

# Working family child care credit—2013 tables

If your household size is not listed below, contact the department for the tables you need.

**Table 1, household size = 1**

If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
—	\$23,000	0.40
\$23,001	24,150	0.36
24,151	25,300	0.32
25,301	26,450	0.24
26,451	27,600	0.16
27,601	28,750	0.08
28,751	—	0.00

**Table 2, household size = 2**

If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
—	\$31,000	0.40
\$31,001	32,550	0.36
32,551	34,100	0.32
34,101	35,650	0.24
35,651	37,200	0.16
37,201	38,800	0.08
38,801	—	0.00

**Table 3, household size = 3**

If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
—	\$39,050	0.40
\$39,051	41,000	0.36
41,001	42,950	0.32
42,951	44,900	0.24
44,901	46,850	0.16
46,851	48,850	0.08
48,851	—	0.00

**Table 4, household size = 4**

If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
—	\$47,100	0.40
\$47,101	49,450	0.36
49,451	51,800	0.32
51,801	54,150	0.24
54,151	56,500	0.16
56,501	58,900	0.08
58,901	—	0.00

**Table 5, household size = 5**

If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
—	\$55,150	0.40
\$55,151	57,900	0.36
57,901	60,650	0.32
60,651	63,400	0.24
63,401	66,150	0.16
66,151	68,950	0.08
68,951	—	0.00

**Table 6, household size = 6**

If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
—	\$63,200	0.40
\$63,201	66,350	0.36
66,351	69,500	0.32
69,501	72,650	0.24
72,651	75,800	0.16
75,801	79,000	0.08
79,001	—	0.00

**Table 7, household size = 7**

If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
—	\$71,200	0.40
\$71,201	74,800	0.36
74,801	78,350	0.32
78,351	81,900	0.24
81,901	85,450	0.16
85,451	89,050	0.08
89,051	—	0.00

**Table 8, household size = 8**

If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
—	\$79,250	0.40
\$79,251	83,200	0.36
83,201	87,200	0.32
87,201	91,150	0.24
91,151	95,100	0.16
95,101	99,100	0.08
99,101	—	0.00

## Schedule WFC relationship codes

Son..... S	Grandchild ..... GC	Eligible foster child .....EF	Sister-in-law .....SL
Daughter..... D	Niece..... NC	Aunt ..... A	Brother-in-law .....BL
Stepson..... SS	Nephew .....NW	Uncle ..... U	Other relative..... O
Stepdaughter..... SD	Sister/Brother.....SB	Cousin..... CS	None..... N

# Working family child care credit instructions

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This refundable credit is available to low-income working families with qualifying child care expenses. To qualify, **all** of the following must be true:

- You had at least \$8,400 of earned income, and
- You had \$3,300 or less of investment income (such as interest, dividends, and capital gains), and
- Your adjusted gross income (AGI) was less than the limits for your household size shown on the back of Schedule WFC, and
- You paid qualifying child care expenses to allow you and your spouse/RDP to work or attend school at least part-time or you or your spouse/RDP are exempt from this requirement due to a qualifying disability (see below), and
- You paid qualifying child care expenses for your qualifying child. A qualifying child is your child, step child, grandchild, step grandchild, brother, sister, stepbrother, stepsister, nephew, niece, step nephew, step niece, or eligible foster child who:

- Lived with you at least half of the year, and
- Was under the age of 13 at the time the care was provided, or
- Was a child who qualifies for the additional exemption credit for a child with a disability; and
- Your child care provider was not the child's parent or guardian, or
- Your relative or step relative under age 19.

**Note:** If you're married/RDP filing separately, you must be legally separated or permanently living apart on December 31, 2013, to qualify.

**Note to RDPs:** Use your federal "as if" return to see if you qualify for this credit.

If you qualify, complete Schedule WFC, *Oregon Working Family Child Care Credit*. Include this schedule with your return.

## Schedule WFC instructions for residents

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You must complete all information on the schedule. Failure to include or including an incomplete schedule may result in delay or denial of your WFC. Your refund will take longer to process when claiming this credit.

**Reminder:** If you qualify as a special case Oregon resident, military nonresident, or a resident living abroad, you must file as a nonresident and you do not qualify for this credit. See Form 40N filing instructions.

### Check the boxes

**Attending school.** Check this box if you or your spouse/RDP had childcare expenses because of attending school at least part time.

**Form WFC-DP is included.** Check this box if you or your spouse/RDP has a qualifying disability that keeps you from working, attending school, and caring for yourself and the children. Only one spouse/RDP can qualify for the exception. The other spouse/RDP must still work or attend school at least part time. The qualifications are not the same as the severely disabled exemption credit.

To use the exception, the disabled spouse/RDP must have a disability that prevents (or severely restricts) them from **all** of the following:

- Performing an activity of daily living, including bathing, dressing, feeding, toileting, etc.;
- Working;

- Going to school at least part time; **and**
- Caring for the child(ren).

To claim the exception, the disabled taxpayer and their doctor need to fill out Form WFC-DP. Go to our website or contact us to get Form WFC-DP. This form must be included each year that one of you meets the exception. Keep a copy of the form with your tax records and with your doctor. **We may contact your doctor or request a copy of the form at a later date.**

### Household size calculation

**Lines 1–5.** Generally, your household size is the number of people you claim as exemptions on your federal tax return who are related to you by blood, marriage, RDP, or adoption and live in your home. Household size can include your child of whom you have primary custody, even if you allowed the child's other parent to claim the exemption on their tax return. **Don't** include people you're entitled to claim on your tax return who didn't live with you in your home for all of 2013 or who aren't related to you. A person cannot be counted in the household size on more than one return.

*Example 1:* Rusty and Deb are unmarried and are the parents of two children. They maintain separate households and have joint custody of the children. The children live more than half the year with Deb. Even though the children are Deb's qualifying children,

she releases the dependent exemption for one child to Rusty. Only Deb may claim the credit based on the child care expenses she paid because she is the custodial parent.

Deb's household size is three (herself, one dependent child whose exemption she claims, and one dependent child whose exemption is released to Rusty). Deb will enter "2" on line 1 of Schedule WFC and "1" on line 2 for a total of "3" on line 5.

*Example 2:* Jay and Rena have three qualifying children. They also support Rena's parents who live in Mexico. They claim seven exemptions on their tax return. Jay and Rena's household size is five, because only five of them live in their home. They will enter "7" on line 1 of Schedule WFC and "2" on line 4 for a total of "5" on line 5.

## Qualifying child care expenses paid in 2013

**Lines 6–9. Provider's full name and complete address.** Enter the child care provider's information. If you have more than three providers, check box 9a and include a separate sheet with the same information for the additional providers.

**Provider's SSN or FEIN.** You must include your provider's Social Security number, federal employer identification number (FEIN), or individual taxpayer identification number (ITIN).

**Provider's telephone number.** Enter a daytime telephone number for the provider. Important: We need a current telephone number to contact the provider. Otherwise, your refund may be delayed.

**Child to provider relationship.** Identify the relationship of the child to the provider using the relationship codes on the back of Schedule WFC.

**Amount paid to provider.** Qualifying child care expenses are those paid for your qualifying child for the primary purpose for you to work or attend school. If married/RDPs, both of you must be working or attending school for the expenses to qualify. You can claim this credit even if you pay your expenses with pre-tax dollars from an employer benefit plan. You must pay for the child care during 2013 for the payments to be qualifying child care expenses.

Qualifying child care expenses do **not** include amounts you paid for:

- Public or private school (K–12);
- After-school activities;
- Sports;
- Overnight camps;
- Boarding school;
- Food, gas, supplies; or
- Late payment fees or other fees.

You can claim only the expenses **you** actually paid during the year.

You cannot claim expenses that are paid by someone else such as a state assistance agency or a family member.

*Example 3:* Jeff works for a company that offers dependent care benefits. He contributes \$4,000 pre-tax each year to a flexible spending arrangement. Jeff's employer reports the \$4,000 of dependent care benefits in box 10 of his W-2. Jeff also paid \$1,000 with after-tax dollars. Jeff may claim the working family child care credit based on \$5,000 in qualifying child care expenses.

*Example 4:* Cate qualifies for state assistance to pay her child care expenses. The child care provider charges Cate \$600 per month to care for her two qualifying children. Of the \$600 per month, the state paid \$450, and Cate paid a co-pay of \$150. Cate can only claim the amount she actually paid. She will enter \$1,800 on line 6 of the schedule ( $\$150 \times 12$  months). She will not include the non-qualifying expenses paid by the state.

*Example 5:* Angie and Zach are married and have three children. Angie works full time and Zach does not work or attend school and is receiving disability. Zach is paralyzed below the waist from an automobile accident. Zach does not need assistance with any of the activities of daily living. Zach's disability does not qualify for the exception. Angie and Zach cannot claim this credit for their child care expenses.

*Example 6:* Mason and Barbara are married and have two children. Mason works full time. Barbara is unable to work because of a brain tumor. Barbara has a home care worker come to their home daily because she is unable to care for herself while Mason is away at work. Mason and Barbara pay \$750 a month for child care and \$800 a month for care for Barbara. Barbara and her doctor completed Form WFC-DP showing that Barbara has a qualifying disability. Mason and Barbara can claim this credit for the \$750 a month they paid for child care. The amount paid for Barbara's care does not qualify for this credit.

**Proof of qualifying child care expenses.** You must be able to prove that you paid the child care expenses to claim this credit. Acceptable proof may include, but is not limited to, legible copies of:

- Cancelled checks (front and back) or money order stubs;
- Duplicate checks along with bank statements; and
- Signed receipts from the child care provider received at the time of payment. Receipts should include:
  - The child's full name.
  - Dates of care.
  - Date and amount of child care paid.
  - Name of person or agency paying.

- Provider's name, address, and telephone number.
- Provider's identification number (SSN/FEIN).
- The method of payment (check, money order, cash, etc.).
- Include bank statements or bank receipts showing cash withdrawals if paying in cash or money order.

If you have more than one child, be sure the information is listed separately for each child.

*Example 7:* Abby has two children and works full time. Abby's friend, Tonya, is Abby's child care provider. Abby pays Tonya \$500 a month in cash. During the processing of her tax return, Abby was asked for proof that she paid Tonya. She did not provide receipts or other proof of payment. Abby's credit was denied. Abby filed a written objection and provided receipts Tonya filled out after Abby's credit was denied. Abby cannot claim the credit because the receipts were not provided to her at the time of payment and she has no other proof that she paid Tonya.

**Important:** If you did not provide complete information, we may ask for additional proof. If you pay a relative or friend to care for your children, you may be asked to provide proof showing you actually paid qualifying child care expenses. Documents provided will not be returned. *Be sure to ask for a signed receipt from your child care provider each time you pay for child care.*

## Qualifying child information

**Lines 10–14.** Enter the full name, Social Security number or ITIN, date of birth, and relationship to you using the codes on the back of Schedule WFC for each qualifying child.

Enter the portion of expenses you listed in the child care provider section that apply to each child. The amounts shown on line 9 and line 14 should always be the same. If you have more than four qualifying children, check box 14a and include a separate sheet with the same information for the additional children.

## Computation of credit

**Line 15.** Enter your federal AGI (Oregon Form 40, line 8) on Schedule WFC, line 15.

**Line 16.** Enter the total qualifying expenses from Schedule WFC, line 9, on Schedule WFC, line 16.

**Line 17.** Use the table on the back of Schedule WFC that matches your household size, line 5.

For example, if your household size is three, use Table 3 to find the percentage you need to apply to your qualifying expenses. Enter that percentage on Schedule WFC, line 17.