

What counts as proof of expenses?

Proof of expenses include:

- Cancelled checks (front and back); or
- Money orders; or
- Duplicate checks with bank statements; **and**
- Signed receipts from the provider received at the time of payment. Receipts should include:
 - The qualifying individual’s full name.
 - Dates of care.
 - Amount paid.
 - Date paid.
 - Name of person or agency paying.
 - Provider’s name, address, and phone number.
 - Provider’s identification number (SSN/FEIN).
 - The method of payment.

If you’re paying in cash or money order, also include bank statements or bank receipts showing your cash withdrawals.

We may ask that your provider fill out our provider statement to verify the amount you paid.

Penalty for claiming the credit falsely

If you knowingly claim this credit falsely, or if you assist someone in claiming this credit falsely, we will deny or adjust the credit and you may be charged a penalty up to 25 percent of the amount claimed.

How do you claim this credit?

File Schedule OR-WFHDC or Schedule OR-WFHDC-NP with your tax return. You can determine the percentage of

qualifying expenses you may claim by using the WFHDC calculator on our website (available starting January 9, 2017).

Visit our website at www.oregon.gov/dor to download tax return forms and schedules, and to find out more about the Working Family Household and Dependent Care Credit.

Do you have questions or need help?

www.oregon.gov/dor
(503) 378-4988 or 1 (800) 356-4222
questions.dor@oregon.gov

Contact us for ADA accommodations or assistance in other languages.

Oregon’s Working Family Household and Dependent Care Credit



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What is the Working Family Household and Dependent Care Credit?

The Working Family Household and Dependent Care Credit (WFHDC) combines the previous tax years' benefits of the Working Family Child Care Credit (WFC) and the Child and Dependent Care Credit (CDC) into one comprehensive, tax credit. The credit can be claimed starting with tax year 2016. The purpose of the credit is to help low- to moderate-income families pay for the care of their dependents while they're working, attending school, or if they're disabled.

Who qualifies for this credit?

For tax year 2016, your adjusted gross income must be less than:

- \$48,060 for a household size of two.
- \$60,480 for a household size of three.
- \$72,900 for a household size of four.
- \$85,320 for a household size of five.
- \$97,740 for a household size of six.
- \$110,190 for a household size of seven.
- \$122,670 for a household size of eight or more.

You must have qualifying household or dependent care expenses. Qualifying expenses are:

- Paid for qualifying individuals to allow you (and your spouse) to work, look for work, or attend school. They may also be paid because you or your spouse is disabled;
- Paid household services needed by a qualifying individual or for the care of a qualifying individual;
- Paid to someone who isn't your spouse, the parent of your qualifying individual, or a person you can claim as a dependent; and
- Paid by the taxpayers and may be paid with pre-tax dollars from an employer benefits plan.

You are not allowed to claim the credit if you are filing married filing separately (unless you meet an exception).

Who is a "qualifying individual"?

- A child under age 13 who you can **claim as a dependent**.
- Your disabled spouse who wasn't able to care for himself or herself and lived with you for more than half the year.
- Any disabled person who wasn't able to care for himself or herself that you can claim as a dependent, or could **claim as a dependent** except:
 - They had a gross income of \$4,050 or more;
 - They filed a joint return; or
 - You, or your spouse if filing jointly, could be claimed as a dependent on another taxpayer's return.

What are "household services"?

Household services are the services needed to care for the qualifying individual and to run the home.

What costs are included as "care of the qualifying individual"?

Costs for the care of the qualifying individual includes the services for their well-being and protection. You can include the cost for care provided outside your home for your dependent under age 13, or any other qualifying individual who regularly spends at least eight hours a day in your home.

Expenses that don't qualify

Qualifying household and dependent care expenses **don't** include:

- Public, private, or boarding school.
- Summer school or tutoring.
- After-school activities.
- Sports.
- Overnight camps.
- Child support payments.
- Food, lodging, gas, or supplies.
- Late payment or other fees.

Qualifying expenses also don't include items paid by others on your behalf, such as expenses paid or reimbursed by a state social service agency, payments made by another family member, or the child's other parent.

How is this credit different from the Child and Dependent Care Credit?

The WFHDC credit is specific to Oregon and is claimed on your Oregon tax return. The Child and Dependent Care Credit is a federal credit that's claimed on your federal return. The limits of qualifying expenses are different.