



2006 Child and Dependent Care Expense Deduction

15-30-121, MCA

MONTANA
2441-M
Rev. 11-06

Your first name and initial	Last name	Your social security number
Spouse's first name and initial	Last name	Social security number

1 Enter the number of qualifying individuals you cared for in 2006	1	
2 Enter here the lesser of your actual amount of dependent care expenses paid in 2006, or the amount listed below	2	
<ul style="list-style-type: none"> • \$2,400 for one qualifying individual • \$3,600 for two qualifying individuals • \$4,800 for three or more qualifying individuals 		
3 If filing Form 2M, enter the amount from line 35 here. If filing Form 2, add the amounts in columns A and B, line 40 and enter the amount here	3	
<ul style="list-style-type: none"> • If line 3 above is \$18,000 or less, stop here and enter the amount on line 2 above on Form 2, Schedule III, line 19 or Form 2M, Schedule I, line 18. If you are married filing separately on the same form enter one-half of line 2 in columns A and B on Form 2, Schedule III, line 19. • If line 3 is \$18,001 or greater, complete lines 4 through 7 below. 		
4 Entered here, for you, is your Montana adjusted gross income base amount	4	\$18,000
5 Subtract line 4 from line 3 and enter the result here	5	
6 Multiply line 5 by .50 (50%) and enter the result here	6	
7 Subtract line 6 from line 2 and enter the result here. This is your child and dependent care expense deduction	7	

If your result is zero or less, stop here, you are not allowed this deduction.
 If your result is greater than zero, enter the amount on line 7 above on Form 2, Schedule III, line 19 or Form 2M, Schedule I, line 18.
 If you are married filing separately on the same form enter one-half of line 7 in columns A and B on Form 2, Schedule III, line 19.

General Instructions

Am I eligible to claim the child and dependent care expense deduction?

You are eligible to take this deduction if you maintain a household that includes, as a member of the household, one or more qualifying individuals.

A qualified individual is a:

- dependent under the age of 15 for whom you may claim as a dependent on your income tax return, or
- dependent who, regardless of age, is unable to care for himself or herself because of a physical or mental illness, or
- spouse who is unable to care for himself or herself because of a physical or mental illness.

How do I determine if I maintain a household that entitles me to claim this deduction?

You can qualify as maintaining a household for the tax year if you furnish over half the cost of maintaining the household for that year. If you are married, both you and your spouse are required to provide over half the cost of maintaining the household.

The cost of maintaining a household includes, but is not limited to, expenses paid for property taxes, property insurance, mortgage interest, rent, utilities, upkeep, repairs, and food consumed on the premises. Expenses do not include such costs as clothing, education, medical treatment, vacations, life insurance or transportation.

If I care for my own child in my licensed day-care do I qualify for this deduction?

You qualify for this deduction if you are a licensed and registered day-care provider who operates a family day-care home or a group day-care home and care for your own child and at least one unrelated child. The amount of expense that you can claim on line 2 above is an amount equal to the amount you charge for the care of an unrelated child. Your expenses are equal to the expenses that you charge for a child of the same age and for the same number of hours of care regardless of whether you actually paid these expenses for the care of your child or not.

Child and dependent care deduction versus medical expense deduction. If an expense qualifies as both an employment-related expense and a medical expense, you may treat it either way as long as you do not deduct it twice.

If you treat the expense as a medical expense, the part of that expense that is not deductible because of the 7.5% medical deduction limitation cannot be used as part of your employment-related expenses.

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

When you file your Montana income tax return electronically, you represent that you have retained all documents required as a tax record and that you will provide a copy to the department upon request.