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Personal Finance

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All that bug juice and capture the flag could pay off big time this summer.

Working parents can save more than \$2,000 on their taxes just by enrolling their kids in summer day camp, not to mention some other tax benefits of the season.

That can go a long way toward reducing the rising cost of day camp, which is about \$314 a week, on average, according to the American Camp Association. And it's much more at some for-profit camps.

Thanks to the [Child and Dependent Care Credit](#), you may receive a credit when you file your return for up to 35 percent of \$3,000 in child care and camp costs for one child or \$6,000 for two or more children, depending on your income. That translates to as much as \$1,050 for one child and \$2,100 for two or more children if they are under the age of 13.

"Those credits are a dollar-for-dollar reduction in your tax liability," said Lisa Greene-Lewis, a CPA at TurboTax. "It's definitely a nice savings."

The same goes for music camps, athletic camps, mini camps or day-care programs over the summer if you are single and working, or if both parents are working. However, if there is a spouse at home to care for the children, the credit won't apply.

Overnight camps, despite being a rite of passage for some, also do not qualify for the credit, since they're not considered day care, Greene-Lewis said.

"These credits were developed for people so they can go to work." -Lisa Greene-Lewis, CPA and tax expert at TurboTax

In order to reap the tax benefits come April, payments for camp must be made to an institution or person, and you must include their address and federal tax identification number on your tax

return, said Don Crotty, a senior tax manager at Marcum LLP. If the cost of transportation to and from camp is included in the camp's fees, then that counts, too.

If your employer offers a [Dependent Care Flexible Spending Account](#), you can also deposit up to \$5,000 to cover some or all camp expenses tax free. The only catch is that the money has to be used in the year it is deposited and anything left over would be forfeited, similar to a Flexible Spending Account for health.

But that's not the only summertime tax benefit available. Parents who employ their kids (under age 18) at the family business can deduct their children's payroll expense from business income, which lowers the company's [tax liability](#). In addition, wages paid to a child are not subject to Social Security and Medicare taxes as long as the business is a partnership owned by the parents or a sole proprietorship owned by one parent.

For older children who plan to spend the summer volunteering or are on the hunt for a paid position, there are other [little known tax deductions](#) that could apply. For example, any expenses related to job hunting can be deducted if they exceed 2 percent of your adjusted gross income, which is likely if you are unemployed and looking for your first job.

Those driving to and from their summer volunteer position at a charity or nonprofit or running a car pool for a youth group — as long as it's registered as a 501(c)(3) organization — can deduct the mileage at the federal [charitable rate](#) of 14 cents per mile.

And for those who plan to see the sites this season, many not-for-profit city youth centers, zoos, aquariums, children's play places, family activity centers and museums offer seasonal or annual memberships that could be tax deductible, regardless of whether the parents are working.

In that case, it could count as a charitable donation at the end of the year as long as you keep the receipt.