

2021 Child and Dependent Care Expenses Credit

3506

Attach to your California Form 540 or Form 540NR.

Name(s) as shown on tax return SSN or ITIN

Part I Unearned Income and Other Funds Received in 2021. See instructions.

Table with 4 columns: Source of Income/Funds, Amount, Source of Income/Funds, Amount

Part II Persons or Organizations Who Provided the Care in California - You must complete this part. See instructions.

1 Enter the following information for each person or organization that provided care in California. Only care provided in California qualifies for the credit. If you need more space, attach a separate sheet.

Form with 7 rows (a-g) and 2 columns for Provider information.

Did you receive dependent care benefits? No. Complete Part III below. Yes. Complete Part IV on Side 2 before you complete Part III.

Part III Credit for Child and Dependent Care Expenses

2 Information about your qualifying person(s). See instructions.

Table with 5 columns: (a) Qualifying person's name, (b) Qualifying person's social security number (SSN), (c) Qualifying person's date of birth, (d) Percentage of physical custody, (e) Qualified expenses.

Summary section with lines 3-12 and corresponding amounts.

Part IV Dependent Care Benefits

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|-----------|---|-----------|--|----|
| 13 | Enter the total amount of dependent care benefits you received for 2021. This amount should be shown in box 10 of your federal Form(s) W-2. Do not include amounts that were reported to you as wages in box 1 of federal Form(s) W-2. If you were self-employed or a partner, include amounts you received under a dependent care assistance program from your sole proprietorship or partnership | 13 | | 00 |
| 14 | Enter the amount, if any, you carried over from 2020 and used in 2021 during the grace period | 14 | | 00 |
| 15 | Enter the amount, if any, you forfeited or carried forward to 2022 | 15 | | 00 |
| 16 | Combine line 13 through line 15 | 16 | | 00 |
| 17 | Enter the total amount of qualified expenses incurred in 2021 for the care of the qualifying person(s). See instructions | 17 | | 00 |
| 18 | Enter the smaller of line 16 or line 17 | 18 | | 00 |
| 19 | Enter YOUR earned income | 19 | | 00 |
| 20 | If married or an RDP filing a joint return, enter YOUR SPOUSE'S/RDP's earned income (if your spouse/RDP was a student or was disabled, see the instructions for line 5); if married or an RDP filing a separate tax return, see the instructions for the amount to enter; all others, enter the amount from line 19 | 20 | | 00 |
| 21 | Enter the smallest of line 18, line 19, or line 20 | 21 | | 00 |
| 22 | Enter \$5,000 (\$2,500 if married or an RDP filing separately and you were required to enter your spouse's/RDP's earned income on line 20) | 22 | | 00 |
| 23 | Enter the amount from line 13 that you received from your sole proprietorship or partnership. If you did not receive any amounts, enter -0- | 23 | | 00 |
| 24 | Subtract line 23 from line 16 | 24 | | 00 |
| 25 | Deductible benefits. Enter the smallest of line 21, line 22, or line 23 | 25 | | 00 |
| 26 | Excluded benefits. Subtract line 25 from the smaller of line 21 or line 22. If zero or less, enter -0- | 26 | | 00 |
| 27 | Taxable benefits. Subtract line 26 from line 24. If zero or less, enter -0- | 27 | | 00 |
| 28 | Enter \$3,000 (\$6,000 if two or more qualifying persons) | 28 | | 00 |
| 29 | Add line 25 and line 26 | 29 | | 00 |
| 30 | Subtract the amount on line 29 from the amount on line 28. If zero or less, stop . You do not qualify for the credit. Exception – If you paid 2020 expenses in 2021, see instructions for line 11 | 30 | | 00 |
| 31 | Complete Side 1, Part III, line 2. Add the amounts in column (e) and enter the total here | 31 | | 00 |
| 32 | Enter the amount from your federal Form 2441, Part III, line 31 | 32 | | 00 |
| 33 | Enter the smaller of line 30, line 31, or line 32. Also, enter this amount on Side 1, Part III, line 3 and complete Part III, line 4 through line 12 | 33 | | 00 |

Worksheet – Credit for 2020 Expenses Paid in 2021

- Enter your 2020 qualified expenses paid in 2020. If you did not claim the credit for these expenses on your 2020 tax return, get and complete a 2020 form FTB 3506 for these expenses. You may need to amend your 2020 tax return 1. _____
- Enter your 2020 qualified expenses paid in 2021 2. _____
- Add the amounts on line 1 and line 2 3. _____
- Enter \$3,000 if care was for one qualifying person (\$6,000 for two or more) 4. _____
- Enter any dependent care benefits received for 2020 and excluded from your income (from your 2020 form FTB 3506, Part IV, line 26) 5. _____
- Subtract amount on line 5 from amount on line 4 and enter the result 6. _____
- Compare your and your spouse's/RDP's earned income for 2020 and enter the **smaller** amount 7. _____
- If filing a joint tax return, compare the amounts on line 3, line 6, and line 7 and enter the **smallest** amount. If not filing a joint tax return, enter your earned income 8. _____
- Enter the amount from your 2020 form FTB 3506, Side 1, Part III, line 6 9. _____
- Subtract amount on line 9 from amount on line 8 and enter the result. If zero or less, **stop** here. You cannot increase your credit by any previous year's expenses 10. _____
- Enter your 2020 federal adjusted gross income (AGI) (from your 2020 Form 540, line 13; or Form 540NR, line 13) 11. _____
- 2020 federal AGI decimal amount (from 2020 form FTB 3506, instructions for line 7) 12. _____
- Multiply line 10 by line 12 13. _____
- 2020 California AGI decimal amount (from 2020 form FTB 3506, instructions for line 9) 14. _____
- Multiply line 13 by line 14. Enter the result here and on your 2021 form FTB 3506, Side 1, Part III, line 11 15. _____