



Dependent Care Assistance Credit

MCA 15-30-186 AND 15-31-131

Name _____ Social Security # _____

Instructions

To be eligible for the credit, the dependent care assistance program must:

- Be furnished by a registered or licensed day-care provider
- Be in writing as specified in IRC 89(k) and meet the federal dependent care assistance requirements under IRC 129(d) through (k)

The credit is not allowable if:

- The services were not performed within Montana, or
- The amount of dependent care assistance is paid pursuant to a salary reduction plan, or
- The amount upon which the credit is based is included in the gross income of the employee or employees.

Any deduction allowed for dependent care assistance on Schedule C, E or F must be reduced by the amount of dependent care assistance upon which the credit was based.

Dependent care assistance provided by a small business corporation or partnership qualifies for the credit. The credit is attributed to the shareholders or partners using the same proportion used to report income or loss for Montana purposes.

Worksheet

Any excess credit not used the first year may be carried forward for five years. It may not be carried back.

1. Enter total amount of dependent care assistance you furnished your employees as an employer. _____
2. Enter total number of employees to whom this service was furnished. _____
3. Divide line 1 by line 2. Enter that amount or \$6,250, whichever is smaller. _____
4. Multiply line 3 by 20% (.20). Enter that amount or \$1,250, whichever is smaller. _____
5. Multiply the amount on line 4 by the amount on line 2. This is your Dependent Care Assistance Credit. Enter this amount on Schedule II, Form 2A. _____

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. 