

## Top Ten Facts About the Child and Dependent Care Credit

Did you pay someone to care for a child, spouse, or dependent last year? If so, you may be able to claim the Child and Dependent Care Credit on your federal income tax return. Below are the top 10 things the IRS wants you to know about claiming a credit for child and dependent care expenses.

1. The care must have been provided for one or more qualifying persons. A qualifying person is your dependent child age 12 or younger when the care was provided. Additionally, your spouse and certain other individuals who are physically or mentally incapable of self-care may also be qualifying persons. You must identify each qualifying person on your tax return.
2. The care must have been provided so you – and your spouse if you are married filing jointly – could work or look for work.
3. You – and your spouse if you are married filing jointly – must have earned income from wages, salaries, tips, other taxable employee compensation or net earnings from self-employment. One spouse may be considered as having earned income if they were a full-time student or they were physically or mentally unable to care for themselves.
4. The payments for care cannot be paid to your spouse, to someone you can claim as your dependent on your return, or to your child who will not be age 19 or older by the end of the year even if he or she is not your dependent. You must identify the care provider(s) on your tax return.
5. Your filing status must be single, married filing jointly, head of household or qualifying widow(er) with a dependent child.
6. The qualifying person must have lived with you for more than half of 2009. However, see Publication 503, Child and Dependent Care Expenses, regarding exceptions for the birth or death of a qualifying person, or a child of divorced or separated parents.
7. The credit can be up to 35 percent of your qualifying expenses, depending upon your adjusted gross income.
8. For 2009, you may use up to \$3,000 of expenses paid in a year for one qualifying individual or \$6,000 for two or more qualifying individuals to figure the credit.
9. The qualifying expenses must be reduced by the amount of any dependent care benefits provided by your employer that you deduct or exclude from your income.
10. If you pay someone to come to your home and care for your dependent or spouse, you may be a household employer. If you are a household employer, you may have to withhold and pay social security and Medicare tax and pay federal unemployment tax. For information, see Publication 926, Household Employer's Tax Guide.

Beginning with 2009 tax returns, Schedule 2, Child and Dependent Care Expenses for Form 1040A Filers, has been eliminated. Form 1040A filers will now use Form 2441, Child and Dependent Care Expenses. For more information on the Child and Dependent Care Credit, see Publication 503, Child and Dependent Care Expenses. You may download these free forms and publications from [IRS.gov](http://IRS.gov) or order them by calling 800-TAX-FORM (800-829-3676).