

A FREE GUIDE FROM QUANTUMLEAP STRATEGIES LLC

10 Tax Credits Families Miss Every Year

What they are, who they're generally for,
and why so many families overlook them.

Prepared With Integrity

Introduction

Every tax season, millions of families file their returns and unknowingly leave money behind — not because they did anything wrong, but because nobody ever told them what to look for.

Tax credits are different from deductions. A deduction reduces the income you're taxed on. A credit reduces your tax bill dollar for dollar — and some credits are even refundable, meaning they can increase your refund beyond what you paid in.

This guide walks through ten credits that families commonly overlook. It is educational only — not tax advice, and not a promise that you qualify for any of them. Credit rules, income limits, and amounts change from year to year. A qualified tax preparer can look at your specific situation and tell you exactly what applies to you.

1 Earned Income Tax Credit (EITC)

What it is: A refundable credit for working individuals and families with low to moderate income. “Refundable” means it can generate a refund even if you owe no tax.

Who it's generally for: People who earn income from a job or self-employment. Both workers with and without children may qualify, though the credit is larger for families with children.

Why families miss it: Many people assume they earn too much, don't realize self-employment income counts, or simply don't know the credit exists. Filing status and where you live can also affect it.

Documents that matter: W-2s, 1099s, records of self-employment income.

2 Child Tax Credit

What it is: A credit for taxpayers with qualifying children under a certain age. Part of it may be refundable (see #3).

Who it's generally for: Parents and guardians with dependent children who meet age, relationship, residency, and support tests.

Why families miss it: Divorced or separated parents sometimes both assume the other will claim the child — or neither claims the child. The rules about who can claim a qualifying child are specific, and getting them wrong is one of the most common filing mistakes.

Documents that matter: Birth certificates or custody agreements, school or medical records showing where the child lived.

3 Additional Child Tax Credit (the refundable part)

What it is: If the Child Tax Credit is larger than the tax you owe, this is the portion that can be refunded to you — real money back, beyond wiping out your tax bill.

Who it's generally for: Families who qualify for the Child Tax Credit but have little or no tax liability.

Why families miss it: People who don't owe taxes often assume there's no reason to file — or they file but don't realize a credit can still put money in their pocket. If you worked and had qualifying children, filing may pay you back.

Documents that matter: Same as the Child Tax Credit, plus proof of earned income.

4 Credit for Other Dependents

What it is: A nonrefundable credit for dependents who don't qualify for the Child Tax Credit — such as older children, aging parents, or other relatives you support.

Who it's generally for: Taxpayers supporting dependents like college-age children, elderly parents, or relatives living in their household.

Why families miss it: Most people have heard of the Child Tax Credit but have never heard of this one. If you're supporting a parent or an older child, this credit is easy to overlook.

Documents that matter: Records showing financial support, the dependent's information, proof of residency.

5 Child and Dependent Care Credit

What it is: A credit for a portion of what you pay for childcare (or care for a disabled dependent) so you can work or look for work.

Who it's generally for: Working parents paying for daycare, after-school programs, summer day camps, or care for a dependent who can't care for themselves.

Why families miss it: People think of childcare as just an expense, not a tax matter. Also missed: summer day camp counts, but overnight camp doesn't — details like that trip people up.

Documents that matter: Receipts from the care provider, the provider's name, address, and tax ID number.

6 American Opportunity Tax Credit

What it is: A credit for undergraduate college expenses — tuition, fees, and course materials — for the first four years of higher education. Partly refundable.

Who it's generally for: Families paying for a dependent's (or their own) undergraduate education.

Why families miss it: Parents paying a child's tuition sometimes don't realize they may claim the credit rather than the student. Scholarship and grant amounts also have to be subtracted correctly, which confuses many filers.

Documents that matter: Form 1098-T from the school, receipts for books and required materials.

7 Lifetime Learning Credit

What it is: A credit for tuition and fees for undergraduate, graduate, or professional development courses — broader than the American Opportunity Credit, though not refundable.

Who it's generally for: Adults taking courses to improve job skills, graduate students, or families with a student beyond the first four years of college.

Why families miss it: It's less famous than its undergraduate cousin, and many working adults don't realize job-related courses can count.

Documents that matter: Form 1098-T, tuition statements, records of required fees.

8

Saver's Credit (Retirement Savings Contributions Credit)

What it is: A credit for lower-to-moderate-income workers who contribute to a retirement account like a 401(k) or IRA. Yes — you can get a tax credit for saving for retirement.

Who it's generally for: Workers who contribute to employer retirement plans or IRAs and fall within the income limits.

Why families miss it: Almost nobody's employer mentions it, and many filers (and even some preparers) forget to check. If you contributed to a 401(k) through payroll, the contribution is already on your W-2 — but the credit still has to be claimed.

Documents that matter: W-2 (Box 12 codes), Form 5498 for IRA contributions.

9 Premium Tax Credit

What it is: A credit that lowers the cost of health insurance bought through the Health Insurance Marketplace. Many people receive it in advance as lower monthly premiums.

Who it's generally for: Individuals and families who purchased Marketplace coverage and meet income requirements.

Why families miss it: If you received advance payments, you must reconcile them on your tax return with Form 8962 — skipping this step delays refunds and creates IRS notices. And if your income changed during the year, the reconciliation can go either way. Heads-up for 2026: the temporary enhanced credits from 2021–2025 have expired, so the original income limits are back in effect — worth checking where you stand.

Documents that matter: Form 1095-A from the Marketplace.

10 Adoption Tax Credit

What it is: A credit for qualified adoption expenses — agency fees, legal costs, and related expenses for adopting an eligible child.

Who it's generally for: Families who finalized or pursued an adoption, including many stepparent and special-needs adoptions (special rules apply).

Why families miss it: Adoption expenses are often spread across multiple years, and the credit has carryforward rules that confuse filers. Employer adoption benefits also interact with it. New for 2026: up to \$5,120 of the credit is now refundable — meaning it can come back to you as a refund even if you owe no tax. (Note: the IRS has been automatically correcting some past adoption credit claims — if you adopted between 2020 and 2024, it's worth a review.)

Documents that matter: Adoption decree or placement records, receipts for qualified expenses.

Before You File: The Document Checklist

Gathering these before you sit down to file is the single biggest favor you can do yourself:

Income

- ☐ W-2s from every employer
- ☐ 1099s — NEC, MISC, INT, DIV, R, G (all of them)
- ☐ Last year's tax return

Family & dependents

- ☐ Proof of where each dependent lived during the year
- ☐ Childcare receipts + the provider's tax ID number
- ☐ School records if applicable

Money moves

- ☐ Retirement contribution records (W-2 Box 12, Form 5498)
- ☐ Student loan interest (Form 1098-E)
- ☐ Health insurance (Form 1095-A if you used the Marketplace)

Business (if self-employed)

- ☐ Business income and expense records
- ☐ Receipts for deductible expenses
- ☐ Mileage or vehicle logs

From the IRS

- ☐ Any IRS letters or notices you received

What's Next?

Knowing these credits exist is step one. Step two is having a preparer who checks every one of them against your situation — because the difference between “I filed” and “I filed well” is often thousands of dollars.

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