

**Schedule 2**  
**(Form 1040A)**

Department of the Treasury—Internal Revenue Service

**Child and Dependent Care Expenses for Form 1040A Filers** (99) **1998**

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 57.

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

<b>Part I</b>	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 page 58)
<b>Persons or organizations who provided the care</b>					

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

You **MUST** complete this part.

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** 2 Information about your **qualifying person(s)**. If you have more than two qualifying persons, see page 58.

<b>Credit for child and dependent care expenses</b>	(a) Qualifying person's name		(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 1998 for the person listed in column (a)
	First	Last		
			: : : : : :	
			: : : : : :	

3 Add the amounts in column (c) of line 2. **DO NOT** enter more than \$2,400 for one qualifying person or \$4,800 for two or more persons. If you completed Part III, enter the amount from line 24. 3

4 Enter **YOUR earned income**. 4

5 If married filing a joint return, enter **YOUR SPOUSE'S** earned income (if your spouse was a student or was disabled, see page 59); **all others**, enter the amount from line 4. 5

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

7 Enter the amount from Form 1040A, line 19. 7

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

If line 7 is—		Decimal amount is	If line 7 is—		Decimal amount is
Over	But not over		Over	But not over	
\$0—10,000		.30	\$20,000—22,000	.24	
10,000—12,000		.29	22,000—24,000	.23	
12,000—14,000		.28	24,000—26,000	.22	
14,000—16,000		.27	26,000—28,000	.21	
16,000—18,000		.26	28,000—No limit	.20	
18,000—20,000		.25			

8 × .

9 Multiply **line 6** by the decimal amount on line 8. Enter the result. Then, see page 59 for the amount of credit to enter on Form 1040A, line 26. 9

**Part III****Dependent care benefits**

<b>10</b>	Enter the total amount of <b>dependent care benefits</b> you received for 1998. This amount should be shown in box 10 of your W-2 form(s). DO NOT include amounts that were reported to you as wages in box 1 of Form(s) W-2.	10
<b>11</b>	Enter the amount forfeited, if any. See page 59.	11
<b>12</b>	Subtract line 11 from line 10.	12
<b>13</b>	Enter the total amount of <b>qualified expenses</b> incurred in 1998 for the care of the qualifying person(s).	13
<b>14</b>	Enter the <b>smaller</b> of line 12 or 13.	14
<b>15</b>	Enter YOUR <b>earned income</b> .	15
<b>16</b>	If married filing a joint return, enter YOUR SPOUSE'S earned income (if your spouse was a student or was disabled, see the instructions for line 5); if married filing a separate return, see the instructions for the amount to enter; <b>all others</b> , enter the amount from line 15.	16
<b>17</b>	Enter the <b>smallest</b> of line 14, 15, or 16.	17
<b>18</b>	<b>Excluded benefits.</b> Enter here the <b>smaller</b> of the following: <ul style="list-style-type: none"> <li>• The amount from line 17, or</li> <li>• \$5,000 (\$2,500 if married filing a separate return <b>and</b> you were required to enter your spouse's earned income on line 16).</li> </ul>	18
<b>19</b>	<b>Taxable benefits.</b> Subtract line 18 from line 12. Also, include this amount on Form 1040A, line 7. In the space to the left of line 7, enter "DCB."	19
To claim the child and dependent care credit, complete lines 20–24 below.		
<b>20</b>	Enter \$2,400 (\$4,800 if two or more qualifying persons).	20
<b>21</b>	Enter the amount from line 18.	21
<b>22</b>	Subtract line 21 from line 20. If zero or less, <b>STOP</b> . You cannot take the credit. <b>Exception.</b> If you paid 1997 expenses in 1998, see the instructions for line 9.	22
<b>23</b>	Complete line 2 on the front of this schedule. DO NOT include in column (c) any excluded benefits shown on line 18 above. Then, add the amounts in column (c) and enter the total here.	23
<b>24</b>	Enter the <b>smaller</b> of line 22 or 23 here. Also, enter this amount on line 3 on the front of this schedule and complete lines 4–9.	24

