



## TAX & BUDGET STATE CHILD CARE AND DEPENDENT CARE TAX PROVISIONS, TAX YEAR 2016

Child and dependent care expenses can take a huge bite out of families' budgets. With few increases in state or federal funding, direct child care assistance is not available to every family that needs help paying for child and dependent care.

The federal **Child and Dependent Care Tax Credit** and similar state tax provisions can help eligible families offset their child care expenses. These tax provisions can lower the income taxes that families must pay and, in some cases, give cash refunds to families whose incomes are too low to owe taxes.

Twenty-six states (including the District of Columbia) have child and dependent care tax provisions, most of which are based in some way on the federal credit. Twelve of those states offer refundable credits (listed in bold).

State Tax Provisions <sup>1</sup>	Maximum Value
Arkansas Child Care Tax Credit	\$420
<b>Arkansas Early Childhood Program Tax Credit<sup>2</sup></b>	<b>\$420</b>
California Tax Credit for Child and Dependent Care Expenses	\$1,050
<b>Colorado Child Care Tax Credit<sup>3</sup></b>	<b>\$1,050</b>
<b>Colorado Low-Income Child Care Expenses Credit<sup>4</sup></b>	<b>\$1,000</b>
Delaware Child Care Tax Credit <sup>5</sup>	\$1,050
The District of Columbia Tax Credit for Child and Dependent Care Expenses	\$672
Georgia Tax Credit for Child and Dependent Care Expenses	\$630
<b>Hawaii Tax Credit for Child and Dependent Care Expenses</b>	<b>\$1,200</b>
Idaho Tax Deduction for Child and Dependent Care Expenses	\$444
<b>Iowa Child and Dependent Care Tax Credit<sup>6</sup></b>	<b>\$1,575</b>
Kentucky Child and Dependent Care Tax Credit	\$420
<b>Louisiana Child Care Tax Credit<sup>7</sup></b>	<b>\$1,050</b>
<b>Louisiana Child Care Expense Tax Credit<sup>8</sup></b>	<b>\$2,100</b>
Louisiana Tax Credit for Certain Disabled Dependents	\$2,100
<b>Maine Child Care Tax Credit<sup>9</sup></b>	<b>\$1,050</b>
Maryland Tax Credit for Child and Dependent Care Expenses <sup>10</sup>	\$683



State Tax Provisions <sup>1</sup>	Maximum Value
Maryland Tax Deduction for Child and Dependent Care Expenses	\$345
Massachusetts Tax Deduction for Child and Dependent Care Expenses	\$562
<b>Minnesota Child and Dependent Care Tax Credit</b>	<b>\$1,440</b>
Montana Child and Dependent Care Expense Tax Deduction <sup>11</sup>	\$192
<b>Nebraska Tax Credit for Child and Dependent Care Expenses</b>	<b>\$2,100</b>
<b>New Mexico Child Day Care Tax Credit<sup>12</sup></b>	<b>\$960 for two, \$1,200 for three or more children or dependents</b>
<b>New York State Child and Dependent Care Tax Credit</b>	<b>\$2,310</b>
Ohio Tax Credit for Child and Dependent Care Services	\$2,100
Oklahoma Child Care Tax Credit <sup>13</sup>	\$420
<b>Oregon Working Families Child and Dependent Credit<sup>14</sup></b>	<b>\$18,000</b>
Rhode Island Tax Credit for Child and Dependent Care Expenses	\$525
South Carolina Tax Credit for Child and Dependent Care Expenses	\$420
Vermont Tax Credit for Child and Dependent Care Expenses <sup>15</sup>	\$504
<b>Vermont Low-Income Child and Dependent Care Tax Credit<sup>16</sup></b>	<b>\$1,050</b>
Virginia Tax Deduction for Child and Dependent Care Expenses	\$345

For more information about state child and dependent care tax provisions, see NWLC's report, [Making Care Less Taxing](#). If you are interested in introducing or improving a child and dependent care tax provision in your state, or the [federal Child and Dependent Care Tax Credit](#) on which many state credits are based, contact Sarah Hassmer at [shassmer@nwlc.org](mailto:shassmer@nwlc.org).

- 1 Refundable or partially refundable credits are listed in bold.
- 2 In order for a tax filer to claim the refundable portion of this credit, the care expenses must be incurred for children age 5 and under in an approved early childhood program.
- 3 Only child care expenses may be claimed for this credit.
- 4 Only child care expenses may be claimed for this credit. Eligible tax filers must have income under \$25,000, and not receive any benefit from the Colorado Child Care Tax Credit.
- 5 Child and dependent care expenses may be claimed for this tax credit.
- 6 Eligible tax filers may claim the higher of the child and dependent care tax provision or the state's Early Childhood Development Tax Credit, which is worth up to \$250 per eligible child, but not both.
- 7 Eligible filers can claim all three of the Louisiana credits.
- 8 Only care expenses for children aged 5 and under enrolled in child care programs rated two stars or higher on Louisiana's Quality Start rating system may be claimed for this credit.
- 9 In order for a tax filer to claim the maximum value of this credit, the expenses must be incurred at nationally accredited child care sites approved by the Maine Department of Health and Human Services.
- 10 Eligible tax filers may claim both of this state's child and dependent care tax provisions.
- 11 Only care expenses for children under age 15 may be claimed for this credit.
- 12 Only care expenses for children under age 15 may be claimed for this credit.
- 13 Eligible tax filers may claim the higher of the child and dependent care tax provision or a credit worth 5% of the federal child tax credit, but not both.
- 14 Only care expenses for children under age 13 or disabled spouses or dependents of any age may be claimed for this credit.
- 15 Eligible tax files may claim either the Vermont Tax Credit for Child and Dependent Care Expenses or the Vermont Low-Income Child and Dependent Care Tax Credit, but not both.
- 16 Only expenses incurred in child care facilities that are either nationally accredited or rated three or more stars on Vermont's STARS quality rating system may be claimed for this credit.

