Child and Dependent Care Expenses

If you are claiming the child and dependent care credit, complete Parts I and II below. But if you received employer-provided dependent care benefits, first complete Part III on the back.

If you are not claiming the credit but you received employer-provided dependent care benefits, only complete Part I, below, and Part III on the back.

Persons or Organizations Who Provided the Care—You must complete this part. (See the Instructions. If you need more space, attach a statement.)

<table>
<thead>
<tr>
<th>Part I</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Name</td>
</tr>
</tbody>
</table>

2 Add the amounts in column (d) of line 1 and enter the total

Note: If you paid cash wages of $50 or more in a calendar quarter to an individual for services performed in your home, you must file an employment tax return. Get Form 942 for details.

Credit for Child and Dependent Care Expenses

3 Enter the number of qualifying persons who were cared for in 1989. (See the Instructions for the definition of qualifying persons.) Caution: To qualify, the person(s) must have shared the same home with you in 1989

4 Enter the amount of qualified expenses you incurred and actually paid in 1989. Also see the Instructions if you received employer-provided dependent care benefits. See What Are Qualified Expenses? in the Instructions. Do not enter more than $2,400 ($4,800 if you paid for the care of two or more qualifying persons)

5 Enter the excluded benefits, if any, from line 21 on page 2

6 Subtract line 5 from line 4 and enter the result. If the result is zero or less, stop here; you cannot claim the credit

7 You must enter your earned income. (See the Instructions for the definition of earned income)

8 If you are married filing a joint return, you must enter your spouse's earned income. (If your spouse was a full-time student or disabled, see the Instructions for the amount to enter)

9 If you are married filing a joint return, compare the amounts on lines 7 and 8. Enter the smaller of the two amounts here

10 If you are married filing a joint return, compare the amounts on lines 6 and 9. Enter the smaller of the two amounts here.

11 All others, compare the amounts on lines 6 and 7. Enter the smaller of the two amounts here

12 Multiply the amount on line 10 by the decimal amount on line 11, and enter the result

13 Multiply any child and dependent care expenses for 1988 that you paid in 1989 by the percentage that applies to the adjusted gross income on your 1988 Form 1040, line 32, or Form 1040A, line 14. Enter the result. (You must complete Part I and attach a statement. See the Instructions)

14 Add the amounts on lines 12 and 13. See the Instructions for the amount of credit you can claim
**Part III Employer-Provided Dependent Care Benefits**

*Caution: Be sure to also complete Part I on page 1.*

15 Enter the total amount of employer-provided dependent care benefits you received for 1989. (This amount should be separately shown on your W-2 forms and labeled as "DCB.") Do not include amounts that were reported to you as wages in Box 10 of Form(s) W-2.

16 Enter the total amount of qualified expenses incurred in 1989 for the care of a qualifying person (see the Instructions).

17 Compare the amounts on lines 15 and 16. Enter the smaller of the two amounts here.

18 You must enter your earned income. (See the Instructions for lines 7 and 8 for the definition of earned income.)

19 If you were married at the end of 1989, you must enter your spouse's earned income. (If your spouse was a full-time student or disabled, see the Instructions for lines 7 and 8 for the amount to enter.)

20 If you were married at the end of 1989, compare the amounts on lines 18 and 19 and enter the smaller of the two amounts here. If you were unmarried, enter the amount from line 18 here.

21 Excluded benefits. Enter here the smallest of the following:
- The amount from line 17, or
- The amount from line 20, or
- $5,000 ($2,500 if married filing a separate return).

22 Taxable benefits. Subtract line 21 from line 15. Enter the result, but not less than zero. Also include this amount in the total on Form 1040, line 7. On the dotted line next to line 7, write "DCB".

*Note: If you are also claiming the child and dependent care credit, fill in Form 1040 through line 40. Then complete Part II of this form. Be sure to include any amount shown on line 22 above when figuring your earned income in Part II.*