

**JULY 18, 2023**

## IRS provides tax tips for new parents

The Internal Revenue Service (IRS) has issued tax tips for new parents including obtaining an identification number for the child as well as determining eligibility for tax credits and exemptions. For more information, please see IRS Issue Number: Tax Tip 2023-89 reproduced below. If you have questions regarding how these tax tips apply to you, please don't hesitate to [contact us](#).

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Issue Number: Tax Tip 2023-89

### Tax tips for new parents

Kids are expensive. Whether someone just brought a bundle of joy home from the hospital, adopted a teen from foster care, or is raising their grandchild. There are several tax breaks that can help.

### Here are some tax tips for new parents

- **Get the child a Social Security or Individual Tax Identification Number**

To claim parental tax breaks, the taxpayer must have their child or dependent's [Social Security Number](#), [Adoption Tax Identification Number](#) or [Individual Tax Identification Number](#). Confirming a child's birth is the only way the IRS can verify that the parent is eligible for the credits and deductions they claim on their tax return.

- **Check withholding**

A new family member might make taxpayers eligible for new credits and deductions, which can greatly change their tax liability. They can use the [IRS Withholding Estimator](#) to check their withholding. Taxpayers should provide their employer with an updated [Form W-4, Employee's Withholding Certificate](#), if they want to change how much tax is withheld from their paycheck.

### Check eligibility for these tax credits and deductions

- **Child Tax Credit**

Taxpayers who claim at least one child [as their dependent](#) on their tax return may be eligible for the Child Tax Credit. For help figuring out if a child qualifies for this credit, taxpayers can check [Does My Child/Dependent Qualify for the Child Tax Credit or the Credit for Other Dependents?](#)

- **Child and Dependent Care Credit**

If taxpayers paid someone to take care of their children or another member of their household while they work, they may qualify for the [Child and Dependent Care Credit](#) regardless of their income. Taxpayers who pay for daycare expenses may be eligible to claim up to 35% of their daycare expenses with certain limits.

## Check eligibility for these tax credits and deductions (continued)

- **Adoption Tax Credit**

This credit lets families who are in the adoption process during the tax-year claim eligible adoption expenses for each eligible child. Taxpayers can apply the credit to international, domestic, private and public foster care adoptions.

- **Earned Income Tax Credit**

[The Earned Income Tax Credit](#) helps low- to moderate-income families get a tax break. If they [qualify](#), taxpayers can use the credit to reduce the taxes they owe – and maybe increase their tax refund.

- **Credit for Other Dependents**

Taxpayers with dependents who don't qualify for the Child Tax Credit may be able to claim the Credit for Other Dependents. Taxpayers can use the [Does My Child/Dependent Qualify for the Child Tax Credit or the Credit for Other Dependents tool](#) on [IRS.gov](#) to help determine if they are eligible to claim the credit. They can claim this credit **in addition to** the Child and Dependent Care Credit and the Earned Income Credit.

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