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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Schedule 2
(Form 1040A)

Department of the Treasury—Internal Revenue Service

Child and Dependent Care Expenses for Form 1040A Filers

2004

OMB No. 1545-0085

Name(s) shown on Form 1040A

Your social security number

Before you begin: You need to understand the following terms. See **Definitions** on page 1 of the separate instructions.

- **Dependent Care Benefits**
- **Qualifying Person(s)**
- **Qualified Expenses**
- **Earned Income**

Part I

Persons or organizations who provided the care

You **must** complete this part.

1	(a) Care provider's name	(b) Address (number, street, apt. no., city, state, and ZIP code)	(c) Identifying number (SSN or EIN)	(d) Amount paid (see instructions)

(If you need more space, use the bottom of page 2.)

Did you receive dependent care benefits?

No

Complete only Part II below.

Yes

Complete Part III on the back next.

Caution. If the care was provided in your home, you may owe employment taxes. If you do, you must use Form 1040. See **Schedule H** and its instructions for details.

Part II

Credit for child and dependent care expenses

2 Information about your **qualifying person(s)**. If you have more than two qualifying persons, see the instructions.

2	(a) Qualifying person's name	(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2004 for the person listed in column (a)
	First Last		

3 Add the amounts in column (c) of line 2. **Do not** enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 28.

4 Enter your **earned income**.

5 If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); **all others**, enter the amount from line 4.

6 Enter the **smallest** of line 3, 4, or 5.

7 Enter the amount from Form 1040A, line 22.

8 Enter on line 8 the decimal amount shown below that applies to the amount on line 7.

If line 7 is:

Over	But not over	Decimal amount is
\$0—15,000		.35
15,000—17,000		.34
17,000—19,000		.33
19,000—21,000		.32
21,000—23,000		.31
23,000—25,000		.30
25,000—27,000		.29
27,000—29,000		.28

If line 7 is:

Over	But not over	Decimal amount is
\$29,000—31,000		.27
31,000—33,000		.26
33,000—35,000		.25
35,000—37,000		.24
37,000—39,000		.23
39,000—41,000		.22
41,000—43,000		.21
43,000—No limit		.20

9 Multiply **line 6** by the decimal amount on line 8. If you paid 2003 expenses in 2004, see the instructions.

10 Enter the amount from Form 1040A, line 28, minus any alternative minimum tax.

11 Enter the amount, if any, from the Alternative Minimum Tax Worksheet, line 24. See the instructions.

12 Subtract line 11 from line 10. If zero or less, **stop**. You **cannot** take the credit.

13 **Credit for child and dependent care expenses.** Enter the **smaller** of line 9 or line 12 here and on Form 1040A, line 29.

Part III**Dependent care benefits**

14	Enter the total amount of dependent care benefits you received for 2004. This amount should be shown in box 10 of your Form(s) W-2. Do not include amounts that were reported to you as wages in box 1 of Form(s) W-2.	14
15	Enter the amount forfeited, if any. See the instructions.	15
16	Subtract line 15 from line 14.	16
17	Enter the total amount of qualified expenses incurred in 2004 for the care of the qualifying person(s).	17
18	Enter the smaller of line 16 or 17.	18
19	Enter your earned income .	19
20	Enter the amount shown below that applies to you. <ul style="list-style-type: none"> • If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions for line 5). • If married filing separately, see the instructions for the amount to enter. • All others, enter the amount from line 19. 	20
21	Enter the smallest of line 18, 19, or 20.	21
22	Excluded benefits. Enter here the smaller of the following: <ul style="list-style-type: none"> • The amount from line 21 or • \$5,000 (\$2,500 if married filing separately and you were required to enter your spouse's earned income on line 20). 	22
23	Taxable benefits. Subtract line 22 from line 16. Also, include this amount on Form 1040A, line 7. In the space to the left of line 7, enter "DCB."	23
To claim the child and dependent care credit, complete lines 24–28 below.		
24	Enter \$3,000 (\$6,000 if two or more qualifying persons).	24
25	Enter the amount from line 22.	25
26	Subtract line 25 from line 24. If zero or less, stop . You cannot take the credit. Exception. If you paid 2003 expenses in 2004, see the instructions for line 9.	26
27	Complete line 2 on the front of this schedule. Do not include in column (c) any benefits shown on line 22 above. Then, add the amounts in column (c) and enter the total here.	27
28	Enter the smaller of line 26 or 27. Also, enter this amount on line 3 on the front of this schedule and complete lines 4–13.	28

