2020 Schedule M1CD, Child and Dependent Care Credit

Your First Name and Initial  Your Last Name  Your Social Security Number

Children or other qualifying persons for whom you are claiming this credit (see instructions for definition of qualifying person):

<table>
<thead>
<tr>
<th>Name of Child or Person</th>
<th>Child or Person Birth Date (mm/dd/yyyy)</th>
<th>Child or Person Social Security Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Child or Person One</td>
<td>Child or Person One Birth Date (mm/dd/yyyy)</td>
<td>Child or Person One Social Security Number</td>
</tr>
<tr>
<td>Name of Child or Person Two</td>
<td>Child or Person Two Birth Date (mm/dd/yyyy)</td>
<td>Child or Person Two Social Security Number</td>
</tr>
<tr>
<td>Name of Child or Person Three</td>
<td>Child or Person Three Birth Date (mm/dd/yyyy)</td>
<td>Child or Person Three Social Security Number</td>
</tr>
</tbody>
</table>

Persons or organizations who provided the care:

<table>
<thead>
<tr>
<th>Name of Caretaker</th>
<th>Caretaker Social Security or Federal Employer ID Number</th>
<th>Amount Paid to Caretaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Caretaker One</td>
<td>Caretaker One Social Security or Federal Employer ID Number</td>
<td>Amount Paid to Caretaker One</td>
</tr>
<tr>
<td>Name of Caretaker Two</td>
<td>Caretaker Two Social Security or Federal Employer ID Number</td>
<td>Amount Paid to Caretaker Two</td>
</tr>
<tr>
<td>Name of Caretaker Three</td>
<td>Caretaker Three Social Security or Federal Employer ID Number</td>
<td>Amount Paid to Caretaker Three</td>
</tr>
</tbody>
</table>

☐ Place an X in this box if you operate a licensed family day care home and are claiming the credit for your own child(ren).

Enter your day care license number: ____________________________

☐ Place an X in this box if you are a married couple filing jointly and claiming the credit for your child born in 2020.

All Applicants  Round amounts to the nearest whole dollar.

1  Federal adjusted gross income (see instructions)  ............................................................ 1  

2  Enter the amount from line 9 of federal Form 2441. If line 1 is less than or equal to $53,100, skip line 3 and enter this amount on line 4  ............................................................ 2  

3  Enter the result from step 6 of the Worksheet for Line 3 (see instructions)  ........................................ 3  

4  Enter the amount from line 2 or line 3, whichever is less.  

   Full-year residents, enter the result here and on line 1 of Schedule M1REF. Enter the number of qualifying persons on line 1a of Schedule M1REF  ........................................ 4  

Part-Year Residents, Nonresidents, and American Indians Living on a Reservation

5  If you are married, add lines 4 and 5 of federal Form 2441. If you are single, include the amount from line 4 of Form 2441  ............................................................ 5  

6  Amount of income on line 5 taxable to Minnesota  ............................................................ 6  

7  Divide line 6 by line 5. Enter the result as a decimal (carry to five decimal places)  ............................ 7  

8  Multiply line 4 by line 7. Enter the result here and on line 1 of Schedule M1REF  ........................................ 8  

Include this schedule and a copy of your federal Form 2441 with your Form M1. Enter the number of qualifying persons on line 1a of Schedule M1REF.
Before you complete this schedule, complete federal Form 2441 even if you did not claim the federal credit.

Am I eligible?
If you (and your spouse if filing a joint return) received earned income, you may be eligible for a credit based on your qualified expenses. You must have documentation showing the expenses you paid for one or both of the following:

- Someone to care for your child or other qualifying person
- Someone for household services

To qualify for the credit, all of the following must be true:

- Your adjusted gross income is less than $64,230 with one qualifying person or less than $76,230 with two or more qualifying persons
- Your filing status is not Married Filing Separately
- The qualifying person lived with you for more than half of the year

The Minnesota credit is refundable, meaning you may benefit even if you have no state tax liability. This is different from the federal credit, which you can only use to offset tax.

If you are a part-year or nonresident, you may be eligible for this credit based on your percentage of earned income taxable to Minnesota.

Is there a penalty for fraudulently claiming a refund?
Yes. If you file a return that fraudulently claims a credit, we will assess a penalty equal to 50% of the fraudulently claimed credit.

Do I need proof of my payments?
Yes. Save canceled checks and itemized receipts showing your payments for child and dependent care expenses. We may ask you to show these records if we have questions.

Who is a qualifying person?
A qualifying person is any person who meets the requirements for the federal credit for child and dependent care expenses. Generally, a qualifying person is someone who lived with you for more than half of the year and is one of the following:

- Your dependent child who is younger than 13
- Your disabled spouse or disabled dependent

If you were divorced, legally separated, or lived apart from your spouse during the last six months of 2020 and your child is not your dependent, you may claim the credit if your child meets the requirements of a qualifying person. In this case, the other parent cannot treat the child as a qualifying person.

What expenses qualify?
Qualifying expenses are the same as for the federal credit for child and dependent care expenses. Generally, qualifying expenses are expenses you paid for one or both of the following:

- The care of your qualifying person so you (and your spouse, if filing a joint return) could work or look for work
- Household services so you (and your spouse, if filing a joint return) could work or look for work

If you did not have expenses, you may still qualify for this credit.

- If you are married and filing a joint return, and your child was born in 2020, see “What if my child was born in 2020?”
- If you are a licensed day care operator, see “What if I am a licensed day care operator?” on the next page.

What if my child was born in 2020?
You may be eligible to calculate your credit using $3,000 of expenses for your child born in 2020, even if you did not have actual expenses for that child or only one spouse had earned income.

You must meet all of the following requirements:

- You are married and filing a joint return
- You had a child (or children) born in 2020
- You had less than $3,000 in child care expenses or you or your spouse earned less than $3,000
- Neither you nor your spouse participated in a pretax dependent care assistance program

Complete the worksheet below to determine your credit unless both of the following are true:

- Your actual child care expenses for your child born in 2020 were $3,000 ($6,000 if you had two or more children born during the year) or more
- The lesser-earning spouse’s earned income was $3,000 ($6,000 if you had two or more children born in 2020) or more

If both statements above are true, complete the schedule using the line instructions.
What if I am a licensed day care operator?

You may be able to claim a credit for the care of your own child if your child was younger than age 6 at the end of 2020.

Your credit amount depends on your child’s age at the end of 2020.

- If your child was 16 months or younger, the credit is based on $3,000 of qualified expenses ($6,000 if you cared for two children age 16 months or younger)

- If your child was older than 16 months but younger than age six, the credit is based on the amount you would charge for a child of the same age being cared for in your home for the same number of hours (up to the maximum amounts)

To correctly determine your credit, you must complete a separate federal Form 2441 using the expense amounts above instead of your actual expenses. If you are married, each spouse must complete a separate earned income worksheet. Include the result on the appropriate earned income line or lines on your recomputed Form 2441.

Include the recomputed Form 2441 you used to determine your Minnesota credit when you file Form M1.

Place an X in the appropriate box above line 1 and enter your day care license number in the space provided.

Line Instructions

Round amounts to the nearest whole dollar.

Line 1 — Federal Adjusted Gross Income

Enter your federal adjusted gross income from your 2020 federal return. If the amount is less than zero, enter the negative number and put parentheses around it. If you did not file a 2020 federal return, use a federal return and instructions to determine what your federal adjusted gross income would have been. If you completed Schedule M1NC, use line 34 of the M1NC for Line 1.

Line 2

If your federal adjusted gross income is less than or equal to $53,100, skip line 3. Enter the amount from line 9 of federal Form 2441 on lines 2 and 4 of Schedule M1CD.

Line 3

If line 1 is more than $53,100, complete the Worksheet for Line 3.

Questions? Need forms?

- Website: www.revenue.state.mn.us
- Email: individual.incometax@state.mn.us
- Phone: 651-296-3781 or 1-800-652-9094