2. The applicable individual is at least two but less than six years old.

1. The applicable individual is at least six years old and:

   - Is unable to perform at least three activities of daily living due to a loss of functional capacity without substantial assistance from another individual, or
   - Requires substantial supervision to protect that individual from threats to health and safety due to severe cognitive impairment and is unable to perform at least one activity of daily living.
   - Activities of daily living includes bathing, eating, continence, toileting, dressing, and transferring.

   2. The applicable individual is at least two but less than six years old and is unable due to loss of functional capacity to perform at least two of the following activities without substantial assistance from another individual: eating, transferring, or mobility.

   3. The applicable individual is under two years old and requires specific durable medical equipment because of a severe health condition or requires a skilled practitioner trained to address the individual’s condition to be available if the individual’s parents or guardians are absent.

Eligible Caregiver Requirements
A taxpayer shall be treated as an “eligible caregiver” for any taxable year with respect to the following individuals:

(a) The taxpayer;
(b) The taxpayer’s spouse;
(c) A dependent of the taxpayer; or
(d) An individual who meets the requirements to be the taxpayer’s dependent except for the gross income limitation. In lieu of the normal gross income limitation, the individual’s gross income for the taxable year must be less than the sum of the federal exemption amount ($2,800 for tax year 2000), plus the federal standard deduction amount ($4,400 for tax year 2000) (a total of $7,200), plus any additional federal standard deduction allowed for an individual who was aged 65 and/or blind at the close of the tax year. For tax year 2000, these amounts are $850 per exemption for a married individual and $1,100 per exemption for an unmarried individual who was not a surviving spouse.

(e) An individual who meets the requirements to be the taxpayer’s dependent based on paragraph (d) above except for the support test. In lieu of the taxpayer having provided more than half the support for the individual during the taxable year, the individual has as his or her principal place of abode the home of the taxpayer and (1) in the case of an individual who is an ancestor or descendent of the taxpayer or the taxpayer’s spouse; or (2) in the case of any other individual, is a member of the taxpayer’s household for the entire taxable year.

Limitations
Only one caregiver can claim the Long-Term Care Credit for an applicable individual. If more than one person is an eligible caregiver for the same applicable individual, the taxpayer will be treated as the eligible caregiver if each of the persons (other than the taxpayer) files a written declaration that that person will not claim the credit for the applicable individual.
If the persons who are required to file a written declaration do not do so, the person with the highest federal modified adjusted gross income shall be treated as the eligible caregiver. The federal modified adjusted gross income is computed the same way for the California Long-Term Care Credit as it is for the federal Earned Income Credit. To compute federal modified adjusted gross income, see the federal instructions for computing the Earned Income Credit.

In the case of married taxpayers who filed separate tax returns, if both claim the credit for an applicable individual, the taxpayer with the highest federal modified adjusted gross income shall be treated as the eligible caregiver.

No credit shall be allowed to a taxpayer for any applicable individual unless, on the tax return for that taxable year, the taxpayer includes the name and social security number of the applicable individual, and the certifying physician’s medical license number.

There are no provisions to carryover any unused credit to succeeding taxable years, and in no event can this credit be carried back and applied against a prior year’s tax.

**This credit is not refundable.**

**Specific Line Instructions**

**Line 2**
The allowable credit amount per certified applicable individual is $500.

**Line 3**
Enter the total number of certified applicable individuals with respect to whom you are an eligible caregiver, from Part I. If you need more space for additional applicable individuals, include them in the total on line 3 and attach a separate sheet that provides the same information that was required in Part I for each additional applicable individual.

**Line 4**
Multiply the number of qualifying applicable individuals from Line 3, by $500.

This is your available credit. See Form 540, California Resident Income Tax Return, or Form 540NR, California Nonresident or Part-Year Resident Income Tax Return, instructions for more information about claiming the credit on your tax return.

**Note:** The amount of this credit that you can claim on your tax return may be limited. Refer to the credit instructions in your tax booklet for more information. You must use credit code number 214 when you claim this credit.