The CDCTC is a nonrefundable tax credit that helps families meet the child and dependent care expenses they pay in order to work. The CDCTC allows families to claim up to $3,000 of their work-related child and dependent care expenses for one child or dependent, and up to $6,000 for two or more children or dependents. The credit is calculated as a percentage of those expenses on a sliding scale, so the credit is most valuable for lower-income families. The CDCTC is worth a maximum of $2,100 for two or more children or dependents, and a maximum of $1,050 for one child or dependent.

Here are five things you should know about the CDCTC:

1. **The CDCTC addresses the child care expenses that parents incur in order to work.** For over 60 years, Congress has recognized that the tax code should acknowledge the child care expenses parents incur in order to work.¹

2. **In 2016, the CDCTC provided an estimated $3.4 billion in child care assistance to nearly 6.2 million families.**²

3. **Parents can claim almost any kind of work-related child care expense for the CDCTC:** tuition at day care centers, expenses at family day care homes, payments to babysitters, before- and after-school care, or summer day camp, and even fees paid to neighbors and relatives.³

4. **More than half of the states offer child and dependent care tax provisions,** most of which are based in some way on the federal CDCTC.⁴ For tax year 2016, 26 states (including the District of Columbia) offered such tax credits or deductions.⁵

5. **Women often bear the brunt of child care costs.** In poor families who pay for child care for children under the age of 5, child care costs are, on average, equal to 43 percent of mothers’ income.⁶ This may be why women are more likely than men to leave a job or take a significant amount of time off work to care for a child or other family member.⁷
1 In 1954, the tax code provided a deduction for certain work-related child care expenses; the deduction was converted to a credit in 1976 and increased in 1981 and 2001.


