

Hawaii

Credit Name: Credit for Child and Dependent Care Expenses

Type of Provision: Refundable Tax Credit¹

Calculation: A percentage, based on federal Adjusted Gross Income (AGI), of child or dependent care expenses that are eligible for the federal Child and Dependent Care Tax Credit (CDCTC) (limited to \$2,400 for one child or dependent and \$4,800 for two or more children or dependents)

Household Federal AGI ²	Percentage of Expenses	Maximum Value: 1 Child/Dependent	Maximum Value: 2+ Children/Dependents
\$25,000 or less	25%	\$600	\$1,200
\$25,001 - \$30,000	24%	\$576	\$1,152
\$30,001 - \$35,000	23%	\$552	\$1,104
\$35,001 - \$40,000	22%	\$528	\$1,056
\$40,001 - \$45,000	21%	\$504	\$1,008
\$45,001 - \$50,000	20%	\$480	\$960
Over \$50,000	15%	\$360	\$720

Maximum Value:

- One Child/Dependent: \$600
- Two or More Children/Dependents: \$1,200

Income Cutoff: none

¹ Nonresidents cannot claim this credit.

² "Household AGI" refers to the AGI of the tax filing unit, regardless of whether the unit is a married couple or a single tax filer.

Family Illustrations:



A woman who has an income of \$30,000, is raising an infant on her own, and pays \$8,436 in child care expenses could receive a maximum credit of \$576.



A married couple with both parents employed full-time in low-wage jobs (paying \$11.50/hour) that has an income of \$47,840, has an infant and a four-year-old, and pays \$16,572 in child care expenses, could receive a maximum credit of \$960.

*Access the methodology for these calculations [here](#).

While there are numerous options to improve this provision, impactful changes would include:

- Increasing the expense limits to at least match the federal CDCTC expense limits of \$3,000 for one child or dependent and \$6,000 for two or more children or dependents.
- Increasing the percentage of expenses used to calculate the credit in order to increase the maximum value of the credit and provide more help to families.