



Oregon Working Family Child Care Credit for Part-year Residents and Nonresidents

2015

Schedule WFC-N/P

| | | | |
|---------------------------------|--------------------|------------------------------|---|
| First name and initial | Last name | Social Security number (SSN) | <input type="checkbox"/> Attending school <input type="checkbox"/> Form WFC-DP is included |
| Spouse's first name and initial | Spouse's last name | Spouse's SSN if joint return | <input type="checkbox"/> Attending school <input type="checkbox"/> Form WFC-DP is included |

You may be required to provide proof of your payment of your child care expenses

Household size calculation

- Enter the number of exemptions you claimed on your 2015 federal return 1
- Enter the number of exemptions you didn't claim on your 2015 federal return because you released the exemption to the child's other parent 2
- Add lines 1 and 2 3
- Enter the number of exemptions you claimed on your 2015 federal return for people who didn't live in your household during 2015, including exemptions released to you by your child's other parent, or who aren't related by blood, marriage, or adoption..... 4
- Household size. Line 3 minus line 4 5

Qualifying child care expenses paid in 2015. Complete all information for each child care provider you paid in 2015.

| | | | | |
|---|------------------------------|---|-------------------------------|--|
| 6. Name _____ Address _____ City, State, ZIP code _____ | Provider's SSN or FEIN _____ | Child to provider relationship _____ (enter code) | Provider's phone number _____ | Amount you paid to provider 6 \$ _____ |
|---|------------------------------|---|-------------------------------|--|

| | | | | |
|---|------------------------------|---|-------------------------------|--|
| 7. Name _____ Address _____ City, State, ZIP code _____ | Provider's SSN or FEIN _____ | Child to provider relationship _____ (enter code) | Provider's phone number _____ | Amount you paid to provider 7 \$ _____ |
|---|------------------------------|---|-------------------------------|--|

| | | | | |
|---|------------------------------|---|-------------------------------|--|
| 8. Name _____ Address _____ City, State, ZIP code _____ | Provider's SSN or FEIN _____ | Child to provider relationship _____ (enter code) | Provider's phone number _____ | Amount you paid to provider 8 \$ _____ |
|---|------------------------------|---|-------------------------------|--|

9. Add amounts on lines 6 through 8 and enter the result here.

If you have more than three providers, check here and include a statement 9a 9 \$ _____

| Qualifying child information—Complete all information for each child | Child to taxpayer relationship (enter code) | Child's SSN | Child's date of birth (mm/dd/yyyy) | Qualifying expenses you paid for child care |
|--|---|-------------|------------------------------------|---|
| 10. First and last name of child | | | | \$ _____ |
| 11. | | | | \$ _____ |
| 12. | | | | \$ _____ |
| 13. | | | | \$ _____ |

14. Add amounts on lines 10 through 13 and enter the result here.

If you have more than four qualifying children, check here and include a statement 14a 14 \$ _____

Computation of credit

| | | |
|--|----|--------------------------|
| 15. Enter your federal adjusted gross income (Form 40N or Form 40P, line 29F)..... | 15 | <input type="text"/> |
| 16. Enter your Oregon adjusted gross income (Form 40N or Form 40P, line 29S) | 16 | <input type="text"/> |
| 17. Enter the larger of line 15 or line 16 | 17 | <input type="text"/> |
| 18. Enter the total qualifying child care expenses you paid in 2015 from line 9 above | 18 | <input type="text"/> |
| 19. Enter the decimal amount from the working family child care credit table on the back (use the table that matches your household size on line 5 above). For example, if the amount on line 5 is 4, use Table 4..... | 19 | <input type="text"/> X . |
| 20. Multiply the amount on line 18 by the decimal amount on line 19 and enter here | 20 | <input type="text"/> |
| 21. Multiply line 20 by the Oregon percentage (Form 40N or Form 40P, line 35). Enter the result here and on Schedule OR-ASC-N/P, Section 7, using code 893. This is your working family child care credit | 21 | <input type="text"/> |

— You must include this schedule and a copy of your federal return with your Oregon tax return to receive this credit—

Working family child care credit—2015 tables

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

Table 1, Schedule WFC-N/P relationship codes

| | | | |
|--------------------|----|---------------------|----|
| Son/Daughter | SD | Grandparent..... | GP |
| Stepchild..... | SC | Grandchild | GC |
| Foster child..... | FC | Aunt/Uncle | AU |
| Sibling | SB | Niece/Nephew | NN |
| Parent..... | PT | Other relative..... | OR |
| Spouse..... | SP | No relation | NR |

Table 2, household size = 2

| If the amount on Schedule WFC-N/P, line 17 is: | | Enter this decimal amount on Schedule WFC-N/P, line 19: |
|--|--------------------|---|
| at least: | but not more than: | |
| — | \$31,850 | 0.40 |
| \$31,851 | 33,450 | 0.36 |
| 33,451 | 35,050 | 0.32 |
| 35,051 | 36,650 | 0.24 |
| 36,651 | 38,250 | 0.16 |
| 38,251 | 39,850 | 0.08 |
| 39,851 | — | 0.00 |

Table 3, household size = 3

| If the amount on Schedule WFC-N/P, line 17 is: | | Enter this decimal amount on Schedule WFC-N/P, line 19: |
|--|--------------------|---|
| at least: | but not more than: | |
| — | \$40,200 | 0.40 |
| \$40,201 | 42,200 | 0.36 |
| 42,201 | 44,200 | 0.32 |
| 44,201 | 46,200 | 0.24 |
| 46,201 | 48,200 | 0.16 |
| 48,201 | 50,250 | 0.08 |
| 50,251 | — | 0.00 |

Table 4, household size = 4

| If the amount on Schedule WFC-N/P, line 17 is: | | Enter this decimal amount on Schedule WFC-N/P, line 19: |
|--|--------------------|---|
| at least: | but not more than: | |
| — | \$48,500 | 0.40 |
| \$48,501 | 50,950 | 0.36 |
| 50,951 | 53,350 | 0.32 |
| 53,351 | 55,800 | 0.24 |
| 55,801 | 58,200 | 0.16 |
| 58,201 | 60,650 | 0.08 |
| 60,651 | — | 0.00 |

Table 5, household size = 5

| If the amount on Schedule WFC-N/P, line 17 is: | | Enter this decimal amount on Schedule WFC-N/P, line 19: |
|--|--------------------|---|
| at least: | but not more than: | |
| — | \$56,800 | 0.40 |
| \$56,801 | 59,650 | 0.36 |
| 59,651 | 62,500 | 0.32 |
| 62,501 | 65,350 | 0.24 |
| 65,351 | 68,200 | 0.16 |
| 68,201 | 71,050 | 0.08 |
| 71,051 | — | 0.00 |

Table 6, household size = 6

| If the amount on Schedule WFC-N/P, line 17 is: | | Enter this decimal amount on Schedule WFC-N/P, line 19: |
|--|--------------------|---|
| at least: | but not more than: | |
| — | \$65,150 | 0.40 |
| \$65,151 | 68,400 | 0.36 |
| 68,401 | 71,650 | 0.32 |
| 71,651 | 74,900 | 0.24 |
| 74,901 | 78,150 | 0.16 |
| 78,151 | 81,450 | 0.08 |
| 81,451 | — | 0.00 |

Table 7, household size = 7

| If the amount on Schedule WFC-N/P, line 17 is: | | Enter this decimal amount on Schedule WFC-N/P, line 19: |
|--|--------------------|---|
| at least: | but not more than: | |
| — | \$73,450 | 0.40 |
| \$73,451 | 77,150 | 0.36 |
| 77,151 | 80,800 | 0.32 |
| 80,801 | 84,500 | 0.24 |
| 84,501 | 88,150 | 0.16 |
| 88,151 | 91,850 | 0.08 |
| 91,851 | — | 0.00 |

Table 8, household size = 8

| If the amount on Schedule WFC-N/P, line 17 is: | | Enter this decimal amount on Schedule WFC-N/P, line 19: |
|--|--------------------|---|
| at least: | but not more than: | |
| — | \$81,800 | 0.40 |
| \$81,801 | 85,850 | 0.36 |
| 85,851 | 89,950 | 0.32 |
| 89,951 | 94,050 | 0.24 |
| 94,051 | 98,150 | 0.16 |
| 98,151 | 102,250 | 0.08 |
| 102,251 | — | 0.00 |

Working family child care credit instructions

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 \$8,700 of earned income from Oregon sources; and
- You had \$3,400 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-N/P; and
- Your child care provider wasn't the child's parent or guardian, or a relative or step relative under age 19; and
- You paid qualifying child care expenses to allow you and your spouse to work or attend school at least part time or you or your spouse is 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 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.

Note: If you're married filing separately, you must be legally separated or permanently living apart on December 31, 2015, to qualify.

Note to RDPs: Use your federal "as if" return to see if you qualify for this credit. For Oregon tax purposes, Oregon registered domestic partners (RDP) are treated

the same as married couples. References to "spouse" or "marriage" on the Schedule WFC and instructions include RDPs.

If you qualify, complete Schedule WFC-N/P, *Oregon Working Family Child Care Credit for Form 40N and Form 40P filers*. Include this schedule with your return.

Example 1: Carl and Carrie moved from Arizona with their child in October 2015. They paid for child care and they both worked in both Arizona and Oregon. Carl and Carrie's wages after moving to Oregon are \$6,000. They have no other Oregon income. Carl and Carrie don't qualify for the working family credit because their earned income from Oregon didn't meet the minimum of \$8,700.

Example 2: Lisa is a resident of Idaho. She works in Idaho and Oregon. Her federal adjusted gross income on Form 40N, line 29F is \$32,300. Lisa earned \$9,500 from her Oregon employment and the balance from her Idaho employment. She paid \$4,850 to her child care provider to care for her qualifying child Beulah, age 6. Lisa can claim this credit because she has at least \$8,700 of earned income from Oregon sources.

Example 3: Warren and Johnny entered into military service from their home state of Oregon. They have been stationed in Washington since they completed basic training four years ago. Warren and Johnny live and work on base with their three children. Warren and Johnny meet the requirements for Oregon residents stationed outside Oregon, so Oregon will not tax their military income. If they have to file an Oregon tax return to claim a refund of Oregon withholding, Warren and Johnny must file as nonresidents. Warren and Johnny are not eligible for the working family child care credit because they are considered Oregon nonresidents and do not have earned income from Oregon sources.

Schedule WFC-N/P instructions for nonresidents and part-year residents

You must complete all information on the schedule and this must be submitted with your Oregon return along with a copy of your federal return. Failure to include these items or including an incomplete schedule may result in delay or denial of your WFC credit. **Your refund may take longer to process when claiming this credit.**

Check the boxes

Attending school. Check this box if you or your spouse had child care expenses because of attending school at least part time.

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

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

- Performing an activity of daily living. Activities of daily living include bathing, dressing, feeding, toileting, etc.;
- Working;
- Going to school at least part time; **and**
- Caring for the child(ren).

To claim this exception, the disabled taxpayer and their doctor need to fill out Form WFC-DP, *Verification of Disabled Parent or Guardian for Oregon Working Family Child Care Credit*. Go to www.oregon.gov/dor or contact us to get Form WFC-DP. This form must be filled out each year that you or your spouse meet that exception. Check the box "Form WFC-DP is included" on Schedule WFC-N/P. 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 2015 federal return who are related to you by blood, marriage, 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 2015 or who aren't related to you. A person can't be counted in the household size on more than one return.

Example 4: 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 they 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-N/P and "1" on line 2 for a total of "3" on line 5.

Example 5: Jay and Rena are married and 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-N/P and "2" on line 4 for a total of "5" on line 5.

Qualifying child care expenses paid in 2015

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 statement with the same information for the additional providers.

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

Provider's phone number. Enter a daytime phone number for the provider. Important: We need a current phone 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, both spouses 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 2015 for the payments to be qualifying child care expenses.

Qualifying child care expenses **don't** 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 another family member.

Example 6: Jeff works for a company that offers dependent care benefits. He contributes \$4,000 pre-tax each year to a flexible spending arrangement. His 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. He can claim the working family child care credit based on \$5,000 in qualifying child care expenses.

Example 7: Cate receives 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. She can only claim the amount she actually paid. Cate will enter \$1,800 on line 6 of the schedule (\$150 x 12 months). She will not include non-qualifying expenses paid by the state.

Example 8: Angie and Zach are married and have three children. Angie works full time and Zach doesn't work or attend school and is receiving disability payments. Despite his disability, Zach doesn't need assistance with any of the activities of daily living. Zach's disability doesn't qualify for the exception. Angie and Zach can't claim this credit for their child care expenses because Zach does not work or go to school.

Example 9: 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 doesn't 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 isn't limited to, copies of:

- Cancelled checks (front and back); or
- Money order stubs; or
- 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 phone.
 - 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 10: 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 didn't 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 can't claim the credit because the receipts weren't provided to her at the time of payment and she has no other proof that she paid Tonya.

Important: If you didn't provide complete information, we may ask for additional proof. If you pay a relative or friend to watch 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.**

Submitting proof of childcare expenses. If we ask for proof of your childcare expenses, you can now submit your documents online. Visit www.oregon.gov/dor and look for Revenue Online. You also have the option to mail in your documents. Follow the instructions on the letter requesting the information.

Qualifying child information

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

Enter the portion of the 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 statement with the same information for the additional children.

Computation of credit

Lines 15–17. Enter the larger of your federal AGI (Form 40N or Form 40P, line 29F) or your Oregon AGI (Form 40N or Form 40P, line 29S) on Schedule WFC-N/P, line 17.

Line 18. Enter the total qualifying expenses from Schedule WFC-N/P, line 9, on Schedule WFC-N/P, line 18.

Line 19. Use the table on the back of Schedule WFC-N/P that matches your household size, line 5.

Line 21. Multiply the amount on line 20 by your Oregon percentage (Form 40N or Form 40P, line 35). This is your credit amount. Enter the results on Schedule OR-ASC, Section 7, using code 893.

Example 11: Roberto and Randy are RDPs who are part-year Oregon residents. They meet the qualifications of the working family child care credit. They paid \$4,500 in qualifying child care expenses in 2015 for their two qualifying children. Their federal AGI is \$52,000 and their Oregon AGI is \$45,000. Roberto and Randy's

Oregon percentage is 86.5 percent. Here's how they will compute their \$1,426 credit:

15. Enter your federal adjusted gross income
(Form 40N or 40P, line 29F).....\$52,000
16. Enter your Oregon adjusted gross income
(Form 40N or 40P, line 29S).....\$45,000
17. Enter the larger of line 15 or line 16\$52,000
18. Enter the total qualifying childcare
expenses you paid in 2015 from line 9
above.....\$4,500
19. Enter the decimal amount from the
working family child care credit table
on the back x 0.32
20. Multiply the amount on line 18 by the
decimal amount on line 19. Enter the
results here..... \$1,440
21. Multiply line 20 by the Oregon percentage
(Form 40N or 40P line 35). This is the credit
amount..... \$1,246