

## Managing Summer Camp Costs: Tax Credits Available!

With school out for summer soon, many parents turn to summer day camps for childcare while they're at work. These camps provide fun and education for children, but can quickly eat into the family budget. One often-overlooked way to reduce the cost is through a tax credit available for summer day camp expenses. While Wisconsin's personal income tax rate may be reduced for 2013, it's always nice to pick up a few extra tax credits! Here's what you need to know:

As part of the Child and Dependent Care Credit, day camp expenses can be credited on next year's taxes. This credit is designed to offset the costs of caring for dependents while you're working. According to the IRS, the amount of the credit is a percentage of the "work-related expenses you paid to a care provider for the care of a qualifying individual [your child]." The credit is geared toward working parents/guardians, but full-time students or taxpayers who were unemployed for part of the year may also qualify.

What percentage of expenses you qualify for depends on your income level. For example, families with an adjusted gross income of \$43,000 a year or more can claim up to 20 percent of work-related child care expenses. Families making less than that may qualify for credit on up to 35 percent of their work-related child care expenses. Unlike a deduction, the Child and Dependent Care Credit lowers your tax bill dollar for dollar.

There are exclusions, however. For example, overnight camps do not qualify. You must have receipts for the day camp services in order to claim the credit, so save this summer's receipts with your other tax papers. Another stipulation is that the camp must be registered as a qualifying childcare provider (you can check using their employer-identification number).

Talk to your tax advisor to see if you qualify. You can find out more information about the Child and Dependent Care Credit at [irs.gov](http://irs.gov).



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