

TAX TIPS

BOOST TAX SAVINGS ON CHILD CARE

Uncle Sam is aware of how expensive child care can be. That's why there is a dependent care credit available to trim the tax due on your income tax return. In addition, many people are able to fund dependent care costs through a flexible spending account at work. Can you?

You can't deduct those costs twice—taking the same spending against both your FSA and your child tax credit. But the maximum dependent care costs you can fund through your FSA is \$5,000. And the tax credit applies to as much as \$6,000 of eligible expenses for filers with two or more children.

Solution: Cover the first \$5,000 of dependent care cost through your FSA; the remaining \$1,000 can be used for the tax credit (Form 2441). That could result in an extra savings of \$200 on the tax bill for most filers.

Take advantage of every opportunity for tax savings. We can help you find them at
