

## Schedule OR-WFHDC-ST Instructions

### Oregon Working Family Household and Dependent Care Credit for Students

2023

#### Introduction

The Oregon working family household and dependent care (WFHDC) credit is a refundable credit available to low- and middle-income working families with qualifying expenses for household services or dependent care. See Schedule OR-WFHDC Instructions for general information about the credit.

Schedule OR-WFHDC-ST provides an alternative calculation for the WFHDC credit. Use Schedule OR-WFHDC-ST if you (and your spouse, if married filing jointly) qualify for the WFHDC credit, your adjusted gross income (AGI) was less than the limit below, and you (or your spouse if married filing jointly) were a student during the tax year. Begin by reading the instructions for Schedule OR-WFHDC to see if you qualify, then complete Schedule OR-WFHDC through line 24 before completing Schedule OR-WFHDC-ST.

**Note for married taxpayers.** For purposes of these instructions, the word “you” also refers to your spouse if your filing status is married filing jointly, unless otherwise indicated.

Include this schedule with Schedule OR-WFHDC when you file your return.

#### Qualifications

**Income.** In order to use Schedule OR-WFHDC-ST, your income must be under a certain limit. If using Form OR-40, your Oregon AGI (Form OR-40, line 7) must be less than the limit for your household size below. If using Form OR-40-N or OR-40-P, the greater of your Oregon or federal AGI (Form OR-40-N or OR-40-P, line 29F or 29S) must be less than the limit for your household size.

Household size	AGI limit
2	\$21,692
3	\$27,346
4	\$33,000
5	\$38,654
6	\$44,308
7	\$49,962
8 or more	\$55,616

#### Student requirements

**Attending school.** You must have been enrolled in and attending school as a full- or part-time student in a degree-seeking program and qualified for financial aid. A school doesn't include an on-the-job training course, correspondence school, training center, or a school offering courses only through the internet. We may request a copy of your school records.

You are considered a full-time student if you qualified as a full-time student for financial aid purposes. You are considered a part-time student if you are qualified as a part-time student for financial aid purposes.

**Financial aid.** You must have qualified to receive financial aid as either a full-time or part-time student. However, you are not required to have received any financial aid. If you do not qualify for financial aid, you cannot claim WFHDC for the dependent care expenses when you were attending school.

**Months in attendance.** Your credit is based in part on the number of months you attended school. An attendance month is any month in which you were a degree-seeking student, enrolled in and attending school full- or part-time, and qualified for financial aid. See also “Summer months,” below.

**Summer months.** If you or your spouse did not attend classes during the summer months but were enrolled in a degree-seeking program in both the spring and fall academic terms, you may treat the summer months the same as the immediately preceding last month of the spring term. For example, if you were a full-time student in May, consider yourself a full-time student for June, July, and August. If you were a part-time student in May, consider yourself part-time for June, July, and August.

#### Form instructions

##### Section 1 – School ratio

Using the following table, enter the corresponding amount based upon your status as a student for each month of the year in the appropriate column. Then enter the corresponding amount based upon your spouse's status as a student for each month of the year.

Full-time student and qualified for financial aid	Part-time student and qualified for financial aid	Didn't attend school or didn't qualify for financial aid
100	70	0

**Line 13.** Enter the totals for yourself and your spouse on lines 13a and 13b.

**Example 1.** Amy and Greg are married and have three children in child care and file a joint tax return. Amy attended school full-time in a degree-seeking program during the winter, spring, and fall academic terms. She qualified for financial aid as a full-time student. Greg worked full-time all year. Amy will enter 100 in every month of the year,

including the summer months. Greg will enter 0 in every month, as Greg did not attend school. Amy will enter 1,200 on line 13a and Greg will enter 0 on line 13b.

**Example 2.** Kylie's filing status is head of household and she has one child. Kylie attended school full-time and qualified for financial aid as a full-time student during the winter and fall terms. She attended school part-time and qualified for financial aid as a part-time student during the spring term. Kylie will enter 100 in the months of January through March and September through December. She will enter 70 for the months of April through June. Kylie will also enter 70 for the summer months of July and August even though she didn't attend school, because she attended part-time during June, the last month of the spring academic term. Kylie's total on line 13a is 1,050.

**Example 3.** Madison took a few classes at her local community college to brush up on her writing skills. She attended school part time and qualified for financial aid as a part-time student in the winter, spring, and fall terms. Madison didn't attend school during the summer. However, because Madison is not in a degree-seeking program, she does not qualify to claim the credit for any of the expenses she incurred while she attended school.

**Line 15.** Enter 1,200 if you were a student during any point of the calendar year. Otherwise, enter 0.

**Line 16.** If you are married and filing a joint return and your spouse was a student at any point during the calendar year, enter 1,200. Otherwise, enter 0.

**Line 18.** Divide line 14 by line 17. This is your school ratio for the year.

## Section 2 – Computation of credit

**Note:** Before you can figure the amount of your credit using Schedule OR-WFHDC-ST, you must first complete Schedule OR-WFHDC, lines 1-24.

**Line 21.** Enter \$1,000 if you're claiming one qualifying individual or \$2,000 if you're claiming two or more qualifying individuals.

**Line 22.** Enter the total number of months you were a student.

**Example 4.** Morgan was seeking a degree from a culinary academy. He attended school full-time and qualified for financial aid as a full time student for the winter and spring terms. He attended full-time and qualified for financial aid as a full-time student for the fall term. Morgan did not attend school during the summer. Because Morgan was in a degree-seeking program, attended school in both the spring and fall academic terms, and qualified for financial aid, Morgan is considered a student for all 12 months of the year. He will enter 12 on line 22.

**Example 5.** Lily attended school in a degree-seeking program and qualified for financial aid. Lily attended school part-time during the winter and spring terms only. Because Lily only attended school during the winter and spring term, a total of six months, she will enter 6 on line 22.

**Line 24.** Enter the amount of your earned income reported on Schedule OR-WFHDC, line 20.

**Disabled students.** If you were disabled and reported imputed income on federal Form 2441, line 4 in the amount of \$250 (or \$500 if you had two or more qualifying individuals) per month that you were disabled, you cannot also report Oregon imputed income for the same months. You must subtract the amount of the federal disabled imputed income you reported during the months you qualified to attend school. Complete the worksheet below to determine the amount you can claim on line 24.

### Disabled student worksheet

- |  |          |
|--|----------|
| 1. Enter your earned income reported on Schedule OR-WFHDC, line 20.                        | 1. _____ |
| 2. Enter the amount of your disabled imputed income included on federal Form 2441, line 4. | 2. _____ |
| 3. Line 1 minus line 2. This is your earned income. Enter the amount here and on line 24.  | 3. _____ |

**Line 26.** If you are married and filing a joint return, enter the total number of months your spouse was a student.

**Line 28.** Enter the amount of your spouse's earned income reported on Schedule OR-WFHDC, line 21.

**Disabled student spouse.** If your spouse was a disabled student, complete the worksheet below to determine the amount of earned income your spouse can claim on line 28.

### Disabled student spouse worksheet

- |   |          |
|---|----------|
| 1. Enter your spouse's earned income reported on Schedule OR-WFHDC, line 21.                        | 1. _____ |
| 2. Enter the amount of your spouse's disabled imputed income included on federal Form 2441, line 5. | 2. _____ |
| 3. Line 1 minus line 2. This is your spouse's earned income. Enter the amount here and on line 28.  | 3. _____ |

**Line 31.** The amount of your credit is based in part on the age of your **youngest** qualifying individual. Use the table on Schedule OR-WFHDC-ST to determine your percentage.

**Example 6.** Kim and Paul have four children. They pay childcare expenses so Kim can attend school and Paul can work. Willow is 9, Sage is 7, Liam is 4, and Noah is 2. Using

the table on Schedule OR-WFHDC-ST, Kim and Paul will claim 0.75 on line 31, as their youngest child, Noah, is 2.

**Line 34.** Multiply line 32 by line 33. This is your WFHDC student credit amount. Enter this amount on Schedule OR-WFHDC-ST, line 34 and on Schedule OR-WFHDC, line 25.

**Submitting proof of qualified expenses.** Keep your records used to complete this form; do not submit them with your return. If we ask for proof of your qualified expenses, you can submit your documents online. Visit [www.oregon.gov/dor](http://www.oregon.gov/dor) and look for Revenue Online. You also have the option

to mail your documents. Follow the instructions included in the letter requesting the information.

### **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@dor.oregon.gov](mailto:questions.dor@dor.oregon.gov)

Contact us for ADA accommodations or assistance in other languages.