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Isaac M. O'Bannon • Jan. 24, 2012

How much is that little bundle of joy worth? Junior or your Princess may be priceless to you, but when it comes to taxes, there can be several very tangible monetary benefits. Here are 10 things the **IRS** wants parents to consider when filing their taxes this year.

- 1. Dependents** In most cases, a child can be claimed as a dependent in the year they were born. For more information see IRS Publication 501, Exemptions, Standard Deduction, and Filing Information.
- 2. Child Tax Credit** You may be able to take this credit for each of your children under age 17. If you do not benefit from the full amount of the Child Tax Credit, you may be eligible for the Additional Child Tax Credit. For more information see IRS Publication 972, Child Tax Credit.
- 3. Child and Dependent Care Credit** You may be able to claim this credit if you pay someone to care for your child or children under age 13 so that you can work or look for work. See IRS Publication 503, Child and Dependent Care Expenses.
- 4. Earned Income Tax Credit** The EITC is a tax 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. IRS Publication 596, Earned Income Credit, has more details.
- 5. Adoption Credit** You may be able to take a tax credit for qualifying expenses paid to adopt an eligible child. If you claim the adoption credit, you must file a paper tax

return with required adoption-related documents. For details, see the instructions

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8. Higher education credits Education tax credits can help offset the costs of higher education. The American Opportunity and the Lifetime Learning Credits are education credits that can reduce your federal income tax dollar-for-dollar. See IRS Publication 970, Tax Benefits for Education, for details.

9. Student loan interest You may be able to deduct interest paid on a qualified student loan, even if you do not itemize your deductions. For more information, see IRS Publication 970.

10. Self-employed health insurance deduction If you were self-employed and paid for health insurance, you may be able to deduct any premiums you paid for coverage for any child of yours who was under age 27 at the end of the year, even if the child was not your dependent. For more information, see the IRS website.

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