

**17 NCAC 06B .0606 CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES**

(a) A tax credit is allowable for the employment-related expenses for child and dependent care. The credit is calculated on the net qualified federal employment-related expenses after reduction for any employer-paid dependent care assistance that is excluded from federal gross income. In calculating the credit, expenses incurred in the previous tax year but not paid until the current tax year shall be included.

(b) For purposes of determining the credit allowed under G.S. 105-151.11, individuals who are not able to dress, clean, or feed themselves because of a physical or mental condition are not able to care for themselves. Individuals with mental conditions who require constant attention to prevent them from injuring themselves or others are considered to be unable to care for themselves.

(c) For a dependent who becomes age seven during the taxable year and who is not physically or mentally incapable of caring for himself or herself, the tax credit for employment-related expenses incurred prior to the dependent's seventh birthday shall be calculated using the percentages in the column labeled Percentage B under G.S. 105-151.11(a1). The tax credit for employment-related expenses incurred after the dependent becomes age seven shall be calculated using the percentages in the column labeled Percentage A under G.S. 105-151.11(a1).

(d) A nonresident or part-year resident is allowed this tax credit in proportion to the amount of federal taxable income, as adjusted, that is taxable by North Carolina.

*History Note:* Authority G.S. 105-151.11; 105-262;  
Eff. June 1, 1990;  
Amended Eff. July 1, 1999; November 1, 1994; June 1, 1993; October 1, 1991.