

Tax Reminders

- Second quarter individual estimated tax payments are due June 15.
- Individuals with interests in, signature or other authority over one or more bank, securities or other financial accounts in a foreign country may need to file an FBAR by June 30.

Are Your Child Care Expenses Deductible?



According to the U.S. Department of Agriculture, to raise a child born in 2013 to the age of 18, it will cost an average couple \$245,340. Luckily, there is a tax credit available for child and dependent care expenses to help parents recoup some of these costs. The credit can be up to 35 percent of your qualifying expenses, depending upon your adjusted gross income.

To be eligible, the person receiving the care must be a qualifying person—either your dependent child under the age of 13 or certain other individuals who are physically or mentally incapable of self-care. If you are divorced or separated, only the custodial parent can claim this credit.

The care must have been provided while you (and your spouse) are either working or looking for work. If you are married, you must file a joint return in order to qualify for the credit. In order to claim the credit, you (and your spouse) must have earned income from wages, salaries, tips or net earnings from self-employment. One spouse can be exempt from having earned income if he or she was a full-time student or was physically or mentally unable to care for himself/herself.

Additionally, expenses must be paid to a qualified caregiver. Spouses, dependents and children under the age of 19 are not qualified caregivers. At the end of the year, caregivers should provide you with a statement that includes their federal employer identification number (EIN) or social security number (SSN), full name, address and amount paid. All of this information is necessary to prepare your tax return. If you do not receive a statement with this information at the end of the year, you should request it prior to your tax appointment.

If your employer provides a dependent care benefit, the amount of dependent care expense claimed must be reduced by the benefit you receive. If you pay someone to come to your home and provide care, you may be considered a household employer. At the end of the year, plan on providing me with the information listed above and I can help you claim this credit.

Did You Know?

On July 1, 1862, President Abraham Lincoln and Congress created the position of commissioner of Internal Revenue and enacted an income tax to pay Civil War expenses.



Quote Corner

“Teach your children about tax—eat 30% of their ice cream.”

~Anonymous