

# Child Care Expenses Tax Credit Instructions

Use this form to determine if you can claim the Colorado Child Care Expenses tax credit. You may be able to claim the credit if you pay someone to care for your dependent who is under age 13. For information about any federal form or publication listed below, please visit [www.IRS.gov](http://www.IRS.gov)

## Eligibility

To be able to claim the Colorado credit for child care expenses, you must file federal form 1040 or 1040A. You cannot claim this credit if you filed federal form 1040EZ, 1040NR or 1040NR-EZ. If you did not file a federal income tax return, you may still be eligible for the Low Income Child Care Expenses credit. To claim the low income credit, you must complete and submit with your Colorado return, federal form 1040 and 2441. You must also meet all of the following tests:

1. The care must be for one or more qualifying persons who are identified on federal form 2441.
2. You (and your spouse if filing jointly) must have earned income during the year.
3. You must pay child care expenses so you (and your spouse if filing jointly) can work or look for work. Qualifying expenses are defined under Section 21 of the Internal Revenue Code.
4. You must make payments for child care expenses to someone you (and your spouse) cannot claim as a dependent. If you make payments to your child, he or she cannot be your dependent and must be age 19 or older by the end of the year. You cannot make payments to:
  - a. Your spouse, or
  - b. The parent of your qualifying person if your qualifying person is your child and under the age of 13.

5. You cannot claim this credit if your federal filing status is Married Filing Separate.

6. You must identify the care provider on this form.

It is recommended that you fully review IRS Publication 503 for eligibility tests and the definition of qualifying income and children. All of the information in this form is required and your credit may be denied if it is incomplete.

## Part I - Person or Organization Who Provided the Care

Use this section to list the name, address and Social Security or Federal Employer ID number of the child care provider(s) you used. If you are unable to provide the Social Security or Federal Employer ID number of the child care provider, you must show that you attempted to obtain the required information by attaching such proof to this form.

List the total amount paid for the full year of child care, paid to each provider.

## Part II- Qualifying Child Information

For lines 2a – 2d, list each qualifying child, their year of birth and their Social Security number. You must also list the amount of child care expenses for each specific child.

Complete lines 2e through 4 as instructed on the form. If the amount on line 4 is greater than \$60,000 do not continue because you do not qualify for this credit.

If line 4 is \$60,000 or less, enter the amount from line 9 of the IRS form 2441, Child and Dependent Care Expenses, on line 5 of this form DR 0347.

For line 6 enter your tax from your federal income tax return. See IRS form 1040 line 47 or 1040A line 28. If the amount of line 6 is greater than \$0, continue to Part III. Otherwise, if line 6 is \$0 or if you did not file a federal income tax return and your adjusted gross income is \$25,000 or less, skip to Part IV.

## Part III- Child Care Expenses Credit

If you had federal tax on line 6 above, use line 4 to determine the decimal amount from Table A. Enter the appropriate amount on line 7.

For line 8 enter the amount from line 11 of IRS form 2441, Child and Dependent Care Expenses.

For line 9 multiply line 8 by the decimal on line 7.

*Full-year residents should enter amount from this form on line 9 to form 104CR line 1. If you completed Part III and you were a part-year resident, continue to Part V.*

## Part IV- Low-Income Child Care Expenses

If you have no federal tax on line 6 and the amount of line 4 is \$25,000 or less, use Table B to calculate the credit. Otherwise, go back to Part III to calculate your credit.

For line 11 multiply line 3 by the decimal on line 10.

For line 12 enter the smaller amount of line 11 or the appropriate amount from Table B.

*Full-year residents should enter amount from this form on line 12 to form 104CR line 1. If you completed Part III and you were a part-year resident, continue to Part V.*

## Part V- Part Year Resident Limitation

Complete this part only if you were a part-year resident of Colorado in 2014. Enter the percentage from form 104PN line 34 on line 13 of this DR 0347.

For line 14 multiple the amount from line 9 or line 12 by the percentage from line 13. Enter this amount on line 1 of form 104CR.



## Child Care Expenses Tax Credit

Submit this form with your complete Colorado Individual Income Tax Return, including forms 104 and 104CR. You must also submit a copy of IRS form 2441 with your Colorado return. Thoroughly read the instructions to be certain you are eligible for this credit. Be sure to complete all required information. Failure to do so may result in a denied credit or delayed refund.

Taxpayer name	SSN
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**Part I – Persons or Organizations Who Provided the Care - You must complete this part**  
 If you have more than two care providers or if the provider is non-profit, see the instructions.

1. (a) Care Provider's First Name	Last Name	Middle Initial	(b) SSN or FEIN
(c) Address	City	State	Zip
(d) Amount Paid	\$		
(a) Care Provider's First Name	Last Name	Middle Initial	(b) SSN or FEIN
(c) Address	City	State	Zip
(d) Amount Paid	\$		

**Part II – Qualifying Child Information - You must complete this part**  
 If you have more than four qualifying children, see the instructions.

2(a). Child's First Name	Last Name	Middle Initial	Year of Birth
SSN	Qualified expenses you incurred and paid in 2014 for the person listed in 2(a)		
	\$		
2(b). Child's First Name	Last Name	Middle Initial	Year of Birth
SSN	Qualified expenses you incurred and paid in 2014 for the person listed in 2(b)		
	\$		
2(c). Child's First Name	Last Name	Middle Initial	Year of Birth
SSN	Qualified expenses you incurred and paid in 2014 for the person listed in 2(c)		
	\$		
2(d). Child's First Name	Last Name	Middle Initial	Year of Birth
SSN	Qualified expenses you incurred and paid in 2014 for the person listed in 2(d)		
	\$		
2(e). Enter the sum of all qualified child care expenses			\$
2(f). Enter your earned income			\$
2(g). If filing a joint return, enter the earned income of the other person			\$
3. Enter the smallest of line 2(e), 2(f) or 2(g)			• 3 \$
4. Enter your adjusted gross income from your federal income tax return. See IRS form 1040 line 37 or 1040A line 21			• 4 \$

If the amount of line 4 is greater than \$60,000 **STOP** - you do not qualify for this credit.





5. Enter the amount from line 9 of IRS form 2441, child and dependent care expenses	● 5	\$
6. Enter your tax from your federal income tax return. See IRS form 1040 line 47 or 1040A line 30	● 6	\$

*Complete Part III if line 6 is greater than \$0. Otherwise, skip to Part IV.*

**Part III – Child Care Expenses Credit**

Determine your Colorado decimal amount from the amount on line 4 above:

**Table A**

More than:	But not more than:	Enter this on line 7 below:
\$0	\$25,000	.50
\$25,000	\$35,000	.30
\$35,000	\$60,000	.10

7. Enter the decimal amount from Table A above	7	X.
8. Enter the amount from line 11 of IRS form 2441, child and dependent care expenses	● 8	
9. Multiply line 8 by the decimal on line 7	9	

*Full-year residents should enter the amount from line 9 on Form 104CR line 1.  
If you completed Part III and you were a part-year resident, proceed to Part V below.*

**Part IV – Low-Income Child Care Expenses Credit**

10. Low-income calculation only. DO NOT complete this Part IV if line 4 is greater than \$25,000 and if line 6 is greater than \$0	10	X .25
11. Multiply line 3 by the decimal on line 10	● 11	

**Table B**

One qualifying child	\$500
Two or more qualifying children	\$1,000

12. Enter the smaller of line 11 or the appropriate amount from Table B	● 12	
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*Full-year residents should enter the appropriate amount from line 12 on Form 104CR line 1  
Part-year residents skip to Part V below*

**Part V – Part-Year Resident Limitation**

13. Part-year residents ONLY - enter the percentage from Form 104PN line 34	13	%
14. Multiply the amount from line 9 or line 12 by the percentage from line 13. Enter the result on line 1 of Form 104CR	● 14	\$

