



“TAX TIPS FROM TAXBRAINIA X”

Child and Dependent Care Tax Credits

Don't overlook the Child and Dependent Care Tax Credit this summer. Day camps are common during the summer months. Many parents pay for them for their children while they work or look for work. If this applies to you, your costs may qualify for a federal tax credit that can lower your taxes. Here are the top ten tips to know about the Child and Dependent Care Credit:

- **Care for Qualifying Persons.** Your expenses must be for the care of one or more qualifying persons. Your dependent child or children under age 13 usually qualify.
- **Work-related Expenses.** Your expenses for care must be work-related. This means that you must pay for the care so you can work or look for work. This rule also applies to your spouse if you file a joint return. Your spouse meets this rule during any month they are a full-time student. They also meet it if they're physically or mentally incapable of self-care.
- **Earned Income Required.** You must have earned income, such as from wages, salaries and tips. It also includes net earnings from self-employment. Your spouse must also have earned income if you file jointly. Your spouse is treated as having earned income for any month that they are a full-time student or incapable of self-care. This rule also applies to you if you file a joint return.
- **Joint Return if Married.** Generally, married couples must file a joint return. You can still take the credit, however, if you are legally separated or living apart from your spouse.

- **Type of Care.** You may qualify for it whether you pay for care at home, at a daycare facility or at a day camp.
- **Credit Amount.** The credit is worth between 20 and 35 percent of your allowable expenses. The percentage depends on the amount of your income.
- **Expense Limits.** The total expense that you can use in a year is limited. The limit is \$3,000 for one qualifying person or \$6,000 for two or more.
- **Certain Care Does Not Qualify.** You may not include the cost of certain types of care for the tax credit, including:
 - Overnight camps or summer school tutoring costs.
 - Care provided by your spouse or your child who is under age 19 at the end of the year.
 - Care given by a person you can claim as your dependent.
- **Keep Records and Receipts.** Keep all your receipts and records for when you file your tax return next year. You will need the name, address and taxpayer identification number of the care provider.
- **Dependent Care Benefits.** Special rules apply if you get dependent care benefits from your employer.

Remember that this credit is not just a summer tax benefit. You may be able to claim it for qualifying care that you pay for at any time during the year.

If you did not file your 2014 tax return, or file an extension for 2014, pick up the phone and call **TaxBrainiaX** today at **888.764.2805** for a free consultative phone call on how to handle unfiled taxes. If you owe the IRS and do not have the money to pay, call **TaxBrainiaX** and we can assist you in making arrangements for payment that will fit your financial needs. We are here to assist you and provide professional and personalized service to our clients....you won't be sorry you called us!!!

The Staff of TaxBrainiaX, Inc.

"Taxation with Smart Representation"