

Live in New York State? Got Earned Income? Got kids under 13?

# CHILD CARE TAX CREDITS

may cover some of the cost

**YOU MAY QUALIFY!**



There are **THREE TAX CREDITS** that may help.

## FEDERAL

**Child and Dependent Care Credit**  
Worth up to \$2,100

Based on family earned income and child care expenses for children under age 13

## NEW YORK STATE

**Child and Dependent Care Credit**  
Worth up to \$3,465

Based on family earned income and child care expenses for children under age 13

## NEW YORK CITY

**Child Care Tax Credit**  
Worth up to \$2,599

For families with income under \$30,000 and child care expenses for children under age 4

*All New Yorkers can take both the federal and the state credit.*

*If you live in New York City, you may qualify for all three credits.*

### What is a tax credit?

**It is a credit applied to taxes that you owe.**

If you owe \$1,000 in taxes and you apply a tax credit of \$800, you would owe only \$200 in taxes.



### What is a refundable tax credit?

**It is a tax credit that lets you get a refund.**

If you owe \$1,000 in taxes and you apply a tax credit of \$1,200, you would receive a refund check of \$200.

The **FEDERAL** child care tax credit is **not refundable**.

**NY STATE** and **NY CITY** child care tax credits are **refundable**.

**TAXES CAN BE COMPLICATED.**



**WHERE CAN I GET HELP?**

### **Volunteer Income Tax Assistance (VITA) Help**

VITA support is funded through the IRS to help the public in understanding and filing tax forms. Find VITA help near you at: <https://www.irs.gov/individuals/free-taxreturn-preparation-for-you-by-volunteers>

### **Tax help for New York State**

<https://www.tax.ny.gov/>

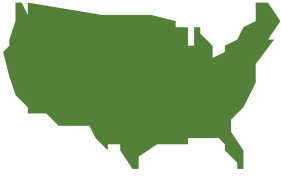
### **Tax help in NYC**

<https://www1.nyc.gov/site/dca/consumers/file-your-taxes.page>

Turn the page for more details

## ABOUT THE CHILD CARE TAX CREDITS

*All New Yorkers can take both the federal and the state credit, and if you live in New York City, you can take all three credits.*



### The Federal Child and Dependent Care Credit

**Child care expenses must be work-related** to qualify for the tax credit. You and your spouse must have earned income during the year and child care payments can't exceed the income earned by the lower earning spouse.

**Qualifying children.** Generally for children under age 13 (there are separate rules for children who have disabilities). You must list your child's name, social security number, date of birth, and child care expenses for each child for whom you want to take a credit based on child care expenses.

**Child care provider information needed.** To verify the child care provider, you must list the name, address and social security number or employer identification number of the individual or business paid to care for your child.

**Payments to relatives.** You can count work-related payments made for child care to relatives who are not your dependents (e.g., payments to your spouse or dependent child, or child's parent, aren't allowed to be included in child care expenses in calculating allowable tax credits).

**Qualifying expenses.** The tax credit is a percentage of allowable expenses. For example, annual expenses for one child are capped at \$3,000 and for two or more children are capped at \$6,000. Child care expenses up to the expense cap are then multiplied by a percentage, which declines as income rises. For example, for families with income at or below \$15,000 annually, the tax credit is 35% of expenses. This percentage declines as income rises so that for families with annual income above \$43,000, the tax credit is 20% of allowable expenses.

**Maximum credit value.** \$2,100

**Not refundable.** The federal tax credit is not refundable – if the amount of the credit for which you qualify exceeds the federal taxes you owe, you will not receive a refund check.

**Claiming the credit.** File IRS form 1040 or form 1040NR and attach form 2441. Use <https://www.irs.gov/> to access the most recent forms.



### New York State Child and Dependent Care Credit

**The New York State tax credit is based on the federal credit,** but provides New York families more tax relief.

**You must file a New York State income tax return.**

**The credit may be refundable.** If your child care tax credit exceeds your tax liability, you will receive a refund check for the difference.

**Qualifying expenses.** While the federal credit is capped at \$6,000 in expenses for 2 or more children, the New York State credit allows expenses up to \$7,500 for 3 children, \$8,500 for 4 children, and \$9,000 for 5 children. The credit is phased down to 20% of the Federal credit for families with income above \$150,000.

**Maximum credit value.** \$2,310

**Claiming the credit.** File New York form IT-201, or IT-203 and form IT-216. Use <https://tax.ny.gov/> to access the most recent forms.



### The New York City Child Care Tax Credit

For full-year or part-year **residents of New York City.**

For **child care expenses for a child under age four** (as of December 31 of the taxpayer year).

For **federal adjusted gross income of \$30,000 or less.**

**Maximum credit value.** \$2,599

**Refundable.** If your child care tax credit exceeds your tax liability, you will receive a refund check for the difference.

**Claiming the credit.** File New York form IT-201, or IT-203 and form IT-216. Use <https://tax.ny.gov/> to access the most recent forms.