

## Child and Dependent Care Credit

Child and Dependent Care Credit:			
Adjusted Gross Income (AGI) Range	Percentage of Qualifying Expenses Eligible for Credit	Maximum Eligible Expenses per Child/Dependent	Phase-out Threshold
<b>\$0 - \$15,000</b>	35%	Up to \$3,000 per child/dependent (\$6,000 for 2 or more)	No phase-out
<b>\$15,001 - \$43,000</b>	34% to 20% (gradually decreases)	Up to \$3,000 per child/dependent (\$6,000 for 2 or more)	Phase-out begins gradually at \$15,000 AGI
<b>\$43,001 - \$65,000</b>	20%	Up to \$3,000 per child/dependent (\$6,000 for 2 or more)	Continues to phase-out until \$65,000 AGI
<b>\$65,001 - \$175,000</b>	20%	Up to \$3,000 per child/dependent (\$6,000 for 2 or more)	Phase-out continues, credit begins to reduce
<b>\$175,001 and above</b>	0%	N/A	Credit completely phases out

- **Maximum Credit:** The Child and Dependent Care Credit can cover 35% of qualifying expenses for families with an AGI of \$15,000 or less. This rate gradually decreases as your income increases.
- **Qualifying Expenses:**
  - Up to **\$3,000** of expenses per child or dependent (for one child or dependent).
  - For two or more dependents, up to **\$6,000** expenses are eligible.
- **Credit Reduction:** The credit percentage gradually decreases as AGI increases, starting at 35% for those earning \$15,000 or less. It phases out completely for families with an AGI above \$175,000.
- **Important Consideration:** Only care expenses related to a child under 13, or for a spouse or dependent who is physically or mentally incapable of self-care, qualify for the credit