



## 2019 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:		
Name	Amount Paid	Social Security Number (or Federal Employer ID Number)

- 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 2019.

**All Applicants**

**Round amounts to the nearest whole dollar.**

- 1 Federal adjusted gross income *(from line 1 of Form M1)* ..... **1** ■ \_\_\_\_\_
- 2 Enter the amount from line 9 of federal Form 2441. If line 1 is less than or equal to \$52,230, 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.**

# 2019 Schedule M1CD Instructions

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**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 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 separate.
- 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, 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 2019 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 2019, see “What if my child was born in 2019?”
- 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 2019?

You may be eligible to calculate your credit using \$3,000 of expenses for your child born in 2019, 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 2019.
- 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 childcare expenses for your child born in 2019 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 2019) or more.

If both statements above are true, complete the schedule using the line instructions.

### Worksheet for Child Born in 2019

If you completed federal Form 2441 to claim the federal credit, you must also complete a separate Form 2441 to determine your Minnesota credit. If you did not claim the federal credit or file a federal return, complete a 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 2019, 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, 2019, 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 younger than age 6 at the end of 2019.

Your credit amount depends on your child's age at the end of 2019.

- 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 2019 federal return. If the amount is less than zero, enter the negative number and put parentheses around it. If you did not file a 2019 federal return, use 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 \$52,230, 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 \$52,230, complete the Worksheet for Line 3.

#### Worksheet for Line 3 (If Line 1 is More Than \$52,230)

- 1 Enter the amount from line 1 ..... \_\_\_\_\_
- 2 Income limit ..... \$52,230
- 3 Subtract step 2 from step 1 ..... \_\_\_\_\_
- 4 Multiply step 3 by 5% (.05) ..... \_\_\_\_\_
- 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 less than zero, enter \$0) ..... \_\_\_\_\_

### Questions? Need forms?

- Website: [www.revenue.state.mn.us](http://www.revenue.state.mn.us)
- Email: [individual.incometax@state.mn.us](mailto:individual.incometax@state.mn.us)
- Phone: 651-296-3781 or 1-800-652-9094