



## 2017 Schedule M1CD, Child and Dependent Care Credit

Your First Name and Initial	Last Name	Social Security Number
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Children or other qualifying persons for whom you are claiming this credit <i>(see instructions for definition of qualifying person)</i> :		
Name	Birth Date <i>(mm/dd/yyyy)</i>	Social Security Number

Persons or organizations who provided the care:	Amount Paid	Social Security Number (or Federal Employer ID Number)
Name		

- ☐ 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 are claiming the credit for your child born in 2017.

**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 of this form is less than or equal to \$50,000,  
skip line 3 and also 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 enter line 4 of Form 2441 ..... **5** ■ \_\_\_\_\_
- 6 Amount of income on line 5 that is 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.  
Enter the number of qualifying persons on line 1a 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.**

# 2017 Schedule M1CD Instructions

**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) had 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 federal adjusted gross income is less than \$62,000 with one qualifying person or less than \$74,000 with two or more qualifying persons
- Your filing status is not Married Filing Separate
- The qualifying person lived with you for more than one-half of the year

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

Part-year and nonresidents may be eligible for this credit based on the percentage of their 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, you will be assessed a penalty equal to 50 percent 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 2017 and your child is not your dependent, you may claim the credit if your child meets the requirements of a qualifying person for the federal credit. In this case, the other parent cannot treat the child as a qualifying person.

## What expenses qualify?

Expenses that qualify for the federal credit for child and dependent care expenses qualify for the Minnesota Child and Dependent Care Credit. 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.

You may qualify for a credit even if you did not have expenses:

- If you are married and filing a joint return, and your child was born in 2017, see "What if my child was born in 2017?"
- 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 2017?

You may be eligible to calculate your credit using \$3,000 of expenses for your child born in 2017, 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 2017
- 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 pre-tax dependent care assistance program

Complete the worksheet below to determine your credit.

If both your actual childcare expenses for the child and the lesser earning spouse's income were \$3,000 or more (\$6,000 if you have two or more qualifying children), do not complete the worksheet. Use your actual expenses to claim this credit.

### Worksheet for Child Born in 2017

If you completed federal Form 2441 to claim the federal credit, you must also complete a separate federal Form 2441 to determine your Minnesota credit. If you did not claim the federal credit or file a federal return, complete a federal Form 2441 to determine your Minnesota credit. Follow the instructions below to complete the Form 2441 you will use for Minnesota purposes.

- 1 Enter the amount from line 4 of Form 2441 ..... 1 \_\_\_\_\_
- 2 Enter the amount from line 5 of Form 2441 ..... 2 \_\_\_\_\_
- 3 Add steps 1 and 2 ..... 3 \_\_\_\_\_
- 4 Determine the amount to enter on line 6 of Form 2441 as follows:
  - a. For the child born in 2017, enter the smaller of:
    - 1)\$3,000 (\$6,000 for two or more children); or
    - 2)the amount from step 3 ..... 4a \_\_\_\_\_
  - b. If you had another child (or children) born before January 1, 2017, enter the smallest of:
    - 1)your actual qualified child care expenses paid for them;
    - 2)amount on step 1; or
    - 3)amount on step 2. .... 4b \_\_\_\_\_
  - c. Enter the smaller of:
    - 1)the total of steps 4a and 4b above; or
    - 2)\$6,000 ..... 4c \_\_\_\_\_

Enter the amount from 4c on line 6 of Form 2441. Complete the rest of Form 2441 and Minnesota Schedule M1CD to determine your Minnesota credit. Place an X in the appropriate box above line 1 of Schedule M1CD.

What if I am a licensed daycare operator?

You may be able to claim a credit for the care of your own child if your child was less than six years of age at the end of 2017.

At the end of 2017:

- If the child was 16 months or younger, the credit is based on \$3,000 of qualified expenses (\$6,000 if there are two children age 16 months or younger)
- If the child was older than 16 months but younger than age six, the credit is based on the amount the provider would charge for a child of the same age being cared for in the 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 amounts above instead your actual expenses. 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 2017 federal return (from line 37 of Form 1040, line 21 of Form 1040A, or line 4 of Form 1040EZ). If you completed a 2017 Schedule M1NC, add the amount from line 9.

If the total amount is less than zero, enter the negative number. Put parentheses around a negative number.

If you did not file a 2017 federal return, obtain a federal return and instructions to determine what your federal adjusted gross income would have been.

Line 2  
If your federal adjusted gross income is less than or equal to \$50,000, skip line 3. Enter the amount from line 9 of federal Form 2441 on line 2 and line 4 of Schedule M1CD.

Line 3  
If line 1 is more than \$50,000, complete the Worksheet for Line 3.

Questions? Need forms?  
Forms and information are available on our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us).

- If you have questions:
- Visit our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and enter **child and dependent care** in the Search box.
  - Send us an email at [individual.incometax@state.mn.us](mailto:individual.incometax@state.mn.us)
  - Call us at 651-296-3781 or 1-800-652-9094

Worksheet for Line 3 (If Line 1 is More Than \$50,000)

1	Enter your federal adjusted gross income from line 1	1	_____
2	Income limit	2	_____ \$50,000
3	Subtract step 2 from step 1	3	_____
4	Multiply step 3 by 5% (.05).	4	_____
5	If you have one qualifying dependent, enter \$600. If you have two or more qualifying dependents, enter \$1,200		
6	Subtract step 4 from step 5. Enter the result here and on Line 3 of Schedule M1CD (if \$0 or less, enter \$0)	6	_____