What is the working family household and dependent care credit?
The working family household and dependent care (WFHDC) credit is a tax credit that helps low to moderate-income families pay for the care of their dependents.

This credit is refundable, meaning the portion of the credit that is larger than your tax liability can be refunded to you.

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 and certain other requirements are different between the two credits.

Who qualifies for this credit?
You must have qualifying expenses for household services or dependent care. Qualified expenses are paid by you (or your spouse, if filing jointly) for household services or care for qualifying individuals to allow:

- You (and your spouse, if filing jointly) to work or look for work.
- You to attend school, if you’re single.
- You to work or look for work while your spouse attends school or is disabled, if you’re married filing jointly.

To qualify, expenses must be paid to a provider who isn’t your spouse, the parent of your qualifying individual, or a person you can claim as a dependent.

You may pay qualified expenses with pretax dollars from an employee benefit plan.

You can’t claim the credit if:

- Your income exceeds the threshold limitation for your household size. The limitations change each year; refer to Schedule OR-WFHDC on our website at www.oregon.gov/dor, for more information.
- You don’t have earned income for the year.
- You’re filing as 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 themself and lived with you for more than half the year.
- Any disabled person who wasn’t able to care for themself that you can claim as a dependent, or could claim as a dependent except:
  - Their gross income exceeded the limitation for being claimed as a dependent;
  - 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 costs are “qualifying expenses”?
Costs for the care of the qualifying individual include 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.

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

What expenses don’t qualify?
Qualifying expenses for household services and dependent care don’t include:

- Public or private school (K-12).
- Summer school or tutoring.
- Sports.
- Overnight camps.
- Child support payments.
- Food, lodging, gas, or supplies.
- Late payment or other fees.

For expenses for after-school activities and boarding school, only the portion that is for dependent care is eligible for this credit.

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 payments made by the child’s other parent.
**What counts as proof of expenses?**

You must be able to prove that you paid qualified expenses to claim this credit. Legible proof of both the payment and the receipt are required for each expense paid.

**Note:** If you make payments in cash or if the provider is a relative, friend, or someone you have a personal relationship with, we require more evidence of payment. If you make payments by check, it's easier to prove that you paid the expenses claimed.

Acceptable **proof of payment** includes, but isn't limited to:

- Cancelled check (front and back).
- Money order stub, along with a corresponding bank statement showing the withdrawal.
- Cashier’s check, along with a corresponding bank statement showing the withdrawal.
- Duplicate check, along with a corresponding bank statement showing the withdrawal.
- Bank statement showing the cash withdrawal.
- Electronic history report or statement showing money was sent by you and to whom it was sent to.

Acceptable **receipts** must be received at the time of payment, must match the proof of payment, and must include the:

- Qualifying individual’s full name.
- Dates of care.
- Date and amount paid.
- Name of the person or agency paying.
- Provider’s name, address, and phone number.
- Provider’s identification number, such as their Social Security number (SSN), Individual Taxpayer Identification number (ITIN), or Federal Employer Identification number (FEIN).
- Method of payment (check, money order, cash, etc.)

If you have more than one qualifying individual, be sure the information is listed separately for each.

We may ask your provider to fill-out Form OR-PS to verify the amount you paid.

**How do you claim this credit?**

Follow the instructions for Schedule OR-WFHDC and submit it with your tax return.

Visit our website at [www.oregon.gov/dor](http://www.oregon.gov/dor) to download tax return forms and schedules, and to find out more about the WFHDC credit.

**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, in addition, you may be charged a penalty up to 25 percent of the amount claimed.

**Forms and instructions related to this credit**

- Schedule OR-WFHDC
- Schedule OR-WFHDC Instructions
- Form OR-PS
- Form OR-PS Instructions
- Publication WFHDC-TB
- Schedule OR-WFHDC-PR
- Schedule OR-WFHDC-CL

**Do you have questions or need help?**

[www.oregon.gov/dor](http://www.oregon.gov/dor)
503-378-4988 or 800-356-4222
questions.dor@oregon.gov

Contact us for ADA accommodations or assistance in other languages.