How do I claim the working family child care credit?

File Schedule WFC with your Oregon tax return. The schedule and instructions are in the Oregon income tax booklet. You can also download the schedule from our Web site. You must file this schedule to claim this credit. If you do not file this schedule, the working family child care credit may be denied.

Examples of child care expenses that do not qualify

Qualifying child care expenses do not include amounts paid for your child to attend school or for activities, such as:

- Public or private school tuition for kindergarten through twelfth grade,
- Swimming classes,
- Overnight camp,
- Dance or gymnastic lessons,
- Language lessons,
- Child care paid by a federal or state assistance agency, or
- Child care paid by someone else.

Checklist

You will need the following information to claim the working family child care credit:

- ☐ Child's full name,
- ☐ Child's date of birth,
- ☐ Child's Social Security number,
- ☐ Child care provider's full name and address,
- ☐ Child care provider's tax identification number.
- ☐ Proof of payment of child care expenses (such as receipts or canceled checks), and
- ☐ Verification of household size.

For more information

Web site: www.oregon.gov/DOR



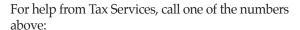
Visit our Web site to download Oregon tax returns and Schedule WFC, and to find out more about the working family child care credit.

Telephone

Salem	503-378-4988
Toll-free within Oregon	1-800-356-4222

If you have a touch-tone telephone, call our 24-hour voice response system at one of the numbers above to:

- Hear recorded tax information.
- Order tax forms.
- Check on the status of your 2004 personal income tax refund (beginning February 1).



Monday, Tuesday, Thursday, Friday	7:30 a.m.–5:10 p.m.
Wednesday	.10:00 a.m5:10 p.m.
Closed on holidays.	

April 1–April 15, Monday–Friday.....7:00 a.m.–9:00 p.m. Wait times may vary.

TTY (hearing or speech impaired; machine only): 503-945-8617 (Salem) or 1-800-886-7204 (toll-free within Oregon).

Americans with Disabilities Act (ADA). This information is available in alternative formats. Call 503-378-4988 (Salem) or 1-800-356-4222 (toll-free within Oregon).

Asistencia en español. Llame al 503-945-8618 en Salem o llame gratis al 1-800-356-4222 en Oregon.



Visit us on the Web at www.oregon.gov/DOR



Oregon Working Family Child Care Credit



For Parents

What is the Oregon working family child care credit?

The working family child care credit is a refundable tax credit for low-income working families. The credit is based on:

- Your qualifying child care expenses,
- The number of people in your family (household size), and
- Your adjusted gross income.

How do I qualify to claim this credit?

First, you must meet the income tests:

- 1. You must have a minimum amount of earned income.* For 2004, the amount is \$6,750.
- 2. You also must have less than the maximum amount of investment income.* For 2004, the amount is \$2,650.
- 3. You also must have adjusted gross income that is less than the limits based on your household size.

Next, you must have qualifying child care expenses. Qualifying expenses are:

- Paid to allow you (and your spouse if married) to work or go to school.
- Paid for care of your son, daughter, stepson, stepdaughter, or legally adopted child who is under age 13. Expenses paid for your child under 18 who qualifies for the additional exemption credit for a child with a disability may also qualify.
- Paid to someone other than the child's parent, guardian, or brother or sister under age 19.

These requirements are explained in more detail on the Oregon Department of Revenue's Web site at www.oregon.gov/DOR and in the Oregon income tax booklet.

What is household size?

Household size is the number of people you can claim as exemptions on your federal tax return who are:

- Living in your house, and
- Related to you by birth, marriage, or adoption.

You can include in your household size exemptions for children where you have released the exemption to the child's other parent. You may not include people who do not live with you, even if you are eligible to claim the exemptions on your federal tax return.

How is this credit different from the child and dependent care credit?

The working family child care credit is available only on the Oregon tax return. While this credit seems very similar to the child and dependent care credit, it stands alone under Oregon law. The working family child care credit is a refundable credit: if the credit is more than your tax, you will receive the difference. The working family child care credit is also different from the child and dependent care credit because you do not have to reduce the credit by the amount of expenses paid with pre-tax dollars.

Can I claim both the child and dependent care credit and the working family child care credit?

Yes, you may be eligible to claim both the child and dependent care credit and the working family child care credit. You must follow federal rules to qualify for the child and dependent care credit. However, you are not required

to claim it to claim Oregon's working family child care credit.

How do I prove my expenses?

If you claim this credit, keep proof of payment in your records. The department could ask for the proof at any time. If you do not have proof of expenses, the credit may be denied. Proof includes:

- Canceled checks,
- Duplicate checks along with bank statements, and/or
- Specific receipts signed by the child care provider.

If the state helps me pay for child care, how much can I claim?

If you pay part of the expenses (co-pay) and the state pays the rest, you may claim the part you actually paid. Keep the monthly statement you receive from the state showing your co-pay amount and the amount paid directly to your child care provider.

I don't have a bank account, and I pay cash as I go. How do I prove I paid child care expenses?

If you paid cash, you will need to have signed receipts from the child care provider that show:

- Who provided the care,
- The child(ren) cared for,
- The date you made the payment,
- The amount of the payment, and
- Who made the payment.



^{* &}quot;Earned income" and "investment income" have the same meaning for this credit as for the federal earned income credit. The set amounts change each year.