

IMPUTATION OF CHILDCARE TAX CREDIT

This worksheet may be used with § 4-214. The value of the childcare tax credit is to be subtracted from actual childcare expenses.

- 1. Number of Children _____
- 2. Monthly Gross Income of Parent Incurring the Childcare Expense _____
- 3. Is the amount from line 2 less than...

\$2,100 and there is one child?	_____	(YES/NO)
\$2,500 and there are two children?	_____	(YES/NO)
\$2,600 and there are three children?	_____	(YES/NO)
\$2,700 and there are four children?	_____	(YES/NO)
\$2,800 and there are five children?	_____	(YES/NO)
\$2,900 and there are six children?	_____	(YES/NO)

If “YES” is the answer to any of the questions above, STOP here. The childcare tax credit is \$0.

- 4. Monthly Childcare Expenses* _____
- 5. Tax Credit Before Cap
(line 4 times 0.25)** _____
- 6. Imputed Monthly Tax Credit
(if there is one child, lesser of line 5 and \$62.50;
if there are two or more children, lesser of line 5 and \$125)*** _____

* These are childcare expenses for the child for whom the support is being set, which expenses are due to employment of either parent or to allow the parent to obtain training or education necessary to obtain a job or enhance earning potential.

** For example, if Monthly Childcare Expenses (line 4) are \$400, line 5 would be \$100 ($\$400 \times 0.25 = \100).

*** Continue with the example above where monthly childcare expenses (line 4) are \$400 and the tax credit before cap (line 5) is \$100. If there is one child, the lesser of line 5 and \$62.50 would be \$62.50 and this amount would be inserted on line 6. This would be the imputed value of the childcare tax credit; hence, the net childcare expenses as defined under § 4-214 would be \$337.50 per month (\$400 minus \$62.50 equals \$337.50). If there are two or more children, the lesser of line 5 and \$125 would be \$100 and this amount would be inserted on line 6. In this two-child case, the net childcare expenses as defined under § 4-214 would be \$300 per month (\$400 minus \$100 equals \$300).