STUDENT LOAN INTEREST DEDUCTION

Maximum interest deduction	$ 2,500
Modified Adjusted Gross Income Phaseout:	
Married Filing Jointly	$ 170,000 - $200,000
Single/HOH	$ 85,000 - $100,000

QUALIFYING CHILD FOR CHILD TAX CREDIT

A qualifying child for the purposes of the Child Tax Credit must be all of the following:

- A U.S. citizen or resident alien
- An SSN holder
- Claimed as the taxpayer's dependent on Form 1040 or 1040-SR
- Under age 17 at the end of 2025
- The taxpayer's:
  - Son, daughter, adopted child, stepchild, or descendant of any of them (for example, the taxpayer's grandchild)
  - Brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, the taxpayer's niece or nephew) for whom the taxpayer cared for as they would their own child

Adopted Child

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

New for 2025: a taxpayer (or spouse if filing jointly) must have a social security number to claim the Child Tax Credit or Additional Child Tax Credit.

CHILD TAX CREDIT

Credit amount	$2,200
Refundable portion	$1,700

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 the taxpayer's dependent on Form 1040 or 1040-SR

Credit amount	$500
Refundable portion	$ 0

DEPENDENT CARE CREDIT LIMITATIONS

To determine the amount of the credit, multiply the taxpayer's work-related expenses (after applying the earned income and dollar limits) by one of the following percentages. This percentage depends on the taxpayer's 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 amount eligible to be multiplied by these percentages is $3,000 per child or $6,000 per return.

If the taxpayer's adjusted gross income is:

Over	But Not Over	Percentage
$ 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 per return	Up to $2,500; up to 40% is refundable
Maximum rate is 20%	100% of first $2,000, plus 25% of next $2,000
Available for all years of postsecondary 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 four years of postsecondary education before 2025
Available for an unlimited number of years	Available ONLY for four tax years per eligible student (including any years the Hope Credit was claimed)
Student does not need to be pursuing a program leading to a degree or other recognized education credentials	Student must be pursuing a degree or other recognized education credentials
Available for one or more courses	Student must be enrolled at least half-time for at least one academic period that begins during 2025 (or the first three months of 2025 if the qualified expenses were paid in 2025)
Felony drug conviction rule does not apply	As of the end of 2025, 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	$160,000 - $180,000	$160,000 - $180,000
All other filing statuses	$ 80,000 - $ 90,000	$ 80,000 - $ 90,000

SOCIAL SECURITY PAYBACK

At full retirement age or older	No limit on earnings
Under full retirement age	$1 in benefits deducted for every $2 taxpayer earns above $23,400
In the year taxpayer reaches full retirement age	Benefits reduced by $1 for every $3 taxpayer earns above $62,160

For people born from 1943-1954, the full retirement age is 66.
For people born from 1955 to 1960, the full retirement age increases by 2 months each year until it reaches age 67.
For people born in 1960 or later, the full retirement age is 67.