

## STUDENT LOAN INTEREST DEDUCTION

Maximum interest deduction	\$ 2,500
<b>Modified Adjusted Gross Income Phaseout:</b>	
Married Filing Jointly	\$140,000 to \$170,000
Single/HOH	\$ 70,000 to \$ 85,000

## QUALIFYING CHILD FOR CHILD TAX CREDIT

A qualifying child for purposes of the child tax credit must be all of the following:

- A U.S. citizen or resident alien
- An SSN holder
- Claimed as your dependent on Form 1040 or 1040-SR
- Under age 17 at the end of 2020
- Your:
  - Son, daughter, adopted child, stepchild, or descendant of any of them (for example, your grandchild)
  - Brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your niece or nephew) whom you cared for as you would your own child

### Adopted Child

An adopted child is always treated as your own child. An adopted child includes a child placed with you by an authorized placement agency for legal adoption even if the adoption is not final.

## CHILD TAX CREDIT

Credit Amount	\$2,000
Refundable Portion	\$1,400

## QUALIFYING DEPENDENT FOR OTHER DEPENDENT CREDIT

A qualifying dependent for the other dependent credit must be all of the following:

- A U.S. citizen, U.S. national, or U.S. resident alien
- An SSN, ITIN, or ATIN holder
- Claimed as your dependent on Form 1040 or 1040-SR

Credit Amount	\$500
Refundable Portion	\$-0-

## DEPENDENT CARE CREDIT LIMITATIONS

To determine your amount of credit, multiply your work-related expenses (after applying the earned income and dollar limits) by one of the following percentages. This percentage depends on your adjusted gross income shown on Form 1040, 1040-SR, or 1040-NR, line 11. The following table shows the percentage to use based on adjusted gross income. The maximum eligible to be multiplied by these percentages is \$3,000 per child or \$6,000 per return.

**If your adjusted gross income is:**

Over	But Not Over	The Percentage Is:
\$ 0	\$15,000	35%
15,000	17,000	34%
17,000	19,000	33%
19,000	21,000	32%
21,000	23,000	31%
23,000	25,000	30%
25,000	27,000	29%
27,000	29,000	28%
29,000	31,000	27%
31,000	33,000	26%
33,000	35,000	25%
35,000	37,000	24%
37,000	39,000	23%
39,000	41,000	22%
41,000	43,000	21%
43,000	No Limit	20%

## COMPARISON OF EDUCATION CREDITS

Lifetime Learning	American Opportunity
Up to \$2,000 credit per return	Up to \$2,500/Up to 40% is refundable
Maximum lifetime learning rate is 20%	100% of first \$2,000 plus 25% of next \$2,000
Available for all years of post-secondary education and for courses to acquire or improve job skills	Available for four years of college and ONLY if the student had not completed the first 4 years of postsecondary education before 2020
Available for an unlimited number of years	Available ONLY for 4 tax years per eligible student (including any years Hope credit was claimed)
Student doesn't need to be pursuing a program leading to a degree or other recognized education credential	AGI phaseout between \$80,000 - \$90,000 (160K - 180K MFJ)
Available for one or more courses	Student must be enrolled at least half time for at least one academic period beginning during 2020 (or the first 3 months of 2021 if the qualified expenses were paid in 2020)
Felony drug conviction rule does not apply	As of the end of 2020, the student had not been convicted of a felony for possession or distribution of a controlled substance

## EDUCATION CREDITS PHASEOUT

Lifetime Learning Adjusted Gross Income	Refundable American Opportunity
Married Filing Jointly	\$118,000 to \$138,000
All other filing statuses	\$59,000 to \$69,000
	\$160,000 to \$180,000
	\$ 80,000 to \$ 90,000

## SOCIAL SECURITY PAYBACK

At full retirement age or older	No limit on earnings
Under full retirement age	\$1 in benefits will be deducted for each \$2 you earn above \$18,240
In the year you reach full retirement age	Your benefits will be reduced \$1 for every \$3 you earn above \$48,600

\* For people born in 1943 through 1954, the full retirement age is 66.

The full retirement age increases gradually each year until it reaches age 67 for people born in 1960 or later.