

PROSPERITY NOW COMMUNITY

TAXPAYER OPPORTUNITY NETWORK

Module 6A Quiz

Child and Dependent Care Credit

1. What is the effect of the Child and Dependent Care Credit?
 - a) Allows taxpayers to not pay state income taxes
 - b) Eliminates the Estate Tax
 - c) Allows children to file taxes jointly with their parents
 - d) Reduces income tax by a percentage of the taxpayer's child and dependent care expenses
2. How is the amount of the Child and Dependent Care Credit determined?
 - a) Each qualifying person is \$5,000
 - b) Each qualifying person is a 5% tax reduction
 - c) The credit is based on amounts paid for the care of a qualifying person
 - d) The credit is based on half of amounts paid for the care of a qualifying person
3. How many tests are there to determine a taxpayer's eligibility to claim the Child & Dependent Care Credit?
 - a) 2
 - b) 3
 - c) 4
 - d) 5
4. The Joint Return Test is **NOT** used to determine a taxpayer's eligibility to claim the Child & Dependent Care Credit.
 - a) True
 - b) False
5. The Earned Income Test is used to determine a taxpayer's eligibility to claim the Child & Dependent Care Credit.
 - a) True
 - b) False