

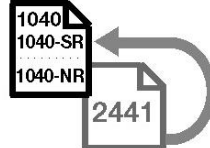
Fact Sheet

Module 9: Tax Credit for Child and Dependent Care Expenses

A tax credit is a dollar-for-dollar reduction of the tax. The tax credit for child and dependent care expenses allows taxpayers to claim a credit for expenses paid for the care of children under age 13 and for a disabled spouse or dependent. In order to claim the credit, the taxpayer, child or dependent, and expenses must meet numerous requirements.

There is a maximum amount for qualifying expenses for one qualifying person and for two or more qualifying persons; there is also a maximum percentage.

Child and Dependent Care Expenses



Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040-SR, or 1040-NR.

▶ Go to www.irs.gov/Form2441 for instructions and the latest information.

Name(s) shown on return

Your social security number

You cannot claim a credit for child and dependent care expenses if your filing status is married filing separately unless you meet the requirements listed in the instructions under "Married Persons Filing Separately." If you meet these requirements, check this box.

Part I **Persons or Organizations Who Provided the Care—You must complete this part.**
(If you have more than two care providers, see the instructions.)

1	(a) Care provider's name	(b) Address (number, street, apt. no., city, state, and ZIP code)	(c) Identifying number (SSN or EIN)	(d) Amount paid (see instructions)

Did you receive dependent care benefits? **No** → Complete only Part II below.
 Yes → Complete Part III on the back next.

Caution: If the care was provided in your home, you may owe employment taxes. For details, see the instructions for Schedule 2 (Form 1040), line 7a.

Part II **Credit for Child and Dependent Care Expenses**

2 Information about your **qualifying person(s)**. If you have more than two qualifying persons, see the instructions.

(a) Qualifying person's name		(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2020 for the person listed in column (a)
First	Last		

3 Add the amounts in column (c) of line 2. **Don't** enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 31 **3**

4 Enter your **earned income**. See instructions **4**

5 If married filing jointly, enter your spouse's earned income (if you or your spouse was a student or was disabled, see the instructions); **all others**, enter the amount from line 4 **5**

6 Enter the **smallest** of line 3, 4, or 5 **6**

7 Enter the amount from Form 1040, 1040-SR, or 1040-NR, line 11 **7**

8 Enter on line 8 the decimal amount shown below that applies to the amount on line 7.

If line 7 is:			If line 7 is:		
Over	But not over	Decimal amount is	Over	But not over	Decimal amount is
\$0—15,000		.35	\$29,000—31,000		.27
15,000—17,000		.34	31,000—33,000		.26
17,000—19,000		.33	33,000—35,000		.25
19,000—21,000		.32	35,000—37,000		.24
21,000—23,000		.31	37,000—39,000		.23
23,000—25,000		.30	39,000—41,000		.22
25,000—27,000		.29	41,000—43,000		.21
27,000—29,000		.28	43,000—No limit		.20

9 Multiply line 6 by the decimal amount on line 8. If you paid 2019 expenses in 2020, see the instructions **9**

10 Tax liability limit. Enter the amount from the Credit Limit Worksheet in the instructions **10**

11 **Credit for child and dependent care expenses.** Enter the **smaller** of line 9 or line 10 here and on Schedule 3 (Form 1040), line 2 **11**

For Paperwork Reduction Act Notice, see your tax return instructions.

Part III Dependent Care Benefits

12 Enter the total amount of dependent care benefits you received in 2020. Amounts you received as an employee should be shown in box 10 of your Form(s) W-2. Don't include amounts reported as wages in box 1 of Form(s) W-2. If you were self-employed or a partner, include amounts you received under a dependent care assistance program from your sole proprietorship or partnership.	12
13 Enter the amount, if any, you carried over from 2019 and used in 2020 during the grace period. See instructions	13
14 Enter the amount, if any, you forfeited or carried forward to 2021. See instructions	14 ()
15 Combine lines 12 through 14. See instructions	15
16 Enter the total amount of qualified expenses incurred in 2020 for the care of the qualifying person(s)	16
17 Enter the smaller of line 15 or 16.	17
18 Enter your earned income . See instructions	18
19 Enter the amount shown below that applies to you. <ul style="list-style-type: none"> • If married filing jointly, enter your spouse's earned income (if you or your spouse was a student or was disabled, see the instructions for line 5). • If married filing separately, see instructions. • All others, enter the amount from line 18. 	19
20 Enter the smallest of line 17, 18, or 19	20
21 Enter \$5,000 (\$2,500 if married filing separately and you were required to enter your spouse's earned income on line 19)	21
22 Is any amount on line 12 from your sole proprietorship or partnership? <input type="checkbox"/> No. Enter -0-. <input type="checkbox"/> Yes. Enter the amount here	22
23 Subtract line 22 from line 15	23
24 Deductible benefits. Enter the smallest of line 20, 21, or 22. Also, include this amount on the appropriate line(s) of your return. See instructions	24
25 Excluded benefits. If you checked "No" on line 22, enter the smaller of line 20 or 21. Otherwise, subtract line 24 from the smaller of line 20 or line 21. If zero or less, enter -0-	25
26 Taxable benefits. Subtract line 25 from line 23. If zero or less, enter -0-. Also, include this amount on Form 1040 or 1040-SR, line 1; or Form 1040-NR, line 1a. On the dotted line next to Form 1040 or 1040-SR, line 1; or Form 1040-NR, line 1a, enter "DCB"	26

To claim the child and dependent care credit, complete lines 27 through 31 below.

27 Enter \$3,000 (\$6,000 if two or more qualifying persons)	27
28 Add lines 24 and 25	28
29 Subtract line 28 from line 27. If zero or less, stop. You can't take the credit. Exception. If you paid 2019 expenses in 2020, see the instructions for line 9	29
30 Complete line 2 on the front of this form. Don't include in column (c) any benefits shown on line 28 above. Then, add the amounts in column (c) and enter the total here	30
31 Enter the smaller of line 29 or 30. Also, enter this amount on line 3 on the front of this form and complete lines 4 through 11	31

Taxpayer Requirements:

The taxpayer must:

- Incur expenses in order to work or look for work.
- Earn income for work performed during the year (there is an exception).
- File a joint return, if married (there is an exception).
- Maintain a home that was also the home of a qualifying person.
- Pay the expenses to someone other than the taxpayer's child under age 19 or the taxpayer's dependent claimed on the tax return.

Child or Dependent Requirements

A qualifying person is one of the following:

- child, under the age of 13, and was claimed as a dependent;
- dependent, or a person who could be claimed as a dependent if his or her gross income was less than the income limitation amount, who is physically or mentally incapable of self-care; or
- spouse who is physically or mentally incapable of self-care.

Expense Requirements

Qualified expenses include:

- household services and
- care services.