

Quick Facts: Deductions & Credits for Single Parents

-) Single parents can claim two different tax credits and deductions for their children:
 -) **child care deduction**
 -) **dependent tax credit**

 -) In most cases, these credits and deductions cannot be shared. A decision must be made between the parents about who will be claiming what.

 -) The **child care deduction** includes the cost of babysitting/nanny services, as well as some camps that are full-day, 5 days a week. In most cases, only the lower income parent is eligible to claim this deduction but there are exceptions. For example, if one parent is lower income because they are attending school, the higher earner may apply.
- Credit or Deduction:
which is which?**

A deduction will **reduce the amount of income you are taxed on.**

A credit will **reduce the amount of tax you owe** on your taxable income.
-) Current child care deduction limits:
 -) Children 6 and under: \$8,000 per child
 -) Between ages of 7-16: \$5,000 per child

 -) If you have shared custody, both parents can make a claim up to the maximum child care deduction amount per child.

 -) Single parents may be eligible to claim the **dependant tax credit**. Only one child can be claimed per parent. The criteria are as follows:
 -) You do not have a common-law spouse or partner
 -) You lived with your child in a home that you maintained
 -) Your child would normally reside with you, but he/she attends school away from home (within Canada)
 -) Your child was under 18 years of age
 -) **You were not paying child support for that child in the current tax year**

Every situation is unique. Please make sure you consult your tax professional so that you get the advice that's right for you.