Department of the Treasury
Internal Revenue Service

Publication 503
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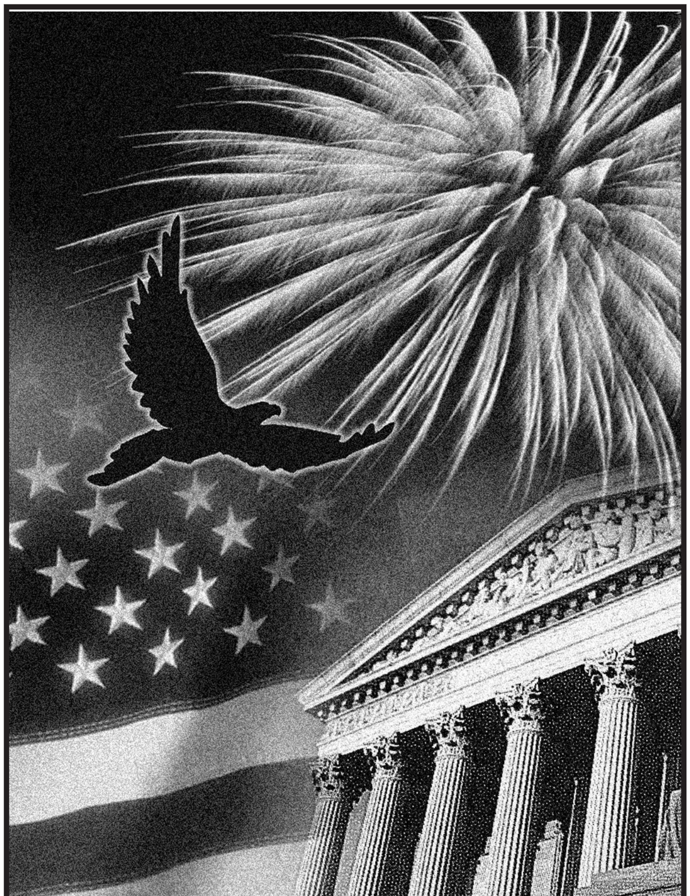
Child and Dependent Care Expenses

For use in preparing

2016 Returns



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Dec 22, 2016

Contents

Future Developments

For the latest information about developments related to Publication 503, such as legislation enacted after it was published, go to *www.irs.gov/pub503*.

Reminders

Taxpayer identification number needed for each qualifying person. You must include on line 2 of Form 2441, Child and Dependent Care Expenses, the name and taxpayer identification number (generally the social security number) of each qualifying person. See *Taxpayer identification number* under *Who is a Qualifying Person,* later.

You may have to pay employment taxes. If you pay someone to come to your home and care for your dependent or spouse, you may be a household employer who has to pay employment taxes. Usually, you aren't a household employer if the person who cares for your dependent or spouse does so at his or her home or place of business. See *Do You Have Household Employees*, later.

Photographs of missing children. The Internal Revenue Service is a proud partner with the *National Center for Missing & Exploited Children® (NCMEC)*. Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

Introduction

This publication explains the tests you must meet to claim the credit for child and dependent care expenses. It explains how to figure and claim the credit.

You may be able to claim the credit if you pay someone to care for your dependent who is under age 13 or for your spouse or dependent who isn't able to care for himself or herself. The credit can be up to 35% of your expenses. To qualify, you must pay these expenses so you can work or look for work.

This publication also discusses some of the employment tax rules for household employers.

Dependent care benefits. If you received any dependent care benefits from your employer during the year, you may be able to exclude from your income all or part of them. You must complete Form 2441, Part III, before you can figure the amount of your credit. See Dependent Care Benefits under *How To Figure the Credit,* later.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions.

You can send us comments from irs.gov/formspubs. Click on “More Information” and then on “Give us feedback.”

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Although we cannot respond individually to each comment received, we do appreciate your feedback and will consider your comments as we revise our tax products.

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Tax questions. If you have a tax question not answered by this publication, check IRS.gov and How To Get Tax Help at the end of this publication.

Useful Items

You may want to see:

Publication

- ❑ **501** Exemptions, Standard Deduction, and Filing Information
- ❑ **926** Household Employer's Tax Guide

Form (and Instructions)

- ❑ **2441** Child and Dependent Care Expenses
- ❑ **Schedule H (Form 1040)** Household Employment Taxes
- ❑ **W-10** Dependent Care Provider's Identification and Certification

See How To Get Tax Help, near the end of this publication, for information about getting these publications and forms.

Can You Claim the Credit?

To be able to claim the credit for child and dependent care expenses, you must file Form 1040, Form 1040A, or Form 1040NR, not Form 1040EZ or Form 1040NR-EZ, and meet all the tests in *Tests you must meet to claim a credit for child and dependent care expenses,* next.

Tests you must meet to claim a credit for child and dependent care expenses. To be able to claim the credit for child and dependent care expenses, you must meet all the following tests.

1. **Qualifying Person Test.** The care must be for one or more qualifying persons who are identified on Form 2441. (See Who is a Qualifying Person?)
2. **Earned Income Test.** You (and your spouse if filing jointly) must have earned income during the year. (However, see Rule for student-spouse or spouse not able to care for self under *You Must Have Earned Income,* later.)
3. **Work-Related Expense Test.** You must pay child and dependent care expenses so you (and your spouse if filing jointly) can work or look for work. (See Are These Work-Related Expenses, later.)
4. You must make payments for child and dependent care to someone you (and your spouse) can't claim as a dependent. If you make payments to your child, he or she can't be your dependent and must be age 19 or older by the end of the year. You can't make payments to:
   a. Your spouse, or
   b. The parent of your qualifying person if your qualifying person is your child and under age 13.

   See Payments to Relatives or Dependents under *Are These Work-Related Expenses,* later.
5. **Joint Return Test.** Your filing status may be single, head of household, or qualifying widow(er) with dependent child. If you are married, you must file a joint return, unless an exception applies to you. See What’s Your Filing Status, later.
6. **Provider Identification Test.** You must identify the care provider on your tax return. (See Care Provider Identification Test, later.)

7. If you exclude or deduct dependent care benefits provided by a dependent care benefit plan, the total amount you exclude or deduct must be less than the dollar limit for qualifying expenses (generally, $3,000 if one qualifying person was cared for or $6,000 if two or more qualifying persons were cared for). (If two or more qualifying persons were cared for, the amount you exclude or deduct will always be less than the dollar limit, since the total amount you can exclude or deduct is limited to $5,000. See Reduced Dollar Limit under *How To Figure the Credit,* later.)

These tests are presented in *Figure A* and are also explained in detail in this publication.

Who is a Qualifying Person?

Your child and dependent care expenses must be for the care of one or more qualifying persons.

A qualifying person is:

1. Your qualifying child who is your dependent and who was under age 13 when the care was provided (but see Child of divorced or separated parents or parents living apart, later),
2. Your spouse who wasn't physically or mentally able to care for himself or herself and lived with you for more than half the year, or
3. A person who wasn't physically or mentally able to care for himself or herself, lived with you for more than half the year, and either:
   a. Was your dependent, or
   b. Would have been your dependent except that:
      i. He or she received gross income of $4,050 or more,
      ii. He or she filed a joint return, or
      iii. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's 2016 return.

Dependent defined. A dependent is a person, other than you or your spouse, for whom you can claim an exemption. To be your dependent, a person must be your qualifying child (or your qualifying relative).

Qualifying child. To be your qualifying child, a child must live with you for more than half the year and meet other requirements.

More information. For more information about who is a dependent or a qualifying child, see Publication 501.

Physically or mentally not able to care for oneself. Persons who can't dress, clean, or feed themselves because of physical or mental problems are considered not able to care for themselves. Also, persons who must have constant attention to prevent them from injuring themselves or others are considered not able to care for themselves.

Person qualifying for part of year. You determine a person's qualifying status each day. For example, if the person for whom you pay child and dependent care expenses no longer qualifies on September 16, count only those expenses through September 15. Also see Yearly limit under *Dollar Limit,* later.

Birth or death of otherwise qualifying person. In determining whether a person is a qualifying person, a person who was born or died in 2016 is treated as having lived with you for more than half of 2016 if your home was the person's home more than half the time he or she was alive in 2016.

Taxpayer identification number. You must include on your return the name and taxpayer identification number (generally the social security number) of the qualifying person(s). If the correct information isn't shown, the credit may be reduced or disallowed.

Individual taxpayer identification number (ITIN) for aliens. If your qualifying person is a nonresident or resident alien who doesn't have and can't get a social security number (SSN), use that person's ITIN. The ITIN is entered wherever an SSN is requested on a tax return. If the alien doesn't have an ITIN, he or she must apply for one. See Form W-7, Application for IRS Individual Taxpayer Identification Number, for details.

An ITIN is for tax use only. It doesn't entitle the holder to social security benefits or change the holder's employment or immigration status under U.S. law.

CAUTION *Beginning in 2017, the IRS will deactivate an ITIN that hasn't been used on at least one tax return in the last three years. In 2016, all ITINs with middle digits of 78 and 79 will expire. All expired ITINs must be renewed before being used on your tax return. See IRS.gov for more information.*

Adoption taxpayer identification number (ATIN). If your qualifying person is a child who was placed in your home for adoption and for whom you don't have an SSN, you must get an ATIN for the child. File Form W-7A, Application for Taxpayer Identification Number for Pending U.S. Adoptions.

Child of divorced or separated parents or parents living apart. Even if you can't claim your child as a dependent, he or she is treated as your qualifying person if:

- The child was under age 13 or wasn't physically or mentally able to care for himself or herself,
- The child received over half of his or her support during the calendar year from one or both parents who are divorced or legally separated under a decree of divorce or separate maintenance, are separated under a written separation agreement, or lived apart at all times during the last 6 months of the calendar year,
- The child was in the custody of one or both parents for more than half the year, and
- You were the child's custodial parent.

The custodial parent is the parent with whom the child lived for the greater number of nights in 2016. If the child was with each parent for an equal number of nights, the custodial parent is the parent with the higher adjusted gross income. For details and an exception for a parent who works at night, see Publication 501.

The noncustodial parent can't treat the child as a qualifying person even if that parent is entitled to claim the child as a dependent under the special rules for a child of divorced or separated parents.

You Must Have Earned Income

To claim the credit, you (and your spouse if filing jointly) must have earned income during the year.

Earned income. Earned income includes wages, salaries, tips, other taxable employee compensation, and net earnings from self-employment. A net loss from self-employment reduces earned income. Earned income also includes strike benefits and any disability pay you report as wages.

Generally, only taxable compensation is included. For example, foreign earned income and Medicaid waiver payments you exclude from income aren't included. However, you can elect to include nontaxable combat pay in earned income. If you are filing a joint return and both you and your spouse received nontaxable combat pay, you can each make your own election. (In other words, if one of you makes the election, the other one can also make it but doesn't have to.) Including this income will give you a larger credit only if your (or your spouse's) other earned income is less than the amount entered on line 3 of Form 2441. You should figure your credit both ways and make the election if it gives you a greater tax benefit.

TIP *You can choose to include your nontaxable combat pay in earned income when figuring your credit for child and dependent care expenses, even if you choose not to include it in earned income for the earned income credit or the exclusion or deduction for dependent care benefits.*

Members of certain religious faiths opposed to social security. This section is for persons who are members of certain religious faiths that are opposed to participation in Social Security Act programs and have an IRS-approved form that exempts certain income from social security and Medicare taxes. These forms are:

- Form 4361, Application for Exemption From Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners, and
- Form 4029, Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits, for use by members of recognized religious groups.

Each form is discussed here in terms of what is or isn't earned income for purposes of the child and dependent care credit. For information on the use of these forms, see Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

Form 4361. Whether or not you have an approved Form 4361, amounts you received for performing ministerial duties as an employee are earned income. This includes wages, salaries, tips, and other taxable employee compensation.

However, amounts you received for ministerial duties, but not as an employee, don't count as earned income. Examples include fees for performing marriages and honoraria for delivering speeches.

Any amount you received for work that isn't related to your ministerial duties is earned income.

Form 4029. Whether or not you have an approved Form 4029, all wages, salaries, tips, and other taxable employee compensation are earned income.

However, amounts you received as a self-employed individual don't count as earned income.

What isn't earned income? Earned income doesn't include:

- Amounts reported on Form 1040, line 7 excluded as foreign earned income on Form 2555, line 43 or Form 2555-EZ, line 18,
- Medicaid waiver payments you exclude from income,
- Pensions and annuities,
- Social security and railroad retirement benefits,
- Workers' compensation,
- Interest and dividends,
- Unemployment compensation,
- Scholarships or fellowship grants, except for those reported on Form W-2 and paid to you for teaching or other services,
- Nontaxable workfare payments,
- Child support payments received,
- Income of a nonresident alien that isn't effectively connected with a U.S. trade or business, or
- Any amount received for work while an inmate in a penal institution.

Rule for student-spouse or spouse not able to care for self. Your spouse is treated as having earned income for any month that he or she is:

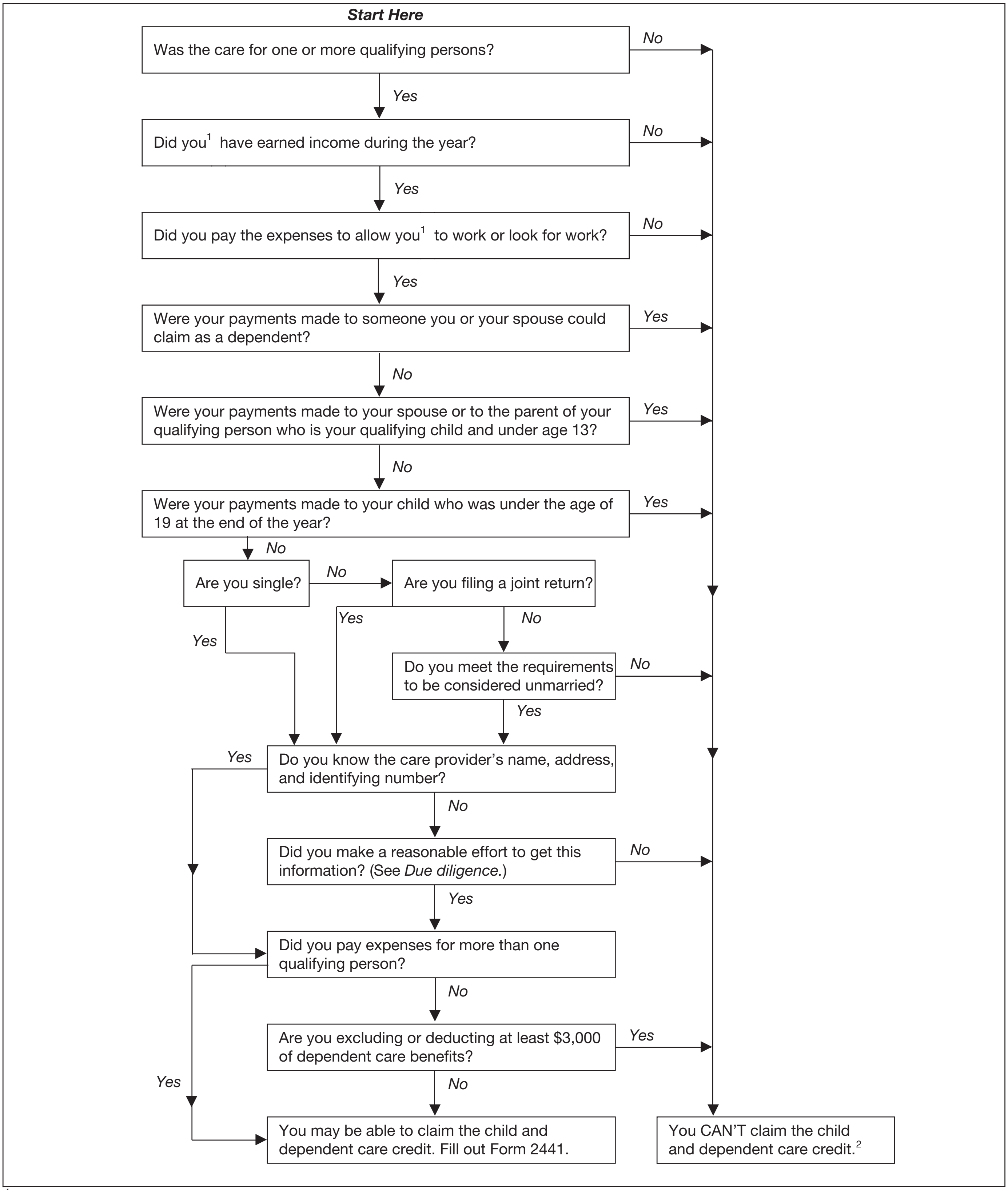
1. A full-time student, or
2. Physically or mentally not able to care for himself or herself. (Your spouse also must live with you for more than half the year.)

If you are filing a joint return, this rule also applies to you. You can be treated as having earned income for any month you are a full-time student or not able to care for yourself.

Figure the earned income of the nonworking spouse, described under (1) or (2) above, as shown under *Earned Income Limit* under *How To Figure the Credit,* later.

This rule applies to only one spouse for any one month. If, in the same month, both you and your spouse don't work and are either full-time students or not physically or

Figure A. **Can You Claim the Credit?**



[1] This also applies to your spouse, unless your spouse was disabled or a full-time student.

[2] If you had expenses that met the requirements for 2015, except that you didn't pay them until 2016, you may be able to claim those expenses in 2016. See *Expenses not paid until the following year* under *How To Figure the Credit.*

mentally able to care for yourselves, only one of you can be treated as having earned income in that month.

Full-time student. You are a full-time student if you are enrolled at a school for the number of hours or classes that the school considers full time. You must have been a full-time student for some part of each of 5 calendar months during the year. (The months need not be consecutive.)

School. The term “school” includes high schools, colleges, universities, and technical, trade, and mechanical schools. A school doesn't include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

Are These Work-Related Expenses?

Child and dependent care expenses must be work-related to qualify for the credit. Expenses are considered work-related only if both of the following are true.

- They allow you (and your spouse if filing jointly) to work or look for work.
- They are for a qualifying person's care.

Working or Looking for Work

To be work-related, your expenses must allow you to work or look for work. If you are married, generally both you and your spouse must work or look for work. One spouse is treated as working during any month he or she is a full-time student or isn't physically or mentally able to care for himself or herself.

Your work can be for others or in your own business or partnership. It can be either full time or part time.

Work also includes actively looking for work. However, if you don't find a job and have no earned income for the year, you can't take this credit. See *You Must Have Earned Income*, earlier.

An expense isn't considered work-related merely because you had it while you were working. The purpose of the expense must be to allow you to work. Whether your expenses allow you to work or look for work depends on the facts.

Example 1. The cost of a babysitter while you and your spouse go out to eat isn't normally a work-related expense.

Example 2. You work during the day. Your spouse works at night and sleeps during the day. You pay for care of your 5-year-old child during the hours when you are working and your spouse is sleeping. Your expenses are considered work-related.

Volunteer work. For this purpose, you aren't considered to be working if you do unpaid volunteer work or volunteer work for a nominal salary.

Work for part of year. If you work or actively look for work during only part of the period covered by the expenses, then you must figure your expenses for each day. For example, if you work all year and pay care expenses of $250 a month ($3,000 for the year), all the expenses are work related. However, if you work or look for work for only 2 months and 15 days during the year and pay expenses of $250 a month, your work-related expenses are limited to $625 ($2\frac{1}{2}$ months × $250).

Temporary absence from work. You don't have to figure your expenses for each day during a short, temporary absence from work, such as for vacation or a minor illness, if you have to pay for care anyway. Instead, you can figure your credit including the expenses you paid for the period of absence.

An absence of 2 weeks or less is a short, temporary absence. An absence of more than 2 weeks may be considered a short, temporary absence, depending on the circumstances.

Example. You pay a nanny to care for your 2-year-old son and 4-year-old daughter so you can work. You become ill and miss 4 months of work but receive sick pay. You continue to pay the nanny to care for the children while you are ill. Your absence isn't a short, temporary absence, and your expenses aren't considered work-related.

Part-time work. If you work part-time, you generally must figure your expenses for each day. However, if you have to pay for care weekly, monthly, or in another way that includes both days worked and days not worked, you can figure your credit including the expenses you paid for days you didn't work. Any day when you work at least 1 hour is a day of work.

Example 1. You work 3 days a week. While you work, your 6-year-old child attends a dependent care center, which complies with all state and local regulations. You can pay the center $150 for any 3 days a week or $250 for 5 days a week. Your child attends the center 5 days a week. Your work-related expenses are limited to $150 a week.

Example 2. The facts are the same as in *Example 1* except the center doesn't offer a 3-day option. The entire $250 weekly fee may be a work-related expense.

Care of a Qualifying Person

To be work-related, your expenses must be to provide care for a qualifying person.

You don't have to choose the least expensive way of providing the care. The cost of a paid care provider may be an expense for the care of a qualifying person even if another care provider is available at no cost.

Expenses are for the care of a qualifying person only if their main purpose is the person's well-being and protection.

Expenses for household services qualify if part of the services is for the care of qualifying persons. See *Household Services*, later.

Expenses not for care. Expenses for care don't include amounts you pay for food, lodging, clothing, education, and entertainment. However, you can include small amounts paid for these items if they are incidental to and can't be separated from the cost of caring for the qualifying person. Otherwise, see the discussion of *Expenses partly work-related*, later.

Child support payments aren't for care and don't qualify for the credit.

Education. Expenses for a child in nursery school, preschool, or similar programs for children below the level of kindergarten are expenses for care.

Expenses to attend kindergarten or a higher grade aren't expenses for care. Don't use these expenses to figure your credit.

However, expenses for before- or after-school care of a child in kindergarten or a higher grade may be expenses for care.

Summer school and tutoring programs aren't for care.

Example 1. You take your 3-year-old child to a nursery school that provides lunch and a few educational activities as part of its preschool childcare service. The lunch and educational activities are incidental to the childcare, and their cost can't be separated from the cost of care. You can count the total cost when you figure the credit.

Example 2. You place your 10-year-old child in a boarding school so you can work full time. Only the part of the boarding school expense that is for the care of your child is a work-related expense. You can count that part of the expense in figuring your credit if it can be separated from the cost of education. You can't count any part of the amount you pay the school for your child's education.

Care outside your home. You can count the cost of care provided outside your home if the care is for your dependent under age 13 or any other qualifying person who regularly spends at least 8 hours each day in your home.

Dependent care center. You can count care provided outside your home by a dependent care center only if the center complies with all state and local regulations that apply to these centers.

A dependent care center is a place that provides care for more than six persons (other than persons who live there) and receives a fee, payment, or grant for providing services for any of those persons, even if the center isn't run for profit.

Camp. The cost of sending your child to an overnight camp isn't considered a work-related expense.

The cost of sending your child to a day camp may be a work-related expense, even if the camp specializes in a particular activity, such as computers or soccer.

Transportation. If a care provider takes a qualifying person to or from a place where care is provided, that transportation is for the care of the qualifying person. This includes transportation by bus, subway, taxi, or private car. However, transportation not provided by a care provider isn't for the care of a qualifying person. Also, if you pay the transportation cost for the care provider to come to your home, that expense isn't for care of a qualifying person.

Fees and deposits. Fees you paid to an agency to get the services of a care provider, deposits you paid to an agency or preschool, application fees, and other indirect expenses are work-related expenses if you have to pay them to get care, even though they aren't directly for care. However, a forfeited deposit isn't for the care of a qualifying person if care isn't provided.

Example 1. You paid a fee to an agency to get the services of the nanny who cares for your 2-year-old daughter while you work. The fee you paid is a work-related expense.

Example 2. You placed a deposit with a preschool to reserve a place for your 3-year-old child. You later sent your child to a different preschool and forfeited the deposit. The forfeited deposit isn't for care and therefore not a work-related expense.

Household Services

Expenses you pay for household services meet the work-related expense test if they are at least partly for the well-being and protection of a qualifying person.

Definition. Household services are ordinary and usual services done in and around your home that are necessary to run your home. They include the services of a housekeeper, maid, or cook. However, they don't include the services of a chauffeur, bartender, or gardener.

Housekeeper. In this publication, the term housekeeper refers to any household employee whose services include the care of a qualifying person.

Expenses partly work-related. If part of an expense is work-related (for either household services or the care of a qualifying person) and part is for other purposes, you have to divide the expense. To figure your credit, count only the part that is work-related. However, you don't have to divide the expense if only a small part is for other purposes.

Example. You pay a housekeeper to care for your 9-year-old and 15-year-old children so you can work. The housekeeper spends most of the time doing normal household work and spends 30 minutes a day driving you to and from work. You don't have to divide the expenses. You can treat the entire expense of the housekeeper as work-related because the time spent driving is minimal. Nor do you have to divide the expenses between the two children, even though the expenses are partly for the 15-year-old child who isn't a qualifying person, because the expense is also partly for the care of your 9-year-old child, who is a qualifying person. However, the dollar limit (discussed later) is based on one qualifying person, not two.

Meals and lodging provided for housekeeper. If you have expenses for meals that your housekeeper eats in your home because of his or her employment, count these as work-related expenses. If you have extra expenses for providing lodging in your home to the housekeeper, count these as work-related expenses also.

Example. To provide lodging to the housekeeper, you move to an apartment with an extra bedroom. You can count the extra rent and utility expenses for the housekeeper's bedroom as work-related. However, if your housekeeper moves into an existing bedroom in your home, you can count only the extra utility expenses as work-related.

Taxes paid on wages. The taxes you pay on wages for qualifying child and dependent care services are work-related expenses. For more information on a household employer's tax responsibilities, see Do You Have Household Employees, later.

Payments to Relatives or Dependents

You can count work-related payments you make to relatives who aren't your dependents, even if they live in your home. However, don't count any amounts you pay to:

1. A dependent for whom you (or your spouse if filing jointly) can claim an exemption,
2. Your child who was under age 19 at the end of the year, even if he or she isn't your dependent,
3. A person who was your spouse any time during the year, or
4. The parent of your qualifying person if your qualifying person is your child and under age 13.

What's Your Filing Status?

Generally, married couples must file a joint return to take the credit. However, if you are legally separated or living apart from your spouse, you may be able to file a separate return and still take the credit.

Legally separated. You aren't considered married if you are legally separated from your spouse under a decree of divorce or separate maintenance. You may be eligible to take the credit on your return using head of household filing status.

Married and living apart. You aren't considered married and are eligible to take the credit if all the following apply.

1. You file a return apart from your spouse.
2. Your home is the home of a qualifying person for more than half the year.
3. You pay more than half the cost of keeping up your home for the year.
4. Your spouse doesn't live in your home for the last 6 months of the year.

Not legally separated. You may also be able to claim the child and dependent care credit even though you aren't legally separated and you file a separate return. See the following examples.

Example 1. Amy separated from her spouse in March. She isn't separated under a decree of divorce or separate maintenance agreement and uses the married filing separate filing status. Amy maintains a home for herself and Sam, her disabled brother. Sam is permanently and totally disabled and unable to care for himself.

Because Sam earns $5,600 in interest income Amy can't claim him as a dependent (his gross income is greater than the exemption amount, $4,050). And, because Amy isn't able to claim Sam as a dependent and she is still married as of the end of the year, she can't use the head of household filing status. Amy's filing status is married filing separately and Sam qualifies as a qualifying person for the child and dependent care credit.

Because of the following facts Amy is able to claim the credit for child and dependent care expenses even though Amy uses the married filing separate filing status:

- Amy didn't live with her spouse for the last six months of the year,
- She has maintained a home for herself and Sam (a qualifying individual) since she separated from her spouse in March,
- She maintains her own household and provides more than half of the cost of maintaining that home for her and Sam, and
- Amy pays an adult daycare center to care for Sam to allow her to work.

Example 2. Dean separated from his spouse in April. He isn't separated under a decree of divorce or separate maintenance agreement. He and his spouse haven't lived together since April and Dean maintains his own home and provides more than half the cost of maintaining that home for himself and his daughter, Nicole, who is permanently and totally disabled.

Because Nicole is married and files a joint return with her husband, who is away in the military, Dean can't claim Nicole as a dependent and therefore can't use the head of household filing status. Dean's filing status is married filing separately and Nicole qualifies as a qualifying person for the child and dependent care credit.

Because of the following facts Dean is able to claim the credit for child and dependent care expenses even though he uses the married filing separate filing status:

- Dean didn't live with his spouse for the last six months of the year,
- He has maintained a home for himself and Nicole (a qualifying individual) since he separated from his spouse in April,

- He maintains his own household and provides more than half of the cost of maintaining that home for him and Nicole, and
- Dean pays a daycare provider to care for Nicole to allow him to work.

Costs of keeping up a home. The costs of keeping up a home normally include property taxes, mortgage interest, rent, utility charges, home repairs, insurance on the home, and food eaten at home.

The costs of keeping up a home don't include payments for clothing, education, medical treatment, vacations, life insurance, transportation, or mortgage principal.

They also don't include the purchase, permanent improvement, or replacement of property. For example, you can't include the cost of replacing a water heater. However, you can include the cost of repairing a water heater.

Death of spouse. If your spouse died during the year and you don't remarry before the end of the year, you generally must file a joint return to take the credit. If you do remarry before the end of the year, the credit can be claimed on your deceased spouse's own return.

Care Provider Identification Test

You must identify all persons or organizations that provide care for your child or dependent. Use Form 2441, Part I, to show the information.

If you don't have any care providers and you are filing Form 2441 only to report taxable income in Part III, enter "none" in line 1, column (a).

Information needed. To identify the care provider, you must give the provider's:

1. Name,
2. Address, and
3. Taxpayer identification number.

If the care provider is an individual, the taxpayer identification number is his or her social security number or individual taxpayer identification number. If the care provider is an organization, then it is the employer identification number (EIN).

You don't have to show the taxpayer identification number if the care provider is a tax-exempt organization (such as a church or school). In this case, enter "Tax-Exempt" in the space where Form 2441 asks for the number.

If you can't provide all of the information or the information is incorrect, you must be able to show that you used due diligence (discussed later) in trying to furnish the necessary information.

Getting the information. You can use Form W-10, Dependent Care Provider's Identification and Certification, to request the required information from the care provider. If you don't use Form W-10, you can get the information from one of the other sources listed in the instructions for Form W-10, including:

1. A copy of the provider's social security card,
2. A copy of the provider's completed Form W-4, Employee's Withholding Allowance Certificate, if he or she is your household employee,
3. A copy of the statement furnished by your employer if the provider is your employer's dependent care plan, or
4. A letter or invoice from the provider if it shows the necessary information.

RECORDS You should keep this information with your tax records. Don't send Form W-10 (or other document containing this information) to the Internal Revenue Service.

Due diligence. If the care provider information you give is incorrect or incomplete, your credit may not be allowed. However, if you can show that you used due diligence in trying to supply the information, you can still claim the credit.

You can show due diligence by getting and keeping the provider's completed Form W-10 or one of the other sources of information just listed. Care providers can be penalized if they don't provide this information to you or if they provide incorrect information.

Provider refusal. If the provider refuses to give you the identifying information, you should report on Form 2441 whatever information you have (such as the name and address). Enter "See Attached Statement" in the columns calling for the information you don't have. Then attach a statement explaining that you requested the information from the care provider, but the provider didn't give you the information. Be sure to write your name and social security number on this statement. The statement will show that you used due diligence in trying to furnish the necessary information.

U.S. citizens and resident aliens living abroad. If you are living abroad, your care provider may not have, and may not be required to get, a U.S. taxpayer identification number (for example, an SSN or an EIN). If so, enter "LAFCP" (Living Abroad Foreign Care Provider) in the space for the care provider's taxpayer identification number.

How To Figure the Credit

Your credit is a percentage of your work-related expenses. Your expenses are subject to the earned income limit and the dollar limit. The percentage is based on your adjusted gross income.

Figuring Total Work-Related Expenses

To figure the credit for 2016 work-related expenses, count only those you paid by December 31, 2016.

Expenses prepaid in an earlier year. If you pay for services before they are provided, you can count the prepaid expenses only in the year the care is received. Claim the expenses for the later year as if they were actually paid in that later year.

Expenses not paid until the following year. Don't count 2015 expenses that you paid in 2016 as work-related expenses for 2016. You may be able to claim an additional credit for them on your 2016 return, but you must figure it separately. See Payments for prior year's expenses under *Amount of Credit,* later.

TIP *If you had expenses in 2016 that you didn't pay until 2017, you can't count them when figuring your 2016 credit. You may be able to claim a credit for them on your 2017 return.*

Expenses reimbursed. If a state social services agency pays you a nontaxable amount to reimburse you for some of your child and dependent care expenses, you can't count the expenses that are reimbursed as work-related expenses.

Example. You paid work-related expenses of $3,000. You are reimbursed $2,000 by a state social services agency. You can use only $1,000 to figure your credit.

Medical expenses. Some expenses for the care of qualifying persons who aren't able to care for themselves may qualify as work-related expenses and also as medical expenses. You can use them either way, but you can't use the same expenses to claim both a credit and a medical expense deduction.

If you use these expenses to figure the credit and they are more than the earned income limit or the dollar limit, discussed later, you can add the excess to your medical expenses. However, if you use your total expenses to figure your medical expense deduction, you can't use any part of them to figure your credit. For information on medical expenses, see Publication 502, Medical and Dental Expenses.

CAUTION *Amounts excluded from your income under your employer's dependent care benefits plan can't be used to claim a medical expense deduction.*

Dependent Care Benefits

If you receive dependent care benefits, your dollar limit for purposes of the credit may be reduced. See Reduced Dollar Limit, later. But, even if you can't take the credit, you may be able to take an exclusion or deduction for the dependent care benefits.

Dependent care benefits. Dependent care benefits include:

1. Amounts your employer paid directly to either you or your care provider for the care of your qualifying person while you work,
2. The fair market value of care in a daycare facility provided or sponsored by your employer, and
3. Pre-tax contributions you made under a dependent care flexible spending arrangement.

Your salary may have been reduced to pay for these benefits. If you received benefits as an employee, they should be shown in box 10 of your Form W-2, Wage and Tax Statement. See Statement for employee, later. Benefits you received as a partner should be shown in box 13 of your Schedule K-1 (Form 1065) with code O.

Enter the amount of these benefits on Form 2441, Part III, line 12.

Exclusion or deduction. If your employer provides dependent care benefits under a qualified plan, you may be able to exclude these benefits from your income. Your employer can tell you whether your benefit plan qualifies. To claim the exclusion, you must complete Part III of Form 2441. You can't use Form 1040EZ.

If you are self-employed and receive benefits from a qualified dependent care benefit plan, you are treated as both employer and employee. Therefore, you wouldn't get an exclusion from wages. Instead, you would get a deduction on Form 1040, Schedule C, line 14; Schedule E, line 19 or 28; or Schedule F, line 15. To claim the deduction, you must use Form 2441.

The amount you can exclude or deduct is limited to the smallest of:

1. The total amount of dependent care benefits you received during the year,
2. The total amount of qualified expenses you incurred during the year,
3. Your earned income,
4. Your spouse's earned income, or
5. $5,000 ($2,500 if married filing separately).

The definition of earned income for the exclusion or deduction is the same as the definition used when figuring the credit except that earned income for the exclusion or deduction doesn't include any dependent care benefits you receive.

TIP *You can choose to include your nontaxable combat pay in earned income when figuring your exclusion or deduction, even if you choose not to include it in earned income for the earned income credit or the credit for child and dependent care expenses.*

Statement for employee. Your employer must give you a Form W-2 (or similar statement), showing in box 10 the total amount of dependent care benefits provided to you during the year under a qualified plan. Your employer will also include any dependent care benefits over $5,000 in your wages shown on your Form W-2 in box 1.

Effect of exclusion on credit. If you exclude dependent care benefits from your income, the amount of the excluded benefits:

1. Isn't included in your work-related expenses, and

2. Reduces the dollar limit, discussed later.

Earned Income Limit

The amount of work-related expenses you use to figure your credit can't be more than:

1. Your earned income for the year, if you are single at the end of the year, or
2. The smaller of your or your spouse's earned income for the year if you are married at the end of the year.

Earned income for the purpose of figuring the credit is defined under You Must Have Earned Income, earlier.

TIP *For purposes of item (2), use your spouse's earned income for the entire year, even if you were married for only part of the year.*

Example. You remarried on December 3. Your earned income for the year was $18,000. Your new spouse's earned income for the year was $2,000. You paid work-related expenses of $3,000 for the care of your 5-year-old child and qualified to claim the credit. The amount of expenses you use to figure your credit can't be more than $2,000 (the smaller of your earned income or that of your spouse).

Separated spouse. If you are legally separated or married and living apart from your spouse (as described under What's Your Filing Status, earlier), you aren't considered married for purposes of the earned income limit. Use only your income in figuring the earned income limit.

Surviving spouse. If your spouse died during the year and you file a joint return as a surviving spouse, you may, but aren't required to, take into account the earned income of your spouse who died during the year.

Community property laws. Disregard community property laws when you figure earned income for this credit.

Self-employment earnings. If you are self-employed, include your net earnings in earned income. For purposes of the child and dependent care credit, net earnings from self-employment generally means the amount from Schedule SE (either Section A or Section B), line 3, minus any deduction for self-employment tax on Form 1040 or Form 1040NR, line 27. Include your self-employment earnings in earned income, even if they are less than $400 and you didn't file Schedule SE.

Clergy or church employee. If you are a member of the clergy or a church employee, see the Instructions for Form 2441 for details.

Statutory employee. If you filed Schedule C (Form 1040) or C-EZ (Form 1040) to report income as a statutory employee, also include as earned income the amount from line 1 of that Schedule C (Form 1040) or C-EZ (Form 1040).

Net loss. You must reduce your earned income by any net loss from self-employment.

Optional method if earnings are low or a net loss. If your net earnings from self-employment are low or you have a net loss, you may be able to figure your net earnings by using an optional method instead of the regular method. Get Publication 334, Tax Guide for Small Business, for details. If you use an optional method to figure net earnings for self-employment tax purposes, include those net earnings in your earned income for this credit. In this case, subtract any deduction you claimed on Form 1040 or Form 1040NR, line 27, from the total of the amounts on Schedule SE, Section B, lines 3 and 4b, to figure your net earnings.

You or your spouse is a student or not able to care for self. Your spouse who is either a full-time student or not able to care for himself or herself is treated as having earned income. His or her earned income for each month is considered to be at least $250 if there is one qualifying person in your home, or at least $500 if there are two or more.

Spouse works. If your spouse works during that month, use the higher of $250 (or $500) or his or her actual earned income for that month.

Spouse qualifies for part of month. If your spouse is a full-time student or not able to care for himself or herself for only part of a month, the full $250 (or $500) still applies for that month.

You are a student or not able to care for self. These rules also apply if you are a student or not able to care for yourself and are filing a joint return. For each month or part of a month you are a student or not able to care for yourself, your earned income is considered to be at least $250 (or $500). If you also work during that month, use the higher of $250 (or $500) or your actual earned income for that month.

Both spouses qualify. If, in the same month, both you and your spouse are either full-time students or not able to care for yourselves, only one spouse can be considered to have this earned income of $250 (or $500) for that month.

Example. Jim works and keeps up a home for himself and his wife Sharon. Because of an accident, Sharon isn't able to care for herself for 11 months during the tax year.

During the 11 months, Jim pays $3,300 of work-related expenses for Sharon's care. These expenses also qualify as medical expenses. Their adjusted gross income is $29,000 and the entire amount is Jim's earned income.

Jim and Sharon's earned income limit is the smallest of the following amounts.

Jim and Sharon's Earned Income Limit

1)	Work-related expenses Jim paid	$	3,300
2)	Jim's earned income	$	29,000
3)	Income considered earned by Sharon (11 × $250)	$	2,750

Jim and Sharon can use $2,750 to figure the credit and treat the balance of $550 ($3,300 – $2,750) as a medical expense. However, if they use the $3,300 first as a medical expense, they can't use any part of that amount to figure the credit.

Dollar Limit

There is a dollar limit on the amount of your work-related expenses you can use to figure the credit. This limit is $3,000 for one qualifying person, or $6,000 for two or more qualifying persons.

TIP *If you paid work-related expenses for the care of two or more qualifying persons, the applicable dollar limit is $6,000. This limit doesn't need to be divided equally among them. For example, if your work-related expenses for the care of one qualifying person are $3,200 and your work-related expenses for another qualifying person are $2,800, you can use the total, $6,000, when figuring the credit.*

Yearly limit. The dollar limit is a yearly limit. The amount of the dollar limit remains the same no matter how long, during the year, you have a qualifying person in your household. Use the $3,000 limit if you paid work-related expenses for the care of one qualifying person at any time during the year. Use $6,000 if you paid work-related expenses for the care of more than one qualifying person at any time during the year.

Example 1. You pay $500 a month for after-school care for your son. He turned 13 on May 1 and is no longer a qualifying person. You can use the $2,000 of expenses for his care January through April to figure your credit because it isn't more than the $3,000 yearly limit.

Example 2. In July of this year, to permit your spouse to begin a new job, you enrolled your 3-year-old daughter in a nursery school that provides preschool childcare. You paid $300 per month for the childcare. You can use the full $1,800 you paid ($300 × 6 months) as qualified expenses because it isn't more than the $3,000 yearly limit.

Reduced Dollar Limit

If you received dependent care benefits that you exclude or deduct from your income, you must subtract that amount from the dollar limit that applies to you. Your reduced dollar limit is figured on Form 2441, Part III. See *Dependent Care Benefits*, earlier, for information on excluding or deducting these benefits.

Example 1. George is a widower with one child and earns $24,000 a year. He pays work-related expenses of $2,900 for the care of his 4-year-old child and qualifies to claim the credit for child and dependent care expenses. His employer pays an additional $1,000 under a qualified dependent care benefit plan. This $1,000 is excluded from George's income.

Although the dollar limit for his work-related expenses is $3,000 (one qualifying person), George figures his credit on only $2,000 of the $2,900 work-related expenses he paid. This is because his dollar limit is reduced as shown next.

George's Reduced Dollar Limit

1)	Maximum allowable expenses for one qualifying person	$3,000
2)	Minus: Dependent care benefits George excludes from income	−1,000
3)	Reduced dollar limit on expenses George can use for the credit	$2,000

Example 2. Randall is married and both he and his wife are employed. Each has earned income in excess of $6,000. They have two children, Anne and Andy, ages 2 and 4, who attend a daycare facility licensed and regulated by the state. Randall's work-related expenses are $6,000 for the year.

Randall's employer has a dependent care assistance program as part of its cafeteria plan, which allows employees to make pre-tax contributions to a dependent care flexible spending arrangement. Randall has elected to take the maximum $5,000 exclusion from his salary to cover dependent care expenses through this program.

Although the dollar limit for his work-related expenses is $6,000 (two or more qualifying persons), Randall figures his credit on only $1,000 of the $6,000 work-related expense paid. This is because his dollar limit is reduced as shown next.

Randall's Reduced Dollar Limit

1)	Maximum allowable expenses for two qualifying persons	$6,000
2)	Minus: Dependent care benefits selected from employer's cafeteria plan and excluded from Randall's income	−5,000
3)	Reduced dollar limit on work-related expenses Randall can use for the credit	$1,000

Amount of Credit

To determine the amount of your credit, multiply your work-related expenses (after applying the earned income and dollar limits) by a percentage. This percentage depends on your adjusted gross income shown on Form 1040, line 38; Form 1040A, line 22; or Form 1040NR, line 37. The following table shows the percentage to use based on adjusted gross income.

IF your adjusted gross income is: Over:		But not over:	THEN the percentage is:
$ 0	—	$15,000	35%
15,000	—	17,000	34%
17,000	—	19,000	33%
19,000	—	21,000	32%
21,000	—	23,000	31%
23,000	—	25,000	30%
25,000	—	27,000	29%
27,000	—	29,000	28%
29,000	—	31,000	27%
31,000	—	33,000	26%
33,000	—	35,000	25%
35,000	—	37,000	24%
37,000	—	39,000	23%
39,000	—	41,000	22%
41,000	—	43,000	21%
43,000	—	No limit	20%

To qualify for the credit, you must have one or more qualifying persons. You should show the expenses for each person on Form 2441, line 2, column (c). However, it is possible a qualifying person could have no expenses and a second qualifying person could have expenses exceeding $3,000. You should list -0- for the one person and the actual amount for the second person. The $6,000 limit that applies to two or more qualifying persons would still be used to compute your credit unless you already excluded or deducted, in Part III of Form 2441, certain dependent care benefits paid to you (or on your behalf) by your employer.

Example. Roger and Megan Paris have two qualifying children. They received $1,000 of dependent care benefits from Megan's employer during 2016, but they incurred a total of $19,500 of child and dependent care expenses. They complete Part III of Form 2441 to exclude the $1,000 from their taxable income (offsetting $1,000 of their expenses). Roger and Megan continue to line 27 to figure their credit using the remaining $18,500 of expenses.

Line 30 tells them to complete line 2 without including any dependent care benefits. They complete line 2 of Form 2441, listing both Susan and James, as shown in the Line 2 example below.

All of Susan's expenses were covered by the $1,000 of employer-provided dependent care benefits. However, their son James has special needs and they paid $18,500 for his care. Line 3 imposes a $5,000 limit for two or more children ($6,000 limit, minus $1,000 already excluded from income = $5,000) and Roger and Megan continue to complete the form.

Even though line 2 indicates one of the Paris children didn't have any dependent care expenses, it doesn't change the fact that they had two qualifying children for the purposes of Form 2441.

Payments for prior year's expenses. If you had work-related expenses in 2015 that you paid in 2016, you may be able to increase the credit on your 2016 return. Attach a statement to your form showing how you figured the additional amount from 2015. Then enter “CPYE” (Credit for Prior Year Expenses) and the amount of the credit on the dotted line next to line 9 on Form 2441. Also enter the name and taxpayer identification number of the person for whom you paid the prior year's expenses. Then add this credit to the amount on line 9, and replace the amount on line 9 with the total. See Worksheet A.

Example. In 2015 Sam and Kate had childcare expenses of $2,600 for their 12-year-old child. Of the $2,600, they paid $2,000 in 2015 and $600 in 2016. Their adjusted gross income for 2015 was $30,000. Sam's earned income of $14,000 was less than Kate's earned income. A credit for their 2015 expenses paid in 2016 isn't allowed in 2015. It is allowed for the 2016 tax year, but they must use their adjusted gross income for 2015 to compute the amount. The filled-in Worksheet A they used to figure this credit is shown later.

Sam and Kate add the $162 from line 13 of this worksheet to their 2016 credit and enter the total on their Form 2441, line 9. They enter “CPYE $162” and their child's name and SSN in the space to the left of line 9.

How To Claim the Credit

To claim the credit, you can file Form 1040, Form 1040A, or Form 1040NR. You can't claim the credit on Form 1040EZ or Form 1040NR-EZ.

Form 1040, Form 1040A, or Form 1040NR. You must complete Form 2441 and attach it to your Form 1040, Form 1040A, or Form 1040NR. Enter the credit on your Form 1040, line 49; Form 1040A, line 31; or Form 1040NR, line 47.

Limit on credit. The amount of credit you can claim is limited to your tax. For more information, see the Instructions for Form 2441.

Tax credit not refundable. You can't get a refund for any part of the credit that is more than this limit.

RECORDS

Recordkeeping. You should keep records of your work-related expenses. Also, if your dependent or spouse isn't able to care for himself or herself, your records should show both the nature and length of the disability. Other records you should keep to support your claim for the credit are described under Care Provider Identification Test, earlier.

Do You Have Household Employees?

If you pay someone to come to your home and care for your dependent or spouse, you may be a household employer. If you are a household employer, you will need an employer identification number (EIN) and you may have to pay employment taxes. If the individuals who work in your home are self-employed, you aren't liable for any of the taxes discussed in this section. Self-employed persons who are in business for themselves aren't household employees. Usually, you aren't a household employer if the person who cares for your dependent or spouse does so at his or her home or place of business.

Line 2 Example

(a) Qualifying person's name		**(b)** Qualifying person's social security number	**(c) Qualified expenses** you incurred and paid in 2016 for the person listed in column (a)	
First	Last			
Susan	Paris	123-00-6789	-0-	00
James	Paris	187-00-4321	18,500	00

Worksheet A. **Worksheet for 2015 Expenses Paid in 2016**

Keep for Your Records

Use this worksheet to figure the credit you may claim for 2015 expenses paid in 2016.

1.	Enter your 2015 qualified expenses paid in 2015	1.	______
2.	Enter your 2015 qualified expenses paid in 2016	2.	______
3.	Add the amounts on lines 1 and 2	3.	______
4.	Enter $3,000 if care was for one qualifying person ($6,000 if for two or more)	4.	______
5.	Enter any dependent care benefits received for 2015 and excluded from your income (from your 2015 Form 2441, line 25)	5.	______
6.	Subtract the amount on line 5 from the amount on line 4 and enter the result	6.	______
7.	Compare your earned income for 2015 and your spouse's earned income for 2015 and enter the smaller amount	7.	______
8.	Compare the amounts on lines 3, 6, and 7 and enter the smallest amount	8.	______
9.	Enter the amount on which you figured the credit for 2015 (from your 2015 Form 2441, line 6)	9.	______
10.	Subtract the amount on line 9 from the amount on line 8 and enter the result. If zero or less, stop here. You can't increase your 2016 credit by any previous year's expenses	10.	______
11.	Enter your 2015 adjusted gross income (from your 2015 Form 1040, line 38; Form 1040A, line 22; or Form 1040NR, line 37)	11.	______
12.	Find your 2015 adjusted gross income in the table below and enter the corresponding decimal amount here	12.	______

IF your 2015 adjusted gross income is: Over:		But not over:	THEN the decimal amount is:
$ 0	—	$15,000	.35
15,000	—	17,000	.34
17,000	—	19,000	.33
19,000	—	21,000	.32
21,000	—	23,000	.31
23,000	—	25,000	.30
25,000	—	27,000	.29
27,000	—	29,000	.28
29,000	—	31,000	.27
31,000	—	33,000	.26
33,000	—	35,000	.25
35,000	—	37,000	.24
37,000	—	39,000	.23
39,000	—	41,000	.22
41,000	—	43,000	.21
43,000	—	No limit	.20

13. Multiply line 10 by line 12. Add this amount to your 2016 credit and enter the total on your 2016 Form 2441, line 9. Enter the following on the dotted line next to line 9 of Form 2441:
    - “CPYE”
    - The amount of this credit for a prior year's expenses

    Also, attach a statement to your tax return showing the name and taxpayer identification number of the person for whom you paid the prior year's expenses and how you figured the credit . . . . . . 13. ______

Worksheet A. **Filled-in Worksheet for 2015 Expenses Paid in 2016**

Keep for Your Records

Use this worksheet to figure the credit you may claim for 2015 expenses paid in 2016.

1.	Enter your 2015 qualified expenses paid in 2015	1.	$2,000
2.	Enter your 2015 qualified expenses paid in 2016	2.	600
3.	Add the amounts on lines 1 and 2	3.	2,600
4.	Enter $3,000 if care was for one qualifying person ($6,000 if for two or more)	4.	3,000
5.	Enter any dependent care benefits received for 2015 and excluded from your income (from your 2015 Form 2441, line 25)	5.	0
6.	Subtract the amount on line 5 from the amount on line 4 and enter the result	6.	3,000
7.	Compare your earned income for 2015 and your spouse's earned income for 2015 and enter the smaller amount	7.	14,000
8.	Compare the amounts on lines 3, 6, and 7 and enter the smallest amount	8.	2,600
9.	Enter the amount on which you figured the credit for 2015 (from your 2015 Form 2441, line 6)	9.	2,000
10.	Subtract the amount on line 9 from the amount on line 8 and enter the result. If zero or less, stop here. You can't increase your 2016 credit by any previous year's expenses	10.	600
11.	Enter your 2015 adjusted gross income (from your 2015 Form 1040, line 38; Form 1040A, line 22; or Form 1040NR, line 37)	11.	30,000
12.	Find your 2015 adjusted gross income in the table below and enter the corresponding decimal amount here	12.	.27

IF your 2015 adjusted gross income is: Over		But not over	THEN the decimal amount is:
$ 0	—	$15,000	.35
15,000	—	17,000	.34
17,000	—	19,000	.33
19,000	—	21,000	.32
21,000	—	23,000	.31
23,000	—	25,000	.30
25,000	—	27,000	.29
27,000	—	29,000	.28
29,000	—	31,000	.27
31,000	—	33,000	.26
33,000	—	35,000	.25
35,000	—	37,000	.24
37,000	—	39,000	.23
39,000	—	41,000	.22
41,000	—	43,000	.21
43,000	—	No limit	.20

13. Multiply line 10 by line 12. Add this amount to your 2016 credit and enter the total on your 2016 Form 2441, line 9. Enter the following on the dotted line next to line 9 of Form 2441:
- "CPYE"
- The amount of this credit for a prior year's expenses

Also, attach a statement to your tax return showing the name and taxpayer identification number of the person for whom you paid the prior year's expenses and how you figured the credit 13. $162

If you use a placement agency that exercises control over what work is done and how it will be done by a babysitter or companion who works in your home, the worker isn't your employee. This control could include providing rules of conduct and appearance and requiring regular reports. In this case, you don't have to pay employment taxes. But, if an agency merely gives you a list of sitters and you hire one from that list, and pay the sitter directly, the sitter may be your employee.

If you have a household employee, you may be subject to:

1. Social security and Medicare taxes,
2. Federal unemployment tax, and
3. Federal income tax withholding.

Social security and Medicare taxes are generally withheld from the employee's pay and matched by the employer. Federal unemployment (FUTA) tax is paid by the employer only and provides for payments of unemployment compensation to workers who have lost their jobs. Federal income tax is withheld from the employee's total pay if the employee asks you to do so and you agree.

For more information on a household employer's tax responsibilities, see Publication 926 and Schedule H (Form 1040) and its instructions.

State employment tax. You may also have to pay state unemployment tax. Contact your state unemployment tax office for information. You should also find out whether you need to pay or collect other state employment taxes or carry worker's compensation insurance. For a list of state unemployment tax agencies, visit the U.S. Department of Labor's website. To find that website, use the link in Publication 926 or search online.

How To Get Tax Help

If you have questions about a tax issue, need help preparing your tax return, or want to download free publications, forms, or instructions, go to IRS.gov and find resources that can help you right away.

Preparing and filing your tax return. Find free options to prepare and file your return on IRS.gov or in your local community if you qualify.

The Volunteer Income Tax Assistance (VITA) program offers free tax help to people who generally make $54,000 or less, persons with disabilities, the elderly, and limited-English-speaking taxpayers who need help preparing their own tax returns. The Tax Counseling for the Elderly (TCE) program offers free tax help for all taxpayers, particularly those who are 60 years of age and older. TCE volunteers specialize in answering questions about pensions and retirement-related issues unique to seniors.

You can go to IRS.gov and click on the Filing tab to see your options for preparing and filing your return which include the following.

- **Free File.** Go to *IRS.gov/freefile*. See if you qualify to use brand-name software to prepare and *e-file* your federal tax return for free.
- **VITA.** Go to *IRS.gov/vita*, download the free IRS2Go app, or call 1-800-906-9887 to find the nearest VITA location for free tax preparation.
- **TCE.** Go to *IRS.gov/tce*, download the free IRS2Go app, or call 1-888-227-7669 to find the nearest TCE location for free tax preparation.

Getting answers to your tax law questions. On IRS.gov get answers to your tax questions anytime, anywhere.

- Go to *IRS.gov/help* or *IRS.gov/letushelp* pages for a variety of tools that will help you get answers to some of the most common tax questions.
- Go to *IRS.gov/ita* for the Interactive Tax Assistant, a tool that will ask you questions on a number of tax law topics and provide answers. You can print the entire interview and the final response for your records.
- Go to *IRS.gov/pub17* to get Pub. 17, Your Federal Income Tax for Individuals, which features details on tax-saving opportunities, 2016 tax changes, and thousands of interactive links to help you find answers to your questions. View it online in HTML or as a PDF or, better yet, download it to your mobile device to enjoy eBook features.
- You may also be able to access tax law information in your electronic filing software.

Getting tax forms and publications. Go to *IRS.gov/forms* to view, download, or print all of the forms and publications you may need. You can also download and view popular tax publications and instructions (including the 1040 instructions) on mobile devices as an eBook at no charge. Or, you can go to *IRS.gov/orderforms* to place an order and have forms mailed to you within 10 business days.

Using direct deposit. The fastest way to receive a tax refund is to combine direct deposit and IRS *e-file*. Direct deposit securely and electronically transfers your refund directly into your financial account. Eight in 10 taxpayers use direct deposit to receive their refund. IRS issues more than 90% of refunds in less than 21 days.

Delayed refund for returns claiming certain credits. Due to changes in the law, the IRS can't issue refunds before February 15, 2017, for returns that claim the earned income credit (EIC) or the additional child tax credit (ACTC). This applies to the entire refund, not just the portion associated with these credits.

Getting a transcript or copy of a return. The quickest way to get a copy of your tax transcript is to go to *IRS.gov/transcripts*. Click on either "Get Transcript Online" or "Get

Transcript by Mail" to order a copy of your transcript. If you prefer, you can:

- Order your transcript by calling 1-800-908-9946.
- Mail Form 4506-T or Form 4506T-EZ (both available on IRS.gov).

Using online tools to help prepare your return. Go to *IRS.gov/tools* for the following.

- The *Earned Income Tax Credit Assistant* (*IRS.gov/eic*) determines if you are eligible for the EIC.
- The *Online EIN Application* (*IRS.gov/ein*) helps you get an employer identification number.
- The *IRS Withholding Calculator* (*IRS.gov/w4app*) estimates the amount you should have withheld from your paycheck for federal income tax purposes.
- The *First Time Homebuyer Credit Account Look-up* (*IRS.gov/homebuyer*) tool provides information on your repayments and account balance.
- The *Sales Tax Deduction Calculator* (*IRS.gov/salestax*) figures the amount you can claim if you itemize deductions on Schedule A (Form 1040), choose not to claim state and local income taxes, and you didn't save your receipts showing the sales tax you paid.

Resolving tax-related identity theft issues.

- The IRS doesn't initiate contact with taxpayers by email or telephone to request personal or financial information. This includes any type of electronic communication, such as text messages and social media channels.
- Go to *IRS.gov/idprotection* for information and videos.
- If your SSN has been lost or stolen or you suspect you are a victim of tax-related identity theft, visit *IRS.gov/id* to learn what steps you should take.

Checking on the status of your refund.

- Go to *IRS.gov/refunds*.
- Due to changes in the law, the IRS can't issue refunds before February 15, 2017, for returns that claim the EIC or the ACTC. This applies to the entire refund, not just the portion associated with these credits.
- Download the official IRS2Go app to your mobile device to check your refund status.
- Call the automated refund hotline at 1-800-829-1954.

Making a tax payment. The IRS uses the latest encryption technology to ensure your electronic payments are safe and secure. You can make electronic payments online, by phone, and from a mobile device using the IRS2Go app. Paying electronically is quick, easy, and faster than mailing in a check or money order. Go to *IRS.gov/payments* to make a payment using any of the following options.

- *IRS Direct Pay*: Pay your individual tax bill or estimated tax payment directly from your checking or savings account at no cost to you.
- **Debit or credit card:** Choose an approved payment processor to pay online, by phone, and by mobile device.
- **Electronic Funds Withdrawal:** Offered only when filing your federal taxes using tax preparation software or through a tax professional.
- **Electronic Federal Tax Payment System:** Best option for businesses. Enrollment is required.
- **Check or money order:** Mail your payment to the address listed on the notice or instructions.
- **Cash:** If cash is your only option, you may be able to pay your taxes at a participating retail store.

What if I can't pay now? Go to *IRS.gov/payments* for more information about your options.

- Apply for an *online payment agreement* (*IRS.gov/opa*) to meet your tax obligation in monthly installments if you can't pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.
- Use the *Offer in Compromise Pre-Qualifier* (*IRS.gov/oic*) to see if you can settle your tax debt for less than the full amount you owe.

Checking the status of an amended return. Go to IRS.gov and click on *Where's My Amended Return?* (*IRS.gov/wmar*) under the "Tools" bar to track the status of Form 1040X amended returns. Please note that it can take up to 3 weeks from the date you mailed your amended return for it show up in our system and processing it can take up to 16 weeks.

Understanding an IRS notice or letter. Go to *IRS.gov/notices* to find additional information about responding to an IRS notice or letter.

Contacting your local IRS office. Keep in mind, many questions can be resolved on IRS.gov without visiting an IRS Tax Assistance Center (TAC). Go to *IRS.gov/letushelp* for the topics people ask about most. If you still need help, IRS TACs provide tax help when a tax issue can't be handled online or by phone. All TACs now provide service by appointment so you'll know in advance that you can get the service you need without waiting. Before you visit, go to *IRS.gov/taclocator* to find the nearest TAC, check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

Watching IRS videos. The IRS Video portal (*IRSvideos.gov*) contains video and audio presentations for individuals, small businesses, and tax professionals.

Getting tax information in other languages. For taxpayers whose native language isn't English, we have the following resources available. Taxpayers can find information on IRS.gov in the following languages.

- Spanish (IRS.gov/spanish).
- Chinese (IRS.gov/chinese).
- Vietnamese (IRS.gov/vietnamese).
- Korean (IRS.gov/korean).
- Russian (IRS.gov/russian).

The IRS TACs provide over-the-phone interpreter service in over 170 languages, and the service is available free to taxpayers.

The Taxpayer Advocate Service Is Here To Help You

What is the Taxpayer Advocate Service?

The Taxpayer Advocate Service (TAS) is an ***independent*** organization within the IRS that helps taxpayers and protects taxpayer rights. Our job is to ensure that every taxpayer is treated fairly and that you know and understand your rights under the Taxpayer Bill of Rights.

What Can the Taxpayer Advocate Service Do For You?

We can help you resolve problems that you can't resolve with the IRS. And our service is free. If you qualify for our assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business,
- You face (or your business is facing) an immediate threat of adverse action, or
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

How Can You Reach Us?

We have offices in every state, the District of Columbia, and Puerto Rico. Your local advocate's number is in your local directory and at taxpayeradvocate.irs.gov. You can also call us at 1-877-777-4778.

How Can You Learn About Your Taxpayer Rights?

The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Our Tax Toolkit at taxpayeradvocate.irs.gov can help you understand what these rights mean to you and how they apply. These are ***your*** rights. Know them. Use them.

How Else Does the Taxpayer Advocate Service Help Taxpayers?

TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, please report it to us at IRS.gov/sams.

Low Income Taxpayer Clinics

Low Income Taxpayer Clinics (LITCs) serve individuals whose income is below a certain level and need to resolve tax problems such as audits, appeals, and tax collection disputes. Some clinics can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. To find a clinic near you, visit IRS.gov/litc or see IRS Publication 4134, Low Income Taxpayer Clinic List.

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To help us develop a more useful index, please let us know if you have ideas for index entries. See "Comments and Suggestions" in the "Introduction" for the ways you can reach us.