

### Dependent Care Expense Worksheet

If your family adjusted gross income* is more than \$39,000..... less than \$39,000 (10 or 15% tax bracket)..... less than \$39,000 (in 27% tax bracket) .....	Your best tax savings on dependent care expenses is the .....Reimbursement Account .....Tax Credit .....Reimbursement Account
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\*Your family adjusted gross income equals all of your income (and your spouse's if you are married and file jointly) from wages, salaries and other sources (except tax exempt income) minus your deductions (if any) for IRA contributions, deductible alimony payments, and certain other non-itemized deductions. Your itemized deductions (if any) are NOT subtracted. Your standard deduction and exemptions for yourself, your spouse and your dependents are also NOT subtracted.

<u>Adjusted Gross Income</u>		<u>Percentage for Tax Credit</u>	<u>Percentage for Reimbursement Account</u>	
over	but not over		15% bracket	27% bracket
\$0	15,000	35%	22.65	N/A
15,000	17,000	34%	22.65	N/A
17,000	19,000	33%	22.65	N/A
19,000	21,000	32%	22.65	N/A
21,000	23,000	31%	22.65	N/A
23,000	25,000	30%	22.65	N/A
25,000	27,000	29%	22.65	N/A
27,000	29,000	28%	22.65	34.65
29,000	31,000	27%	22.65	34.65
31,000	33,000	26%	22.65	34.65
33,000	35,000	25%	22.65	34.65
35,000	37,000	24%	22.65	34.65
37,000	39,000	23%	22.65	34.65
39,000	41,000	22%	22.65	34.65
41,000	43,000	21%	22.65	34.65
43,000	up	20%	22.65	34.65

Example: Sally is unmarried and has a gross income in 2003 of \$39,500. She had \$3,500 in unreimbursed dependent care expenses for her only child. She is therefore entitled to a tax credit of \$660 (22% times \$3,000). Her savings with a reimbursement account would be \$793 (22.65% times \$3,500).

Adjusted Gross Income: (a) \$ \_\_\_\_\_.

Amount in unreimbursed dependent care expenses: (b) \$ \_\_\_\_\_.

Percentage for tax credit: (c) \_\_\_\_\_%

Tax Credit Equals: (c x b) \$ \_\_\_\_\_.

Percentage for Reimbursement Account: (d) \_\_\_\_\_%

Reimbursement Account Savings: (b x d) \$ \_\_\_\_\_.

*This worksheet is for rough estimates of federal taxes only. State taxes, if any, are in addition to percentages shown. Your personal tax consequences may vary.*