

**Attach to Form ND-1 or ND-2**

Name(s) shown on return	Social security number
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- If you paid qualified care expenses for more than one qualifying family member, you must complete a separate Schedule FC for each qualifying family member.
- See the instructions on the other side of this schedule for definitions of **qualifying family member** and **qualified care expenses**.

**Part 1 - Do you qualify for the credit?**

Answer the questions below (by checking either YES or NO) to see if you qualify for the family member care credit.

**Qualifying family member criteria**

1. Is the family member related to you by blood or marriage? .....
2. Is the family member at least 65 years old or determined to be disabled by the Social Security Administration? .....
3. If the family member is not married, is the family member's federal taxable income equal to or less than \$20,000? If the family member is married, is the total federal taxable income of the family member and the family member's spouse equal to or less than \$35,000? .....

	YES	NO
<b>1</b>		
<b>2</b>		
<b>3</b>		
<b>4</b>		

**Taxpayer's federal taxable income limitation**

4. If your **Filing status** (on the front of Form ND-1 or Form ND-2) is **Single** or **Head of household** or **Qualifying widow(er)**, is your federal taxable income less than \$52,000? If **Married filing joint return**, is your federal taxable income less than \$72,000? If **Married filing separate return**, is your separate federal taxable income for North Dakota purposes less than \$36,000? .....
- If you answered **YES** to **ALL** of the questions, go to **Part 2 - Computation of the credit**.
  - If you answered **NO** to **ANY** of the questions, you are not eligible for the credit. **Do not complete the rest of this schedule.**

**Part 2 - Computation of the credit**

Name of qualifying family member	Social security number of qualifying family member
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5. **Qualified care expenses** paid by you during the tax year (for the qualifying family member identified above) (Attach a statement showing type and amount of expenses. If payment is for services, also identify provider) ..... (FA) **5** \_\_\_\_\_
6. Your federal taxable income (from line 41 of Form 1040, line 27 of Form 1040A, line 6 of Form 1040EZ, or line K of TeleFile Tax Record) ..... (FB) **6** \_\_\_\_\_
7. Decimal amount (from applicable table below) (If **Married filing separate return**, use Table 2 to find income range, then enter one-half of decimal amount for that range) ..... (FC) **7** . \_\_\_\_\_

**Table 1: Single/Head of household/Qualifying widow(er)**

If the amount on line 6 is:		Decimal amount is:	If the amount on line 6 is:		Decimal amount is:
Over	Not over		Over	Not over	
\$ 0	\$ 25,000	.30	\$ 35,000	\$ 37,000	.24
25,000	27,000	.29	37,000	39,000	.23
27,000	29,000	.28	39,000	41,000	.22
29,000	31,000	.27	41,000	43,000	.21
31,000	33,000	.26	43,000	No limit	.20
33,000	35,000	.25			

**Table 2: Married filing joint**

If the amount on line 6 is:		Decimal amount is:	If the amount on line 6 is:		Decimal amount is:
Over	Not over		Over	Not over	
\$ 0	\$ 35,000	.30	\$ 45,000	\$ 47,000	.24
35,000	37,000	.29	47,000	49,000	.23
37,000	39,000	.28	49,000	51,000	.22
39,000	41,000	.27	51,000	53,000	.21
41,000	43,000	.26	53,000	No limit	.20
43,000	45,000	.25			

8. Multiply line 5 by line 7 ..... (FD) **8** \_\_\_\_\_
9. Maximum credit allowed per qualifying family member. Enter \$2,000 if **Single** or **Married filing joint return** or **Head of household** or **Qualifying widow(er)**, or \$1,000 if **Married filing separate return** ..... (FE) **9** \_\_\_\_\_
10. Enter smaller of line 8 or line 9 ..... (FF) **10** \_\_\_\_\_
11. Federal taxable income limit. Enter \$50,000 if **Single** or **Head of household** or **Qualifying widow(er)**, or \$70,000 if **Married filing joint return**, or \$35,000 if **Married filing separate return** ..... (FG) **11** \_\_\_\_\_
12. Subtract line 11 from line 6 (If less than zero, enter -0-) ..... (FH) **12** \_\_\_\_\_
13. Tentative family member care credit (Subtract line 12 from line 10) (If less than zero, enter -0-) **See below for the amount you may enter on your return** ..... (FI) **13** \_\_\_\_\_

**IMPORTANT**

**You may not be able to claim the full amount of the credit shown on line 13 if either or both of the following apply:**

- You completed a Schedule FC for more than one qualifying family member.
- One or more other taxpayers are claiming this credit for the same qualifying family member.

If either or both of the above apply, check the appropriate box(es) below and see **Limitations on credit** in the instructions. **Otherwise, enter the amount from line 13 above on Form ND-1, line 17, or on Form ND-2, Tax Computation Schedule, line 7.**

- Check this box if you've completed and attached more than one Schedule FC
- Check this box if one or more other taxpayers are claiming this credit for the same qualifying family member

**2002 Schedule FC instructions**

**Eligibility for credit**

If you paid qualified care expenses for a qualifying family member during the tax year, you may be able to take the family member care income tax credit. See **Qualified care expenses** and **Qualifying family member** below. If you qualify for the credit, you must complete this schedule and attach it to your return.

*This credit is allowed on Form ND-1 and Form ND-2 (Optional method).*

*You must attach a statement showing the type and amount of the qualified care expenses you paid during the tax year. In the case where the expense is for services, you also must identify the person or organization that performed the services.*

*If you paid qualified care expenses for more than one qualifying family member, you must complete a separate Schedule FC for each qualifying family member.*

**Qualified care expenses**

Qualified care expenses means expenses for home health agency services, companionship services (see below), personal care attendant services, homemaker services, adult day care, respite care, health care equipment and supplies, and other expenses for goods and services which are:

1. Necessary to avoid the placement of a qualifying family member in a long-term care facility.
2. Provided to or for the benefit of (or needed by the taxpayer to care for) a qualifying family member.
3. Provided by an organization or individual not related to the taxpayer or the qualifying family member.
4. Not compensated for by insurance or a federal or state assistance program.

**Companionship services**—Companionship services means services that provide fellowship, care and protection for a person who is unable to care for his or her own needs because of advanced age or a physical or mental disability. These services include household work directly related to the care of the aged or disabled person, such as meal preparation, bed making, washing clothes and other similar services. These services may also include household work not directly related to the care of the aged or disabled person if the time it takes to do this work during any week does not exceed 20% of the total hours worked during that same week.

Companionship services **do not** include services which require, and are performed by, trained personnel. This includes a registered or practical nurse, or services to care for and protect infants and children who are not physically or mentally disabled.

**Qualifying family member**

A qualifying family member is a person who:

1. Is related to you by blood or marriage.
2. Is either at least 65 years old or disabled as determined by the Social Security Administration. (*Attach copy of SSA's determination letter, if applicable.*)
3. Has a federal taxable income equal to or less than:
  - a. \$20,000, if not married.
  - b. \$35,000, if married. (*Include both spouses' income.*)

*The taxpayer and the qualifying family member may not be the same person.*

**Limitations on credit**

You may not be able to claim the full amount of the family member care credit that you compute on this schedule if either of the following apply:

- You completed a Schedule FC for more than two qualifying family members. See **More than two qualifying family members** below.
- One or more other taxpayers are also claiming the family member care credit for the same qualifying family member. See **Multiple taxpayers** below.

**More than two qualifying family members**—The maximum credit that may be claimed is \$2,000 per qualifying family member, up to a maximum credit of \$4,000 for two or more qualifying family members. (*If you are married and are required to file a separate North Dakota return, the maximum credit that you may claim is \$1,000 per qualifying family member, up to a maximum credit of \$2,000 for two or more qualifying family members.*)

**Multiple taxpayers**— If, in addition to yourself, one or more other taxpayers are also claiming the family member care credit for the same qualifying family member, you must complete the **Multiple Taxpayer Worksheet** (below) to identify the other taxpayers and, if necessary, recompute the amount of the credit that you are allowed. If the total credits separately computed by you and the other taxpayers with respect to the same qualifying family member exceeds \$2,000, the separately computed credits must be disregarded, and the amount of credit allowable to each taxpayer must be determined by multiplying \$2,000 by the ratio that each taxpayer's payments for qualified care expenses bears to the total payments for qualified care expenses made by all taxpayers. If more than two taxpayers are claiming the credit for the same qualifying family member, attach additional schedules as needed.

*If you are required to complete the Multiple Taxpayer Worksheet below, attach the worksheet to your return.*

**Multiple Taxpayer Worksheet**

See **Limitations on credit** above for when this worksheet must be completed.

	Taxpayer 1	Taxpayer 2	Total
<b>A.</b> Name of taxpayer .....	_____	_____	_____
<b>B.</b> Social security number of taxpayer .....	_____	_____	_____
<b>C.</b> Amount of credit from each taxpayer's Schedule FC, line 13 .....	. _____	. _____	. _____
<ul style="list-style-type: none"> <li>• <b>If the total of the credits for all taxpayers (on line C of this worksheet) is equal to or less than \$2,000, do not complete the rest of this worksheet. Each taxpayer must claim the amount of the credit computed on his or her own Schedule FC.</b></li> <li>• <b>If the total of the credits for all taxpayers (on line C of this worksheet) exceeds \$2,000, complete lines D through F below to determine the amount of the credit allowed to each taxpayer.</b></li> </ul>			
<b>D.</b> Qualified care expenses from each taxpayer's Schedule FC, line 5 .....	. _____	. _____	. _____
<b>E.</b> Percentage ( <i>Divide each taxpayer's separate expenses by the total expenses of all taxpayers on line D</i> ) .....	% _____	% _____	<b>100%</b>
<b>F.</b> Allowable family member care credit ( <i>Multiply \$2,000 by each taxpayer's percentage on line E</i> ) .....	. _____	. _____	<b>\$2,000</b>