

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, pre-school, specified boarding school costs, and camps that are full-day, 5 days a week.
- **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 if specified in the separation agreement or divorce decree.
- 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

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.

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