

# Tax Credits – An Overview

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Tax credits cut your actual tax - dollar for dollar. There are way more tax credits available than most taxpayers are aware exist. The following is a general overview of **some** of the tax credits that are available to you. Tax credits generally come with complex guidelines, so if you do think you may qualify for one or more, please consult your tax professional to make sure you claim it properly.

- **Adoption Tax Credit** - You may be entitled to take a credit for some (or all) of your "reasonable and necessary" expenses related to adopting an eligible child. This credit is subject to a dollar limit and an income limit.
- **Child Tax Credit** - You may be able to claim up to \$1,000 for each qualifying child. This credit is limited based on your filing status, modified adjusted gross income, the amount of regular and alternative minimum tax you owe.
- **Dependent Care Tax Credit** - If you [paid someone to care for your child](#) or dependent so you could work or look for work, you may be able to claim up to \$3,000 for one child (or dependent) or \$6,000 for more than one child (or dependent). This credit is a percentage of the dependent care expenses that you incurred. The percentage varies depending on your income.
- **Disabled Access Tax Credit** - Eligible small businesses who incurred expenses in order to comply with the American Disabilities Act may be able to claim a tax credit of up to \$5,000.
- **Earned Income Tax Credit** - If you have "earned income" (income from working), and you meet certain other requirements you may be able to claim a credit. This credit is limited based on the amount of your investment income, earned income and modified adjusted gross income.
- **Elderly and Disabled Tax Credit** - If you are age 65 or older at the end of the year or you are retired on permanent and total disability, you may be eligible for this credit. This credit is limited by your adjusted gross income and your nontaxable income.
- **Employer Provided Child Care** - Eligible companies may be entitled to a credit for certain of the costs involved in acquiring, constructing, rehabilitating or expanding their property to meet guidelines for a qualified child care facility for their employees.
- **Foreign Tax Credit** - This credit is available to eligible taxpayers who invest in foreign taxable income, but do not get the benefit of itemizing their deductions. This credit is generally limited to the amount of income tax you paid or was accrued to a foreign country or a U.S. possession that qualified for this credit.
- **Hope Scholarship Credit** - This credit is available for eligible taxpayers who have an eligible student, in their first year or two of undergraduate education, who was enrolled at least half-time for at least once academic period at an eligible school leading to a degree or certificate. This credit is limited by the taxpayers adjusted gross income and the net amount of qualified educational expenses paid.
- **Lifetime Learning Tax Credit** - If there are any students in your family, you may be eligible to claim this credit. This credit is based on qualified tuition and related expenses from eligible institutions.
- **Low-Income Housing Tax Credit** - If you have invested in low-income housing and have met other Federal guidelines you may be eligible for a tax credit of up to 9 cents for every dollar you spent on the housing for up to 10 years.
- **Rehabilitation Credit** - If you have renovated, restored or reconstructed a historical building or a building placed in service before 1939, you may be eligible to take a credit for part of the costs that you incurred.
- **Retirement Savings Contribution Credit** - If you are over the age of 18, not a student and have, what the IRS refers to as "low or moderate" adjusted gross income, and contribute to a retirement plan you may be eligible for as much as \$1,000 of the amount you contributed to your retirement as a credit against the taxes you pay.