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Child and Dependent Care Credit FAQs

The child and dependent care credit is a tax credit that may help you pay for the care of eligible children and other dependents (qualifying persons). The credit is calculated based on your income and a percentage of expenses that you incur for the care of qualifying persons to enable you to go to work, look for work, or attend school. For 2021, the American Rescue Plan Act of 2021, enacted March 11, 2021, made the credit substantially more generous (up to \$4,000 for one qualifying person and \$8,000 for two or more qualifying persons) and potentially refundable, so you might not have to owe taxes to claim the credit (so long as you meet the other requirements). This means that more taxpayers will be eligible for the credit for the first time and that, for many taxpayers, the amount of the credit will be larger than in prior years. However, taxpayers with an adjusted gross income over \$438,000 are not eligible for this credit even though they may have previously been able to claim this credit.

The following FAQs can help you learn if you are eligible and if eligible, how to calculate your credit. Further information is found below and in IRS [Publication 503, Child and Dependent Care Expenses](#). For information regarding changes to the credit for 2021 only, **see Q6 through Q14**.

Claiming the Credit

[Q1. Am I eligible to claim the credit? \(updated August 24, 2021\)](#)

A1. You are eligible to claim this credit if you (or your spouse in the case of a joint return) pay someone to care for one or more qualifying persons in order for you to work or look for work, and your income level is within the income limits set for the credit. If you are married, you must file a joint return to claim the credit. However, if you are legally separated or living apart from your spouse, you may be able to file a separate return and still claim the credit. If you or your spouse was a full-time student, see [Q17](#) and IRS [Publication 503, Child and Dependent Care Expenses](#), for more information on eligibility.

Earned Income Requirement: You (and your spouse in the case of a joint return) must have earned income during the year to claim the credit. See [Q16](#) and [Q17](#) for more information, including special rules that may apply if you are a student or are unable to care for yourself.

[Q2. How do I claim the credit? \(updated August 24, 2021\)](#)



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A2. To claim the credit, you will need to complete Form 2441, Child and Dependent Care Expenses, and include the form when you file your Federal income tax return. In completing the form to claim the credit, you will need to provide a valid taxpayer identification number (TIN) for each qualifying person. Generally, this is the social security number for the qualifying person.

You should keep records of your work-related expenses. Also, if your dependent or spouse is not able to take care of himself or herself, your records should show both the nature and length of the disability. Other records you should keep to support your claim for the credit are in IRS [Publication 503, Child and Dependent Care Expenses](#) and [Q3](#).

For more information about completing the form and claiming the credit, see the [Instructions for Form 2441](#).

[Q3. What information do I need from my care provider to claim the credit? \(updated August 24, 2021\)](#)

A3. You must identify all persons or organizations that provided care for your child, dependent, or spouse. To identify the care provider, you must give the provider's name, address, and taxpayer identification number (TIN). You can use [Form W-10, Dependent Care Provider's Identification and Certification](#), to request this information. If the care provider information you give is incorrect or incomplete, your credit may not be allowed. However, if you can show that you used due diligence in trying to supply the information, you can still claim the credit. For guidance on showing due diligence, see IRS [Publication 503, Child and Dependent Care Expenses](#).

You should keep this information with your tax records. For more information on the record keeping requirements, please see Publication 503, Child and Dependent Care Expenses.

[Q4. Who is a qualifying person? \(added June 11, 2021\)](#)

A4. A qualifying person is:

- Your dependent who is under age 13 when the care is provided;
- Your spouse, if your spouse isn't mentally or physically able to care for himself or herself and lives with you for more than half the year; and
- A person who isn't mentally or physically able to care for himself or herself, lives with you for more than half the year, and either:
 - Is your dependent, OR



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- Would have been your dependent except that (i) he or she receives more than a certain gross income amount (\$4,300 in 2021), (ii) he or she files a joint return, or (iii) you (or your spouse in the case of a joint return) can be claimed as a dependent on someone else's return.