

# Schedule WFC-N/P

# Oregon Working Family Child Care Credit for Part-Year Residents and Nonresidents

# 2013

|  |   |   |   |
|--|---|---|---|
| Last name                                | First name and initial                                | Social Security number (SSN)<br>- -       | <input type="checkbox"/> Attending school<br><input type="checkbox"/> Form WFC-DP is included |
| Spouse's/RDP's last name if joint return | Spouse's/RDP's first name and initial if joint return | Spouse's/RDP's SSN if joint return<br>- - | <input type="checkbox"/> Attending school<br><input type="checkbox"/> Form WFC-DP is included |

### YOU MAY BE REQUIRED TO PROVIDE PROOF OF YOUR PAYMENT OF YOUR CHILD CARE EXPENSES

#### Household Size Calculation

- Enter the number of exemptions you claimed on your federal return ..... 1
- Enter the number of exemptions you did not claim on your federal return because you released the exemption to the child's other parent ..... 2
- Add lines 1 and 2 ..... 3
- Enter the number of exemptions you claimed on your federal return for people who did not live in your household during 2013, including exemptions released to you by your child's other parent, or who are not related by blood, marriage, RDP, or adoption ..... 4
- Household size. Line 3 minus line 4 ..... 5

## FOR COMPUTER USE ONLY

### Qualifying Child Care Expenses Paid in 2013. Complete all information for each child care provider you paid in 2013.

|   |                                |                                   |                             |
|---|--------------------------------|-----------------------------------|-----------------------------|
| Provider's full name and complete address                     | Provider's SSN or FEIN         | Child to Provider Relationship    | Amount You Paid to Provider |
| 6. Name _____<br>Address _____<br>City, State, ZIP Code _____ | <input type="text"/>           | <input type="text"/> (enter code) | <input type="text"/>        |
|   | Provider's Telephone No. _____ | ..... 6                           | \$ _____                    |

|   |                                |                                   |                             |
|---|--------------------------------|-----------------------------------|-----------------------------|
| Provider's full name and complete address                     | Provider's SSN or FEIN         | Child to Provider Relationship    | Amount You Paid to Provider |
| 7. Name _____<br>Address _____<br>City, State, ZIP Code _____ | <input type="text"/>           | <input type="text"/> (enter code) | <input type="text"/>        |
|   | Provider's Telephone No. _____ | ..... 7                           | \$ _____                    |

|   |                                |                                   |                             |
|---|--------------------------------|-----------------------------------|-----------------------------|
| Provider's full name and complete address                     | Provider's SSN or FEIN         | Child to Provider Relationship    | Amount You Paid to Provider |
| 8. Name _____<br>Address _____<br>City, State, ZIP Code _____ | <input type="text"/>           | <input type="text"/> (enter code) | <input type="text"/>        |
|   | Provider's Telephone No. _____ | ..... 8                           | \$ _____                    |

9. Add amounts on lines 6 through 8 and enter the result here. If you have more than three providers, check here 9a  ..... 9 \$ \_\_\_\_\_

| Qualifying Child Information—Complete all information for each child   | Child's SSN | Child's Date of Birth | Child to Taxpayer Relationship (enter code) | Qualifying Expenses You Paid for Child |
|--|-------------|-----------------------|---|--|
| 10. First and Last Name of Child   |             |                       |   | \$ _____                               |
| 11.  |             |                       |   | \$ _____                               |
| 12.  |             |                       |   | \$ _____                               |
| 13.  |             |                       |   | \$ _____                               |
| 14. Add amounts on lines 10 through 13 and enter the result here. If you have more than four qualifying children, check here 14a <input type="checkbox"/> ..... 14 |             |                       |   | \$ _____                               |

#### Computation of Credit

|  |    |                          |
|--|----|--------------------------|
| 15. Enter your federal adjusted gross income (Form 40N or Form 40P, line 30F).....   | 15 | <input type="text"/>     |
| 16. Enter your Oregon adjusted gross income (Form 40N or Form 40P, line 30S) .....   | 16 | <input type="text"/>     |
| 17. Enter the larger of line 15 or line 16 .....   | 17 | <input type="text"/>     |
| 18. Enter the total qualifying child care expenses you paid in 2013 from line 9 above .....  | 18 | <input type="text"/>     |
| 19. Enter the decimal amount from the working family child care credit table on the back (use the table that matches your household size on line 5 above). For example, if the amount on line 5 is 4, use Table 4..... | 19 | <input type="text"/> X . |
| 20. Multiply the amount on line 18 by the decimal amount on line 19 and enter here .....   | 20 | <input type="text"/>     |
| 21. Multiply line 20 by the Oregon percentage (Form 40N or Form 40P, line 39). Enter the result here and on Form 40N or Form 40P, line 63. This is your working family child care credit .....                         | 21 | <input type="text"/>     |

**— YOU MUST INCLUDE THIS SCHEDULE WITH YOUR OREGON TAX RETURN TO RECEIVE THIS CREDIT —**

# Working family child care credit—2013 tables

If your household size is not listed below, contact the department for the tables you need.

| <b>Table 1, household size = 1</b>             |                    |   |
|--|--------------------|---|
| If the amount on Schedule WFC-N/P, line 17 is: |                    | Enter this decimal amount on Schedule WFC-N/P, line 19: |
| at least:                                      | but not more than: |   |
| —  | \$23,000           | 0.40  |
| \$23,001                                       | 24,150             | 0.36  |
| 24,151   | 25,300             | 0.32  |
| 25,301   | 26,450             | 0.24  |
| 26,451   | 27,600             | 0.16  |
| 27,601   | 28,750             | 0.08  |
| 28,751   | —                  | 0.00  |

| <b>Table 2, household size = 2</b>             |                    |   |
|--|--------------------|---|
| If the amount on Schedule WFC-N/P, line 17 is: |                    | Enter this decimal amount on Schedule WFC-N/P, line 19: |
| at least:                                      | but not more than: |   |
| —  | \$31,000           | 0.40  |
| \$31,001                                       | 32,550             | 0.36  |
| 32,551   | 34,100             | 0.32  |
| 34,101   | 35,650             | 0.24  |
| 35,651   | 37,200             | 0.16  |
| 37,201   | 38,800             | 0.08  |
| 38,801   | —                  | 0.00  |

| <b>Table 3, household size = 3</b>             |                    |   |
|--|--------------------|---|
| If the amount on Schedule WFC-N/P, line 17 is: |                    | Enter this decimal amount on Schedule WFC-N/P, line 19: |
| at least:                                      | but not more than: |   |
| —  | \$39,050           | 0.40  |
| \$39,051                                       | 41,000             | 0.36  |
| 41,001   | 42,950             | 0.32  |
| 42,951   | 44,900             | 0.24  |
| 44,901   | 46,850             | 0.16  |
| 46,851   | 48,850             | 0.08  |
| 48,851   | —                  | 0.00  |

| <b>Table 4, household size = 4</b>             |                    |   |
|--|--------------------|---|
| If the amount on Schedule WFC-N/P, line 17 is: |                    | Enter this decimal amount on Schedule WFC-N/P, line 19: |
| at least:                                      | but not more than: |   |
| —  | \$47,100           | 0.40  |
| \$47,101                                       | 49,450             | 0.36  |
| 49,451   | 51,800             | 0.32  |
| 51,801   | 54,150             | 0.24  |
| 54,151   | 56,500             | 0.16  |
| 56,501   | 58,900             | 0.08  |
| 58,901   | —                  | 0.00  |

| <b>Table 5, household size = 5</b>             |                    |   |
|--|--------------------|---|
| If the amount on Schedule WFC-N/P, line 17 is: |                    | Enter this decimal amount on Schedule WFC-N/P, line 19: |
| at least:                                      | but not more than: |   |
| —  | \$55,150           | 0.40  |
| \$55,151                                       | 57,900             | 0.36  |
| 57,901   | 60,650             | 0.32  |
| 60,651   | 63,400             | 0.24  |
| 63,401   | 66,150             | 0.16  |
| 66,151   | 68,950             | 0.08  |
| 68,951   | —                  | 0.00  |

| <b>Table 6, household size = 6</b>             |                    |   |
|--|--------------------|---|
| If the amount on Schedule WFC-N/P, line 17 is: |                    | Enter this decimal amount on Schedule WFC-N/P, line 19: |
| at least:                                      | but not more than: |   |
| —  | \$63,200           | 0.40  |
| \$63,201                                       | 66,350             | 0.36  |
| 66,351   | 69,500             | 0.32  |
| 69,501   | 72,650             | 0.24  |
| 72,651   | 75,800             | 0.16  |
| 75,801   | 79,000             | 0.08  |
| 79,001   | —                  | 0.00  |

| <b>Table 7, household size = 7</b>             |                    |   |
|--|--------------------|---|
| If the amount on Schedule WFC-N/P, line 17 is: |                    | Enter this decimal amount on Schedule WFC-N/P, line 19: |
| at least:                                      | but not more than: |   |
| —  | \$71,200           | 0.40  |
| \$71,201                                       | 74,800             | 0.36  |
| 74,801   | 78,350             | 0.32  |
| 78,351   | 81,900             | 0.24  |
| 81,901   | 85,450             | 0.16  |
| 85,451   | 89,050             | 0.08  |
| 89,051   | —                  | 0.00  |

| <b>Table 8, household size = 8</b>             |                    |   |
|--|--------------------|---|
| If the amount on Schedule WFC-N/P, line 17 is: |                    | Enter this decimal amount on Schedule WFC-N/P, line 19: |
| at least:                                      | but not more than: |   |
| —  | \$79,250           | 0.40  |
| \$79,251                                       | 83,200             | 0.36  |
| 83,201   | 87,200             | 0.32  |
| 87,201   | 91,150             | 0.24  |
| 91,151   | 95,100             | 0.16  |
| 95,101   | 99,100             | 0.08  |
| 99,101   | —                  | 0.00  |

## Schedule WFC relationship codes

|                      |                       |                               |                        |
|----------------------|-----------------------|-------------------------------|------------------------|
| Son..... S           | Grandchild ..... GC   | Eligible foster child .....EF | Sister-in-law .....SL  |
| Daughter..... D      | Niece..... NC         | Aunt ..... A                  | Brother-in-law .....BL |
| Stepson..... SS      | Nephew .....NW        | Uncle ..... U                 | Other relative..... O  |
| Stepdaughter..... SD | Sister/Brother.....SB | Cousin..... CS                | None..... N            |

# Working family child care credit instructions

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This refundable credit is available to low-income working families with qualifying child care expenses. To qualify, **all** of the following must be true:

- You had at least \$8,400 of earned income from Oregon sources, and
- You had \$3,300 or less of investment income (such as interest, dividends, and capital gains), and
- Your AGI was less than the limits for your household size shown on the back of Schedule WFC-N/P, and
- You paid qualifying child care expenses to allow you and your spouse/RDP to work or attend school at least part time or you or your spouse or RDP is exempt from this requirement due to a qualifying disability (see below), and
- You paid qualifying child care expenses for your qualifying child. A qualifying child is your child, step child, grandchild, step grandchild, brother, sister, stepbrother, stepsister, nephew, niece, step nephew, step niece, or eligible foster child, who:
  - Lived with you at least half of the year, and
  - Was under the age of 13 at the time the care was provided, or

— Was a child for whom you can claim the additional exemption credit for a child with a disability, and

- Your child care provider was not the child's parent or guardian, or
- Your relative or step relative under age 19.

**Note:** If you're married/RDP filing separately, you must be legally separated or permanently living apart on December 31, 2013, to qualify.

**Note to RDPs:** Use your federal "as if" return to see if you qualify for this credit.

If you qualify, complete Schedule WFC-N/P, *Oregon Working Family Child Care Credit for Form 40N and Form 40P filers*. Include this schedule with your return.

*Example:* Carl and Carrie moved from Arizona with their child in October 2013. They paid for child care and they both worked in both Arizona and Oregon. Carl and Carrie's wages after moving to Oregon are \$6,000. They have no other Oregon income. Carl and Carrie do not qualify for the Working Family Credit because their earned income from Oregon did not meet the minimum of \$8,400.

## Schedule WFC-N/P instructions for nonresidents and part-year residents

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You must complete all information on the schedule. Failure to include or including an incomplete schedule may result in delay or denial of your WFC credit. Your refund will take longer to process when claiming this credit.

### Check the boxes

**Attending school.** Check this box if you or your spouse/RDP had childcare expenses because of attending school at least part time.

**Form WFC-DP is included.** Check this box if you or your spouse/RDP has a qualifying disability that keeps them from working, attending school, and caring for themselves and the children. Only one spouse/RDP can qualify for the exception. The other spouse/RDP must still work or attend school at least part time. The qualifications are not the same as the severely disabled exemption credit.

To use this exception, the disabled spouse/RDP must have a disability that prevents (or severely restricts) them from **all** of the following:

- Performing an activity of daily living. Activities of daily living include bathing, dressing, feeding, toileting, etc.;
- Working;
- Going to school at least part time; **and**
- Caring for the child(ren).

To claim this exception, the disabled taxpayer and their doctor need to fill out Form WFC-DP. Go to our website or contact us to get Form WFC-DP. This form must be included each year that you or your spouse/RDP meet that exception. Check the box "Form WFC-DP is included" on Schedule WFC-N/P. Keep a copy of the form with your tax records and with your doctor. **We may contact your doctor or request a copy of the form at a later date.**

### Household size calculation

**Lines 1–5.** Generally, your household size is the number of people you claim as exemptions on your federal tax return who are related to you by blood, marriage, RDP, or adoption and live in your home. Household size can include your child of whom you have primary

custody, even if you allowed the child's other parent to claim the exemption on their tax return. **Don't** include people you're entitled to claim on your tax return who didn't live with you in your home for all of 2013 or who aren't related to you. A person cannot be counted in the household size on more than one return.

*Example 1:* Rusty and Deb are unmarried and are the parents of two children. They maintain separate households and have joint custody of the children. The children live more than half the year with Deb. Even though they are Deb's qualifying children, she releases the dependent exemption for one child to Rusty. Only Deb may claim the credit based on the child care expenses she paid because she is the custodial parent.

Deb's household size is three (herself, one dependent child whose exemption she claims, and one dependent child whose exemption is released to Rusty). Deb will enter "2" on line 1 of Schedule WFC-N/P and "1" on line 2 for a total of "3" on line 5.

*Example 2:* Jay and Rena are married and have three qualifying children. They also support Rena's parents who live in Mexico. They claim seven exemptions on their tax return. Jay and Rena's household size is five, because only five of them live in their home. They will enter "7" on line 1 of Schedule WFC-N/P and "2" on line 4 for a total of "5" on line 5.

## Qualifying child care expenses paid in 2013

**Lines 6–9. Provider's full name and complete address.** Enter the child care provider's information. If you have more than three providers, check box 9a and include a separate sheet with the same information for the additional providers.

**Provider's SSN or FEIN.** You must include your provider's Social Security number, federal employer identification number (FEIN), or individual taxpayer identification number (ITIN).

**Provider's telephone number.** Enter a daytime telephone number for the provider. Important: We need a current telephone number to contact the provider. Otherwise, your refund may be delayed.

**Child to provider relationship.** Identify the relationship of the child to the provider using the relationship codes on the back of Schedule WFC.

**Amount paid to provider.** Qualifying child care expenses are those paid for your qualifying child for the primary purpose for you to work or attend school. If married/RDPs, both spouses/RDPs must be working or attending school for the expenses to qualify. You can pay your expenses with pre-tax dollars from an employer benefit plan and still qualify to claim this

credit. You must pay for the child care during 2013 for the payments to be qualifying child care expenses.

Qualifying child care expenses do **not** include amounts you paid for:

- Public or private school (K–12);
- After-school activities;
- Sports;
- Overnight camps;
- Boarding school;
- Food, gas, supplies; or
- Late payment fees or other fees.

You can claim only the expenses **you** actually paid during the year. You **cannot** claim expenses that are paid by someone else, such as a state assistance agency or another family member.

*Example 3:* Jeff works for a company that offers dependent care benefits. He contributes \$4,000 pre-tax each year to a flexible spending arrangement. His employer reports the \$4,000 of dependent care benefits in box 10 of his W-2. Jeff also paid \$1,000 with after-tax dollars. He can claim the working family child care credit based on \$5,000 in qualifying child care expenses.

*Example 4:* Cate receives state assistance to pay her child care expenses. The child care provider charges Cate \$600 per month to care for her two qualifying children. Of the \$600, the state paid \$450, and Cate paid a co-pay of \$150. She can only claim the amount she actually paid. Cate's amount for line 6 will be \$1,800 for the entire year. She will not include non-qualifying expenses paid by the state.

*Example 5:* Angie and Zach are married and have three children. Angie works full time and Zach does not work or attend school and is receiving disability. Zach is paralyzed below the waist from an automobile accident. Zach does not need assistance with any of the activities of daily living. Zach's disability does not qualify for the exception. Angie and Zach cannot claim this credit for their child care expenses.

*Example 6:* Mason and Barbara are married and have two children. Mason works full time. Barbara is unable to work because of a brain tumor. Barbara has a home care worker come to their home daily because she is unable to care for herself while Mason is away at work. Mason and Barbara pay \$750 a month for child care and \$800 a month for care for Barbara. Barbara and her doctor completed Form WFC-DP showing that Barbara has a qualifying disability. Mason and Barbara can claim this credit for the \$750 a month they paid for child care. The amount paid for Barbara's care does not qualify for this credit.

**Proof of qualifying child care expenses.** To claim this credit, you must prove that you paid qualifying child

care expenses. Acceptable proof may include, but is not limited to, copies of:

- Cancelled checks, or
- Money order stubs, or
- Duplicate checks along with bank statements, and
- **Signed** receipts from the child care provider, received **at the time of payment**. Receipts should include:
  - The child's full name.
  - Dates of care.
  - Date and amount of child care paid.
  - Name of person or agency paying.
  - Provider's name, address, and telephone number.
  - Provider's identification number (SSN/FEIN).
  - The method of payment (check, money order, cash, etc.).

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

*Example 7:* Abby has two children and works full time. Abby's friend, Tonya, is Abby's child care provider. Abby pays Tonya \$500 a month in cash. During the processing of her tax return, Abby was asked for proof that she paid Tonya. She did not provide receipts or other proof of payment. Abby's credit was denied. Abby filed a written objection and provided receipts Tonya filled out after Abby's credit was denied. Abby cannot claim the credit because the receipts were not provided to her at the time of payment and she has no other proof that she paid Tonya.

**Important:** If you did not provide complete information, we may ask for additional proof. If you pay a relative or friend to watch your children, you may be asked

to provide proof showing you actually paid qualifying child care expenses. Be sure to ask for a signed receipt from your child care provider each time you pay for child care.

## Qualifying child information

**Lines 10–14.** Enter the full name, Social Security number or ITIN, date of birth, and relationship to you using the codes on the back of Schedule WFC for each qualifying child.

Enter the portion of the expenses you listed in the child care provider section that apply to each child. The amounts shown on line 9 and line 14 should always be the same. If you have more than four qualifying children, check box 14a and include a separate sheet with the same information for the additional children.

## Computation of credit

**Lines 15–17.** Enter the larger of your federal AGI (Form 40N or Form 40P, line 30F) or your Oregon AGI (Form 40N or Form 40P, line 30S) on Schedule WFC-N/P, line 17.

**Line 18.** Enter the total qualifying expenses from Schedule WFC-N/P, line 9, on Schedule WFC-N/P, line 18.

**Line 19.** Use the table on the back of Schedule WFC-N/P that matches your household size, line 5.

For example, if your household size is three, use Table 3 to find the percentage you should apply to your qualifying expenses. Enter that percentage on Schedule WFC-N/P, line 19.