

DID YOU KNOW?

A Tax Benefit for Family Child Care Providers

According to tax law, family child care providers can deduct meal expenses for the children in their care. The IRS made a tax revision to make this easier for providers!

- A revision to this law makes it easier for providers to do this by offering a 'standard meal and snack rate' that requires less paperwork. The standard meal and snack rate for the current year, as well as past years, can be found at http://www.fns.usda.gov/cnd/Care/ProgramBasics/Rates/ReimbursementRates_Current.htm
- Providers can fill out a simple log that meets the record keeping requirement for the IRS. The log is helpful to providers by not having to separate the portion of the cost of food served in their family child care business and allows them to not have to save food receipts for the year. This log is available in a PDF format at the end of the link referred to at the bottom of this document.
- Providers have the option to continue to deduct amounts based on the actual food costs, if they prefer.
- Providers receiving reimbursement from the Child and Adult Food Care Program (CACFP) are still eligible for this. The portion of the cost of food, if any, that exceeds the reimbursement from CACFP is deductible.
- For more detailed information, please go to <http://www.irs.gov/pub/irs-drop/rp-03-22.pdf>. The record keeping log is at the end of this document.
- As with any small business, seeking professional tax assistance is recommended. You can call 1-800-829-4933 for questions about business tax forms. In addition, there are local IRS Taxpayer Assistance Centers where you can go for face-to-face tax help and solutions to tax problems. Local offices in Maryland can be found at <http://www.irs.gov/localcontacts/article/0,,id=98284,00.html>.