

# DCRA WORKSHEET – IRC SECTION 129 (Dependent DayCare Expenses Only)

(For Comparing Dependent Daycare Tax Savings That Allow You To Work)



**Note: You must still file IRS Form 2441 with your tax return to report the Tax ID#(s) of your dependent care provider(s) to the IRS.**

## Section 129 Tax Savings Versus 1040 Tax Credit

<b>USING EMPLOYER'S SECTION 129 PLAN</b>			
Your Annual Eligible Expenses (\$5,000 maximum)		\$ _____	/YEAR
Your Tax Bracket (generally 23-35%) (7.65% FICA + 15% to 27% Federal Income Tax)		X _____	%
<b>Your Section 129 Savings</b>		<b>\$ _____</b>	<b>/YEAR</b>
<b>TAXES (2009 RATES)</b>			
<b>FICA (Social Security)</b>	7.65% to \$106,800 then 1.45% on income over \$106,800		
<b>Federal Income Tax (based on taxable income after deductions):</b>			
<b>SINGLE</b>		<b>MARRIED (FILING JOINT TAX RETURN)</b>	
\$0–\$8,350 .....	\$0 + 10% of excess over \$0	\$0–\$16,700 .....	\$0 + 10% of excess over \$0
\$8,350–\$33,950 .....	\$835+ 15% of excess over \$8,350	\$16,700–\$67,900 .....	\$1,670+ 15% of excess over \$16,700
\$33,950–\$82,250 .....	\$4,675+ 25% of excess over \$33,950	\$67,900–\$137,050 .....	\$9,350+ 25% of excess over \$67,900
\$82,250–\$171,550 .....	\$16,750+ 28% of excess over \$82,250	\$137,050–\$208,850 .....	\$26,637.50+ 28% of excess over \$137,050
\$171,550–\$372,950 .....	\$41,754+ 33% of excess over \$171,550	\$208,850–\$372,950 .....	\$46,741.50+ 33% of excess over \$208,850
\$372,950 OR HIGHER .....	\$108,216+ 35% of excess over \$372,950	\$372,950 OR HIGHER .....	\$100,894.50+ 35% of excess over \$372,950
<b>TAKING INCOME TAX CREDIT (FORM 2441 CREDIT ON YOUR 1040)</b>			
Your Annual Eligible Expenses (\$3,100 maximum for 1 child; \$6,200 maximum for 2 or more children)		\$ _____	/YEAR
Your Dependent Care Tax Credit Percentage (See chart below to determine your percentage)		X _____	%
<b>Your Tax Credit Savings</b>		<b>\$ _____</b>	<b>/YEAR</b>
<b>ADJUSTED GROSS INCOME</b>	<b>CREDIT %</b>	<b>ADJUSTED GROSS INCOME</b>	<b>CREDIT %</b>
\$0–\$14,999 .....	35%	\$29,000–\$30,999 .....	27%
\$15,000–\$16,999 .....	34%	\$31,000–\$32,999 .....	26%
\$17,000–\$18,999 .....	33%	\$33,000–\$34,999 .....	25%
\$19,000–\$20,999 .....	32%	\$35,000–\$36,999 .....	24%
\$21,000–\$22,999 .....	31%	\$37,000–\$38,999 .....	23%
\$23,000–\$24,999 .....	30%	\$39,000–\$40,999 .....	22%
\$25,000–\$26,999 .....	29%	\$41,000–\$42,999 .....	21%
\$27,000–\$28,999 .....	28%	\$43,000 OR HIGHER .....	20%

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