

The Federal FSA Program

Dependent Care Tax Credit Worksheet



Use the worksheet below to determine whether a Dependent Care FSA or Dependent Care Tax Credit works best for your specific tax situation. Once you have completed the worksheet, compare your Spendable Income (line 12) in each column to determine which method will benefit you most. This worksheet does not replace the advice of a tax advisor. Please consult your tax advisor for more details. Please note, if either you or your spouse had no earned income for the year, you are not eligible for the Dependent Care FSA. For more information, refer to the dependent care section of the [Summary of Benefits and Frequently Asked Questions](#).

Line	Instructions	Dependent Care Flexible Spending Account	Federal Dependent Care Tax Credit
1	Annual Salary If you are married, include both your and your spouse's incomes.		
2	Annual Dependent Care Expenses		
3	Pre-Tax Dependent Care Expenses Use the amount in line 2 or \$5,000 (or \$2,500 if you are married and filing separately), whichever is less.		
4	Adjusted Salary Subtract line 3 from line 1.		
5	Federal Income Taxes Multiply line 4 by your Federal tax rate %		
6	Social Security Taxes Multiply line 4 by 7.65%		
7	State Income Taxes (if applicable) Multiply line 4 by your state income tax rate %		
8	Total Taxes Add lines 5, 6, and 7		
9	Take Home Pay After Taxes Subtract line 8 from line 4		
10	After-Tax Dependent Care Expenses Subtract line 3 from line 2		
11	Tax Credit (see worksheet below)		
12	Spendable Income Subtract line 10 from line 9, then add line 11		

Calculating the Tax Credit	
1	Annual Salary (see line 1 above)
2	Annual Dependent Care Expenses (line 2 above)
3	Dependent Care Expenses Eligible for Reimbursement (If you have expenses only for one child, enter the amount from line 2 or \$3,000, whichever is less ; If you have expenses for two or more children, enter the amount from line 2 or \$6,000, whichever is less .)
4	Tax Credit % (Find your tax rate in the chart to the right and enter the percentage shown.)
5	Tax Credit (Multiply line 3 by line 4. Enter this amount on line 11 above.)

At least:	But Not More Than:	Tax Rate %
\$0	\$15,000	35%
\$15,001	\$17,000	34%
\$17,001	\$19,000	33%
\$19,001	\$21,000	32%
\$21,001	\$23,000	31%
\$23,001	\$25,000	30%
\$25,001	\$27,000	29%
\$27,001	\$29,000	28%
\$29,001	\$31,000	27%
\$31,001	\$33,000	26%
\$33,001	\$35,000	25%
\$35,001	\$37,000	24%
\$37,001	\$39,000	23%
\$39,001	\$41,000	22%
\$41,001	\$43,000	21%
\$43,001	or more	20%

Note: The IRS allows a maximum of \$3,000 for one child or \$6,000 for two or more children when determining your tax credit. For more information, see [IRS Publication 503, Child and Dependent Care Expenses and Form 2441](#).

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