

CHILD AND DEPENDENT CARE CREDIT AT A GLANCE

If you needed to pay for child and/or dependent care in order to work or look for work, the *Child and Dependent Care Credit* can help offset those expenses.

You are eligible if:

- ◆ You paid for child care for a child under 13 who lives with you and whom you can claim as your dependent; or you paid for dependent care for a disabled adult who lives with you and is your spouse or whom you can claim as your dependent; and
- ◆ You paid for the care in order to work or look for work; and
- ◆ Your spouse (if any) worked, was looking for work, a student, or disabled; and
- ◆ You (and your spouse) paid over half the cost of keeping up your home.

The child or dependent care provider:

- ◆ May be an individual who is not your spouse or dependent or your child under 19; or
- ◆ Any other type of provider; and
- ◆ If not a tax-exempt organization, should provide you with a social security number or taxpayer ID number for your form; and
- ◆ Must comply with applicable state and local laws if the provider cares for more than six children.

The amount of expenses you can claim:

- ◆ May not exceed your earned income or your spouse's earned income (whichever less); and
- ◆ May not exceed \$2,400 for one child/dependent or \$4,800 for two or more* and
- ◆ May not include the value of any employer-provided dependent care benefits you received--those benefits must be deducted from your expenses.

The maximum value of the credit:

- ◆ Ranges between \$480 and \$720 for families with one child/dependent; and between \$960 and \$1,440 for families with two or more children/dependents.*

* Starting in 2003, the expense limits will increase to \$3,000 for one child/dependent and \$6,000 for two or more; the maximum value of the credit will range between \$600 and \$1,050 for one child/dependent and between \$1,200 and \$2,100 for two or more.