

## Dependent Care Expenses

The dependent care deduction was created to help offset the cost of having your children cared for so that you can work. Dependent care is defined as the expense of child care when the children are under the age of 13, however, they must also be your dependents on your tax return. Persons also qualify as dependent if they cannot care for themselves because they are physically or mentally challenged, such as those suffering from a disability or are infirm and are unable to care for themselves. Those expenses which allow you (and your spouse) to be gainfully employed are eligible. This excludes care which is primarily for medical or educational purposes. The provider of the day care must be either:

Licensed day care center which cares for six or more persons.

Unlicensed providers caring for less than six persons.

An in-home provider, as long as that provider is not your child or under the age of 19 or someone you and your spouse claim as a dependent for tax purposes.

Day care business/person must provide a social security or business tax ID number.

Reimbursement is limited to the lesser of the income of the lower earning spouse or \$2500 for one dependent or \$5000 per year for two or more dependents (\$2500 per year if married, filing separately). If your spouse is a full-time student or incapable of caring for himself or herself, your spouse's deemed income is \$200 per month for one dependent or \$400 per month for two or more dependents.