NEW YORK CITY CHILD CARE TAX CREDIT
FAST FACTS
Contact the New York State Department of Taxation and Finance for additional information.

NEW FOR TAX YEAR 2007: New York City Child Care Tax Credit

On August 2, 2007, Governor Eliot Spitzer signed into law New York City's Child Care Tax Credit—a key recommendation of Mayor Michael R. Bloomberg's Commission for Economic Opportunity. The tax credit is designed to assist families with low incomes or who are underemployed with the cost of child care for children under the age of four. It is estimated that up to 49,000 New York City families will qualify for this benefit.

Who can claim the New York City Child Care Tax Credit?

To claim the New York City Child Care Tax Credit, a filer must:

- qualify to claim the New York State Child and Dependent Care Credit
- have paid qualified expenses for the care of a qualifying child(ren) under age 4 on December 31, 2007—and be able to provide supporting records/documentation for reported expenses
- have federal adjusted gross income of $30,000 or less
- have been a full-year or part-year resident of New York City for 2007

See reverse side for qualifications to claim the federal and state Child and Dependent Care Credits. **Please note**: Filers who have an Individual Taxpayer Identification Number (ITIN) are eligible to claim these credits. ITINs are also acceptable for qualifying child(ren). Below is additional important information about these credits.

	*Federal Tax Credit	*State Tax Credit	City Tax Credit
Income Cap	None	None	$30,000
Qualifying Child(ren)	**Up to (but not including) age 13** Must have lived with the claimant for more than 6 months. Claimable for the tax year up to the point the child(ren) turned 13.	**Up to (but not including) age 13** Must have lived with the claimant for more than 6 months. Claimable for the tax year up to the point the child(ren) turned 13.	**Up to (but not including) age 4** Must have lived with the claimant for more than 6 months. Not claimable at all during the tax year the child(ren) turned 4. *However, filers can still claim the federal and state tax credits.*
Refundable?	No	Yes	Yes
Maximum Tax Credit	Up to $2,100	Up to $2,310	Up to $1,733
Tax Forms **Note**: ITINs are acceptable for the filer and qualifying child(ren).	Form 1040, Form 1040A, or Form 1040NR **Ineligible**: Form 1040EZ	New York Form IT-150, IT-201, or IT-203 IT-216 (including required provider information—line 2); SEE REVERSE	New York Form IT-150, IT-201, or IT-203 IT-216 (including required provider information—line 2); SEE REVERSE

*The federal and state tax credit also includes qualified expenses for the care of qualifying dependents other than children.

What child care expenses qualify for the credit?

Qualified expenses include amounts paid out of pocket for the care of a qualifying child(ren) and household services related to the care of a qualifying child(ren). Filers should refer to IRS Publication 503 for qualified expenses. **Non-qualified Expenses**: Child support payments, expenses reimbursed by a state social service agency, aid subsidies.

QUALIFICATIONS TO CLAIM THE FEDERAL CHILD AND DEPENDENT CARE TAX CREDIT:

- Filing status is single, head of household, qualifying widow(er) with a dependent child, or married filing jointly.

- Filer (or spouse, if filing a joint return) has earned income.

- Reported expenses are for the care of a qualifying child(ren) under the age of 13 who lived with the filer for more than 6 months. (Refer to IRS Instructions for Form 2441 for additional qualifying persons to claim this credit. Qualifying persons include a spouse who is disabled and not able to care for himself or herself and any person with a disability not able to care for himself or herself whom you can claim as a dependent.)

- The paid care provider is not a spouse, the parent of the qualifying child(ren) under 13, or a person the filer can claim as a dependent.

- Filer reports required information about the care provider and qualifying child(ren).

QUALIFICATIONS TO CLAIM THE NEW YORK STATE CHILD AND DEPENDENT CARE TAX CREDIT:

- Filing status is single, head of household, qualifying widow(er) with a dependent child, or married filing jointly.

- Filer (or spouse, if filing a joint return) has earned income.

- Reported expenses are for the care of a qualifying child(ren) under the age of 13 who lived with the filer for more than 6 months. (Refer to the New York State Department of Taxation and Finance's Instructions for Form IT-216 for additional qualifying persons to claim this credit. Qualifying persons include a spouse who is disabled and not able to care for himself or herself and any person with a disability not able to care for himself or herself whom you can claim as a dependent.)

- The paid care provider is not a spouse, the parent of the qualifying child(ren) under 13, or a person the filer can claim as a dependent.

REQUIRED PROVIDER INFORMATION:

Filers must identify all persons or organizations that provide care for a qualifying child(ren), including:

- Provider's Name
- Provider's Address
- Provider's Taxpayer Identification Number or Social Security Number

Filers should use Form W-10, Dependent Care Provider's Identification and Certification, to request required information from the child care provider(s).

Filers should keep and maintain records as proof of reported expenses.

Note: Ineligible providers include a filer's spouse, the parent of the qualifying child(ren), any person a filer can claim as a dependent, or a child under age 19, even if the child is not a dependent.

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The Department of Consumer Affairs' Office of Financial Empowerment (OFE) is the first program to be implemented under the Center for Economic Opportunity as part of Mayor Bloomberg's aggressive efforts to fight poverty in New York City. DCA's OFE is the first local government initiative in the nation with a mission aimed expressly at helping to educate, empower, and protect those with low incomes so they can build assets and make the most of their financial resources. For more information about DCA's OFE, visit www.nyc.gov/consumers