Child and Dependent Care Credit

A non-refundable credit

AARP FOUNDATION TAX-AIDE

Taxpayer or Spouse Disabled?

Form **13614-C** (October 2014) — Department of the Treasury - Internal Revenue Service — **Intake/Interview & Quality Review Sheet** — OMB Number 1545-1964

You will need:
- **Tax Information such as Forms W-2, 1099, 1098.**
- **Social security cards or ITIN letters for all persons on your tax return.**
- **Picture ID (such as valid driver's license) for you and your spouse.**

- **Please complete pages 1-3 of this form.**
- **You are responsible for the information on your return. Please provide complete and accurate information.**
- **If you have questions, please ask the IRS certified volunteer preparer.**

Part I – Your Personal Information

1. Your first name | M.I. | Last name | Are you a U.S. citizen? ☐ Yes ☐ No
2. Your spouse's first name | M.I. | Last name | Is your spouse a U.S. citizen? ☐ Yes ☐ No

7. Last year, were you: a. Full time student ☐ Yes ☐ No
b. Totally and permanently disabled ☐ Yes ☐ No c. Legally blind ☐ Yes ☐ No

10. Last year, was your spouse: a. Full time student ☐ Yes ☐ No
b. Totally and permanently disabled ☐ Yes ☐ No c. Legally blind ☐ Yes ☐ No

were you: ☐ Married a. Did you live with your spouse during any part of the last six months of 2014? ☐ Yes ☐ No
b. Was your marriage recognized under the laws of the state(s) you are filing in? ☐ Yes ☐ No ☐ Unsure
☐ Divorced or Legally Separated Date of final decree or separate maintenance agreement _____
☐ Widowed Year of spouse's death _____

2. List the names below of:
- **everyone** who lived with you last year *(other than you or your spouse)*
- **anyone** you supported but did not live with you last year

If additional space is needed check here ☐ and list on page 3

Name *(first, last)* Do not enter your name or spouse's name below (a)	Date of Birth *(mm/dd/yy)* (b)	Relationship to *you (for example: son, daughter, parent, none, etc)* (c)	Number of months lived in your home last year (d)	US Citizen *(yes/no)* (e)	Resident of US, Canada, or Mexico last year *(yes/no)* (f)	Single or Married as of 12/31/14 *(S/M)* (g)	Full-time Student last year *(yes/no)* (h)	Totally and Permanently Disabled *(yes/no)* (i)	To be completed by a Certified Volunteer Preparer: Can this person be claimed by someone else as a dependent on their return? *(yes/no)*	Did this person provide more than 50% of their own support? *(yes/no)*	Did this person have less than $3650 of income? *(yes/no)*	Did the taxpayer(s) provide more than 50% of support for this person? *(yes/no)*	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? *(yes/no)*

Volunteers are trained to provide high quality service and uphold the highest ethical standards.
To report unethical behavior to the IRS, email us at wi.voltax@irs.gov or call toll free 1-877-330-1205

Catalog Number 52121E www.irs.gov Form **13614-C** (Rev. 10-2014)

AARP FOUNDATION TAX-AIDE

Any Dependents Under 13 or Disabled?

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- **Social security cards or ITIN letters for all persons on your tax return.**
- **Picture ID (such as valid driver's license) for you and your spouse.**

- **Please complete pages 1-3 of this form.**
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Part I – Your Personal Information

1. Your first name | M.I. | Last name | Are you a U.S. citizen? ☐ Yes ☐ No
2. Your spouse's first name | M.I. | Last name | Is your spouse a U.S. citizen? ☐ Yes ☐ No
3. Mailing address | Apt # | City | State | ZIP code
4. Telephone number(s) | Email address (optional)
5. Your Date of Birth | 6. Your job title | 7. Last year, were you: a. Full time student ☐ Yes ☐ No; b. Totally and permanently disabled ☐ Yes ☐ No; c. Legally blind ☐ Yes ☐ No
8. Your spouse's Date of Birth | 9. Your spouse's job title | 10. Last year, was your spouse: a. Full time student ☐ Yes ☐ No; b. Totally and permanently disabled ☐ Yes ☐ No; c. Legally blind ☐ Yes ☐ No

Name *(first, last)* Do not enter your name or spouse's name below (a)	Date of Birth *(mm/dd/yy)* (b)	Relationship to you *(for example: son, daughter, parent, none, etc)* (c)	Number of months lived in your home last year (d)

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Dependent Care Expenses?

Part IV – Expenses – Last Year, Did You *(or Your Spouse)* Pay

☐	☐	☐	9. (B) Child or dependent care expenses such as daycare?

- **Did taxpayer or spouse pay for dependent care (or night care) while they worked or looked for work?**

Rules:

- Care was for a qualifying person who lived with taxpayer more than half the year
- Taxpayer must pay expenses so that taxpayer and spouse can work or look for work
- Expenses paid for care—not education
- Both taxpayer and spouse (if MFJ) must have earned income (unless spouse is disabled or a full-time student)
- Cannot file MFS (with some exceptions)

Qualifying Person?

- Qualifying child who is taxpayer's dependent and under age 13 -OR-
- Qualifying person incapable of self-care
  - Spouse
  - Qualifying child
  - Dependent
  - Someone who would have been taxpayer's dependent except that...

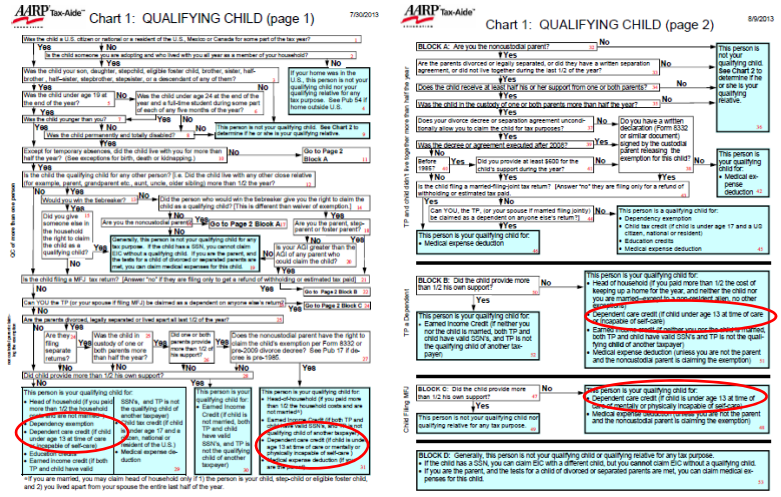
Dependent except that…

… He or she filed MFJ -OR-

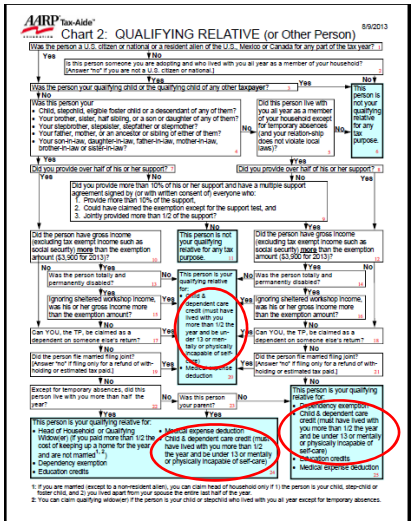
… He or she had gross income over exemption amount -OR-

… Taxpayer could be claimed as a dependent

Qualifying Child Chart:



Qualifying Relative Chart



Child of Divorced…Parents

Must live with taxpayer half the year, so credit goes to custodial parent (if he or she paid the expense)

Paid for Care—Not Education

- Below kindergarten
- After school
- Day camp okay, overnight camp not
- Adult day care okay
- In-home care okay

Employer-provided Benefit

- Must be deducted from taxpayer expenses (taxpayer claims net out of pocket)
- TaxWise does this automatically

Who is the Caregiver?

- Cannot be spouse or dependent
- Cannot be taxpayer's child who is under 19
- Cannot be child's parent (with some exceptions for disabled adults)
- Counselor must make reasonable effort to get provider's name, address and identifying number

Resource Guide

Pages G-3 thru G-5

TIP

Child and Dependent Care Credit Expenses

Probe/Action: To determine if a taxpayer qualifies for the Credit for Child and Dependent Care Expenses, ask the taxpayer for information from the decision tree on the next page.

Who is a qualifying person?

- A qualifying child who is under the age of 13 when the expenses were incurred and for whom a dependency exemption can be claimed*
- Any person who is physically or mentally incapable of self-care whom the taxpayer can claim as a dependent or could have claimed as a dependent except that the person had gross income of more than $3,900 or filed a joint return or that the taxpayer or spouse, if married filing jointly, could be claimed as a dependent on someone else's 2013 return.
- A spouse who is physically or mentally incapable of self-care
- The qualifying person must live with the taxpayer more than 1/2 the year.

See Publication 17, ***Child and Dependent Care Credit*** for special rules regarding divorced or separated parents or parents who live apart.

Qualified work-related expenses

- Expenses must be paid for the care of the qualifying person to allow the taxpayer and spouse, if married, to work or look for work.
- The care includes the costs of services for the qualifying person's well-being and protection.
- Expenses to attend Kindergarten or a higher grade are not an expense for care
- Expenses for summer day-camp are qualifying, but those for over-night camp are not

How Much is the Credit?

- 20% – 35% of amount spent
- Percent is based on AGI
- Maximum amount spent
  - $3,000 for one person
  - $6,000 for two or more
  - Lesser of taxpayer's or spouse's earned income

Entering in TaxWise

- Main Information Sheet

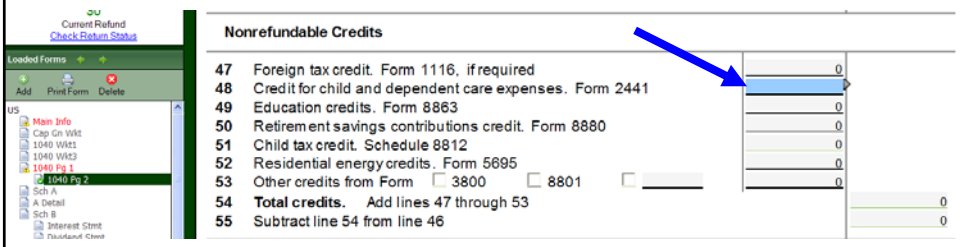
c **Dependents/Nondependents**
Check here to charge a flat fee for dependents instead of a fee per dependent ☐

First name	Last name	Date of birth	Age	Social security number	Relationship to YOU	Mo in Hm	Code	DC	EIC	CTC
			0					☐	☐	☐
			0					☐	☐	☐
			0					☐	☐	☐
			0					☐	☐	☐

Totals from Above Statement
Number of your children who lived with you 0 0 **Box 6c1** 0
Number of your children who didn't live with you due

Entering in TaxWise

- **Link from Line 48 to Form 2441**



Form 2441

US 2441 **Credit for Child and Dependent Care Expenses**

Name: SSN: 123-45-0697

Part I: Persons or Organizations Who Provided the Care
If you need to list more than 2 providers, link from the total field below to the Additional Care Providers and Qualifying Children worksheet.

1(a) Care provider's name	(b) Street address Zip code, city, and state	(c) ID number SSN or EIN	(d) Amount paid
Code:		EIN ☐ Type:	0
Code:		EIN ☐ Type:	0
Total of the line 1 amounts			0

Form 2441

Part II: Credit for Child and Dependent Care Expenses

2 Information about your qualifying person(s).
To qualify the persons must have shared the same home with you in 2012. If you received dependent care benefits from your employer, fill in page 2 of this form.
Only list below those expenses not excluded on page 2. Total not excluded on page 2 — 0

If you need to list more than 2 qualifying persons, link from the total field below to the Additional Care Providers and Qualifying Persons worksheet.

(a) Qualifying person's name First name / Last name	(b) Social security number	(c) Qualified expenses * See below.
		0
		0
* Qualified expenses are those you incurred and PAID in 2012.		
Total of the line 2 amounts		0

Form 2441

- **Complete bottom section if spouse is disabled or a student**

Worksheet for Income Considered Earned by Disabled or Student Spouse

If you have 1 qualifying person
$250
x 0 months spouse was a student or disabled
$ 0

If you have two or more qualifying persons
$500
x 0 months spouse was a student or disabled
$ 0

Check if the care listed above was for a disabled spouse ☐

Notes

- Employer-provided dependent care benefits are shown in W-2 box 10
- Included in Line 7 income until Form 2441 completed
- Exclusion of these benefits is allowable even if filing MFS

Notes

- If DC box on Main Info Sheet is marked, Form 2441 will appear in tree
- To delete Form 2441, unmark DC box on Main Info Sheet
- If qualifying person is spouse, check box at bottom of Form 2441

Notes

- If provider's social security number or ITIN cannot be provided
  - Cannot e-file
  - Must explain on Page 2 of Form 2441

Quality Review

- Verify that care was for taxpayer to work or look for work
- Verify that deemed income for disabled or student spouse was entered correctly

Quiz 1

- Mary and Tom file MFJ. Mary is a stay-at-home mom. When she needed to travel to take care of her own parents, Mary and Tom paid for day care for their kids. Can they claim the dependent care credit for this expense?

No – payment was not so Mary could work or look for work.

Quiz 2

- Maria's husband Jose has dementia and cannot be left at home alone. She takes him to an adult day care at the local hospital each day on her way to work. Can they claim the dependent care credit even though Jose does not work?

Yes – complete bottom of Form 2441 for a disabled spouse.

Quiz 3

- Amanda lives with her mother. As part of the divorce decree, her father Jack agreed to pay for Amanda's day care while her mother works. Amanda's mother has signed Form 8332 so that Jack can claim Amanda's exemption. Who can claim the dependent care credit?

  No one. Amanda did not live with Jack for six months, so he cannot claim it; and Amanda's mother did not pay it, so she cannot claim it.

Child and Dependent Care

Questions?

Comments?