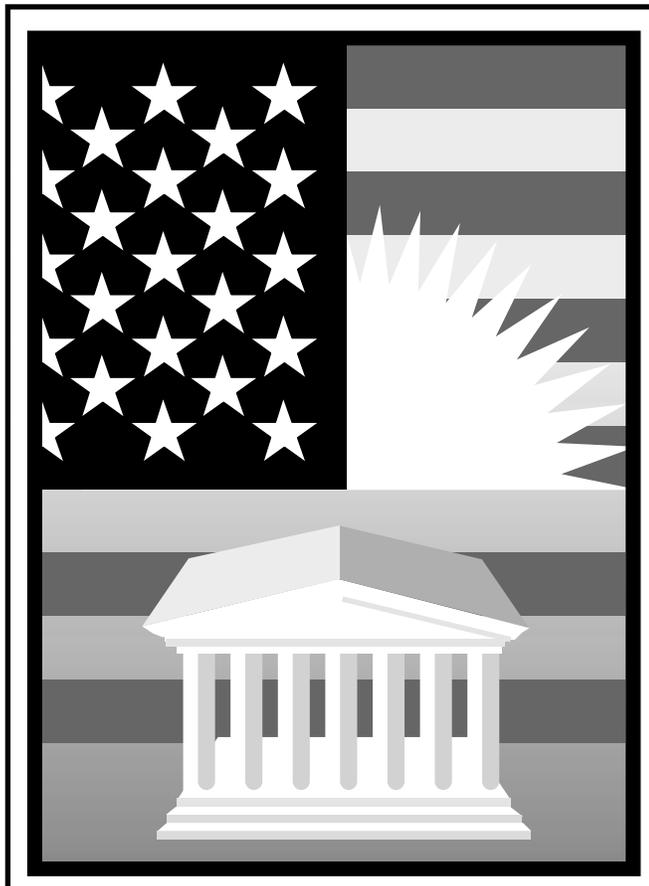


Department of the Treasury
Internal Revenue Service

Publication 972
Cat. No. 26584R

Child Tax Credit

For use in preparing
1999 Returns



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Purpose

The purpose of this publication is to figure the child tax credit you claim on Form 1040, line 43, or Form 1040A, line 28. You cannot claim the child tax credit on Form 1040EZ.

How To Use This Publication

If you were sent here from your Form 1040 or Form 1040A instructions. Go to page 2 of this publication and complete the Child Tax Credit Worksheet.

If you have not read your Form 1040 or Form 1040A instructions. Pick up your Form 1040 or Form 1040A instructions and complete the following steps.

- 1) Go to the instructions for line 43 of Form 1040 or line 28 of Form 1040A.
- 2) Answer the *Questions*.
- 3) **Form 1040.** If you answered "Yes" to question 1, 2, or 4, go to page 2 of this publication and complete the Child Tax Credit Worksheet.
Form 1040A. If you answered "Yes" to question 1 or 3, go to page 2 of this publication and complete the Child Tax Credit Worksheet.

Photographs of Missing Children

The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling **1-800-THE-LOST (1-800-843-5678)** if you recognize a child.

Before you begin:

You will need any of the following forms that you are filing.

- ✓ Form 2555, Foreign Earned Income
- ✓ Form 2555-EZ, Foreign Earned Income Exclusion
- ✓ Form 4563, Exclusion of Income for Bona Fide Residents of American Samoa



Part 1

1. Number of qualifying children: _____ × \$500. Enter the result.

1	
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2. Enter the amount from Form 1040, line 34, or Form 1040A, line 19.

2	
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3. **1040 filers:** Enter the total of any—
 • Exclusion of income from Puerto Rico, and
 • Amounts from Form 2555, lines 43 and 48; Form 2555-EZ, line 18; and Form 4563, line 15.
1040A filers: Enter -0-.

3	
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4. Add lines 2 and 3. Enter the result.

4	
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5. Enter the amount shown below for your filing status.
 • Married filing jointly - \$110,000
 • Single, head of household, or qualifying widow(er) - \$75,000
 • Married filing separately - \$55,000

5	
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6. Is the amount on line 4 more than the amount on line 5?
 No. Leave line 6 blank. Enter -0- on line 7.
 Yes. Subtract line 5 from line 4.
 If the result is not a multiple of \$1,000, increase it to the next multiple of \$1,000 (for example, increase \$425 to \$1,000, increase \$1,025 to \$2,000, etc.).

6	
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7. Multiply the amount on line 6 by 5% (.05). Enter the result.

7	
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8. Is the amount on line 1 more than the amount on line 7?
 No. You cannot take the child tax credit on Form 1040, line 43, or Form 1040A, line 28. You also cannot take the additional child tax credit on Form 1040, line 60, or Form 1040A, line 38. Complete the rest of your Form 1040 or 1040A.
 Yes. Subtract line 7 from line 1. Enter the result.
Go to Part 2 on the next page.

8	
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Part 2

9. Enter the amount from Form 1040, line 40, or Form 1040A, line 25.

9	
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10. Add the amounts from—

Form 1040: or **Form 1040A:**

Line 41 Line 26 _____

Line 42 Line 27 + _____

Line 44 Line 29 + _____

Enter the total.

10	
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11. Is the amount on line 1 of this worksheet \$1,500 or more **AND** are you claiming any of the following credits?

- Adoption credit, Form 8839
- Mortgage interest credit, Form 8396
- District of Columbia first-time homebuyer credit, Form 8859

No. Enter the amount from line 10.

Yes. Complete the Line 11 Worksheet on the next page to figure the amount to enter here.

11	
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12. Subtract line 11 from line 9. Enter the result.

12	
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13. Is the amount on line 8 of this worksheet more than the amount on line 12?

No. Enter the amount from line 8.

Yes. Enter the amount from line 12. See the **TIP** below.

This is your child tax credit.

13	
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Enter this amount on Form 1040, line 43, or Form 1040A, line 28.



You may be able to take the **additional child tax credit** on Form 1040, line 60, **or** Form 1040A, line 38, only if you answered "Yes" on line 13 above **AND** the amount on line 1 is \$1,500 or more.

- First, complete your Form 1040 through line 59b, or Form 1040A through line 37b.
- Then, use Form 8812 to figure any additional child tax credit.



Use this worksheet only if you answered "Yes" on line 11 of the Child Tax Credit Worksheet on page 3.



Before you begin:

- ✓ Have your Form(s) W-2 available.
- ✓ **1040 filers:** Complete lines 52, 59a, 59b, and 62 of your return if they apply to you.
- ✓ **1040A filers:** Complete lines 37a and 37b of your return if they apply to you. If you, or your spouse if filing jointly, had more than one employee for 1999 and total wages of over \$53,700, figure any excess social security and railroad retirement (RRTA) taxes withheld. See the instructions for Form 1040A, line 39.

1. Enter the amount from line 8 of the Child Tax Credit Worksheet on page 2.

1	
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2. Enter the total of the following amounts from Form(s) W-2:

- Social security taxes from box 4, and
- Medicare taxes from box 6.

Railroad employees, see the bottom of page 5.

2	
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If married filing jointly, include your spouse's amounts with yours when completing lines 2 and 3.

3. **1040 filers:** Enter the total of any—

- Amounts from Form 1040, lines 27 and 52, and
- Uncollected social security and Medicare or RRTA taxes shown in box 13 of your Form(s) W-2 with codes A, B, M, and N.

1040A filers: Enter -0-.

3	
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4. Add lines 2 and 3. Enter the result.

4	
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5. **1040 filers:** Enter the total of the amounts from Form 1040, lines 59a and 62.

- 1040A filers:** Enter the total of any—
- Amount from Form 1040A, line 37a, and
 - Excess social security and RRTA taxes withheld that you entered to the left of Form 1040A, line 39.

5	
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6. Is the amount on line 4 more than the amount on line 5?

No.

Do not complete the rest of this worksheet. Instead, go back to the Child Tax Credit Worksheet on page 3 and do the following. Enter the amount from line 10 on line 11 and complete lines 12 and 13.

Yes. Subtract line 5 from line 4. Enter the result. *Go to line 7 on the next page.*

6	
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7. Is the amount on line 6 of this worksheet more than the amount on line 1?

No. Subtract line 6 from line 1. Enter the result.

Yes. Enter -0-.

7	
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Next, figure the amount of any of the following credits that you are claiming. Use the amount from line 7 above when you are asked to enter the amount from Form 1040, line 43, or Form 1040A, line 28.

- Adoption credit, Form 8839
- Mortgage interest credit, Form 8396
- District of Columbia first-time homebuyer credit, Form 8859

Then, go to line 8.

8. Enter the total of the amounts from—

- Form 8839, line 15, and
- Form 8396, line 11, and
- Form 8859, line 11.

8	
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9. Enter the amount from line 10 of the Child Tax Credit Worksheet on page 3.

9	
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10. Add lines 8 and 9. Enter the result.

10	
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Enter this amount on line 11 of the Child Tax Credit Worksheet on page 3.

Railroad Employees

Include the following taxes in the total on line 2 of the Line 11 Worksheet.

- ✓ Tier 1 tax withheld from your pay. This tax should be shown in box 14 of your Form(s) W-2 and identified as “Tier 1 tax.”
- ✓ If you were an employee representative, 50% of the total Tier 1 tax and Tier 1 Medicare tax you paid for 1999.

How To Get More Information

You can order free publications and forms, ask tax questions, and get more information from the IRS in several ways. By selecting the method that is best for you, you will have quick and easy access to tax help.

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- *Tax Info For You* to view Internal Revenue Bulletins published in the last few years.
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You can also reach us with your computer using File Transfer Protocol at ftp.irs.gov.



TaxFax Service. Using the phone attached to your fax machine, you can receive forms and instructions by calling **703-368-9694**. Follow the directions from the prompts. When you order forms, enter the catalog number for the form you need. The items you request will be faxed to you.



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- *Ordering forms, instructions, and publications.* Call **1-800-829-3676** to order current and prior year forms, instructions, and publications.

- *Asking tax questions.* Call the IRS with your tax questions at **1-800-829-1040**.
- *TTY/TDD equipment.* If you have access to TTY/TDD equipment, call **1-800-829-4059** to ask tax questions or to order forms and publications.
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IRS Publication 3207, *Small Business Resource Guide*, is an interactive CD-ROM that contains information important to small businesses. It is available in mid-February. You can get one free copy by calling **1-800-829-3676**.