



DO NOT SEND

## Child Care Expenses Tax Credit Instructions

Use this form to determine if you can claim the Colorado Child Care Expenses tax credit. You may be able to claim the credit if you pay someone to care for your dependent who is under age 13. For information about any federal form or publication listed below, please visit *IRS.gov*

### Eligibility

To be able to claim the Colorado credit for child care expenses, you must file federal form 1040, 1040SR, 1040SP, or 1040NR and you (and/or your spouse) must have been a part or full-year resident of Colorado. Colorado non-resident filers may not claim this credit. If you did not file a federal income tax return, you may still be eligible for the Low Income Child Care Expenses credit. To claim the low income credit, you must complete and submit with your Colorado return, federal return and form 2441. You must also meet all of the following tests:

1. The care must be for one or more qualifying persons who are identified on federal form 2441.
2. You (and your spouse if filing jointly) must have earned income during the year.
3. You must pay child care expenses so you (and your spouse if filing jointly) can work or look for work. Qualifying expenses are defined under Section 21 of the Internal Revenue Code.
4. You must make payments for child care expenses to someone you (and your spouse) cannot claim as a dependent. If you make payments to your child, he or she cannot be your dependent and must be age 19 or older by the end of the year. You cannot make payments to:
  - a. Your spouse, *or*
  - b. The parent of your qualifying person if your qualifying person is your child and under the age of 13.
5. You cannot claim this credit if your federal filing status is Married Filing Separate.
6. You must identify the care provider on this form.

It is recommended that you fully review IRS Publication 503 for eligibility tests and the definition of qualifying income and children. All of the information in this form is required and your credit may be denied if it is incomplete.

### Part I – Person or Organization Who Provided the Care

Use this section to list the name, address and Social Security or Federal Employer ID number of the child care provider(s) you used. If you are unable to provide the Social Security or Federal Employer ID number of the child care provider, you must show that you attempted to obtain the required information by including such proof with this form.

List the total amount paid for the full year of child care, paid to each provider. If you have more than two care providers or if the provider is non-profit, we strongly suggest you file your return electronically.

### Part II – Qualifying Child Information

For lines 2a – 2d, list each qualifying child, their year of birth and their Social Security number. You must also list the amount of child care expenses for each specific child.

Complete lines 2e through 4 as instructed on the form. If the amount on line 4 is greater than \$60,000 **do not continue** because you do not qualify for this credit.

If line 4 is \$60,000 or less, enter the amount from line 9a of the IRS form 2441, Child and Dependent Care Expenses, on line 5 of this form DR 0347.

For line 6 enter your tax from your federal income tax return. See IRS form 1040, 1040SR, 1040SP, or 1040NR line 18. If you claimed a Federal Child Care Tax Credit, continue to Part III. Otherwise, if you could not not claim a Federal Child Care Tax Credit and your adjusted gross income is \$25,000 or less, skip to Part IV.

If you have more than four qualifying children, we strongly suggest you file your return electronically.

### Part III – Child Care Expenses Credit

For line 8 enter the amount from line 10 of IRS form 2441 or, if you were required to complete line 11 of IRS form 2441, the amount from line 11 of IRS form 2441.

For line 9 multiply line 8 by the decimal on line 7.

*Full-year residents should enter amount from this form on line 9 to form DR 0104CR line 1. If you completed Part III and you were a part-year resident, continue to Part V.*

### Part IV – Low-Income Child Care Expenses

If you were unable to claim the Federal Child Care Tax Credit and the amount of line 4 is \$25,000 or less, use Table A to calculate the credit. Otherwise, go back to Part III to calculate your credit.

For line 11 multiply line 3 by the decimal on line 10.

For line 12 enter the smaller amount of line 11 or the appropriate amount from Table A.

*Full-year residents should enter amount from this form on line 12 to form DR 0104CR line 1. If you completed Part III and you were a part-year resident, continue to Part V.*

### Part V – Part Year Resident Limitation

Complete this part only if you were a part-year resident of Colorado in 2021. Enter the percentage from the DR 0104PN line 34 on line 13 of this DR 0347.

For line 14 multiple the amount from line 9 or line 12 by the percentage from line 13. Enter this amount on line 1 of the DR 0104CR.



## 2021 Child Care Expenses Tax Credit

For Tax Year

**You MUST submit this form with your complete Colorado Individual Income Tax Return, including forms DR 0104 and DR 0104CR.**  
**You must also submit a copy of your federal income tax return and IRS form 2441 with your Colorado return.**  
Thoroughly read the instructions to be certain you are eligible for this credit. Be sure to complete all required information. Failure to do so may result in a denied credit or delayed refund.

Taxpayer Name  SSN or ITIN

### Part I – Persons or Organizations Who Provided the Care – You must complete this part

If you have more than two care providers or if the provider is non-profit, see the instructions.

1(a). Care Provider's First Name or Business Name  Last Name  Middle Initial  (b) SSN, ITIN or FEIN

(c) Address  City  State  ZIP  (d) Amount Paid  \$

(e) Care Provider's First Name or Business Name  Last Name  Middle Initial  (f) SSN, ITIN or FEIN

(g) Address  City  State  ZIP  (h) Amount Paid  \$

### Part II – Qualifying Child Information – You must complete this part

If you have more than four qualifying children, see the instructions.

2(a). Child's First Name  Last Name  Middle Initial  Year of Birth

SSN or ITIN  Qualified expenses you incurred and paid in 2021 for the person listed in 2(a)  \$

2(b). Child's First Name  Last Name  Middle Initial  Year of Birth

SSN or ITIN  Qualified expenses you incurred and paid in 2021 for the person listed in 2(b)  \$



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Form section for child information including Taxpayer Name, Account Number, and child details (2(c) and 2(d)) with fields for name, SSN, and expenses.

Form section for income and expenses (2(e) through 6) and a note: 'If the amount of line 4 is greater than \$60,000 STOP - you do not qualify for this credit.'

Part III - Child Care Expenses Credit section with lines 7, 8, and 9.

Part IV - Low-Income Child Care Expenses Credit section with lines 10 and 11, and Table A.

Full-year residents should enter the appropriate amount from line 12 on Form 104CR line 1. Part-year residents skip to Part V

Part V - Part-Year Resident Limitation section with lines 13 and 14.