Virginia

**Deduction Name:** Deduction for Child and Dependent Care Expenses

**Type of Provision:** Deduction

**Calculation:** For families who are itemizing their deductions, the amount of expenses on which the family’s federal Child and Dependent Care Tax Credit is based is deducted from Virginia Adjusted Gross Income. The amount of tax savings is worth the amount of expenses multiplied by the taxpayer’s Virginia income tax rate. The top Virginia income tax rate is 5.75%.

**Maximum Value of Tax Savings:**
- One Child/Dependent: $173
- Two or More Children/Dependants: $345

**Income Cutoff:** none

**Family Illustrations:**

- A woman who has an income of $30,000, is raising an infant on her own, and pays $10,140 in child care expenses could receive a maximum deduction of $173.

- 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 $18,824 in child care expenses could receive a maximum deduction of $345.

*Access the methodology for these calculations here.*

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

Turning the deduction into a refundable tax credit that families can claim regardless of whether they had federal tax liability and received the federal credit so that low-income families with little or no federal or state income tax liability can receive tax assistance with their child and dependent care expenses.