



The Child and Dependent Care Tax Credit

What is the child and dependent care tax credit?

If you paid someone to care for a child or a dependent so you could work, you may be able to reduce your federal income tax by claiming the Credit for Child and Dependent Care expenses on your tax return. This Credit is available to people who, in order to work or to look for work, have to pay for child care services for dependents under age 13. The Credit is also available if you paid for the care of a spouse or a dependent of any age who is physically or mentally incapable of self-care. This credit is designed to recover some of the cost of child care expenses at tax time and is worth 20%-35% of your child care expenses depending on your adjusted gross income.

What are the basic qualifications to be able to claim a child care tax credit?

To be eligible for the Child and Dependent Care Credit, you must have:

- been gainfully employed and had earned income in during the tax year (some full-time students or disabled spouses may also be eligible)
- paid out-of-pocket for child under the age of 13 whom you claim as a dependent, or for any disabled person not able to care for him or herself and whom you can claim as a dependent on your federal tax return

You must identify all persons/organizations that provide care for your child or dependent. You must report the name, address and taxpayer identification number of the care provider on your return and the total amount paid for care during the tax year. Your child care provider cannot be your spouse, a dependent, or a child under the age of 19.

How do I claim the child care tax credit?

To get the federal credit, you must file either federal Form 1040 (or 1040A) and fill out and attach Form 2441.

You can learn more about this tax credit at IRS website:

www.irs.gov/taxtopics/tc602.html