Idaho

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

**Type of Provision:** Subtraction (similar to a deduction)

**Calculation:** The amount of expenses claimed under the federal Child and Dependent Care Tax Credit is subtracted from income, before deductions are taken. The amount of tax savings is worth the amount of expenses multiplied by the taxpayer’s Idaho income tax rate. The top Idaho income tax rate is 6.925%.

**Maximum Value of Tax Savings:**
- One Child/Dependent: $208
- Two or More Children/Dependents: $416

**Income Cutoff:** none

**Family Illustrations:**

A woman who has an income of $30,000, is raising an infant on her own, and pays $6,264 in child care expenses could receive a maximum of $208 in tax savings, depending on her tax liability.

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 $11,940 in child care expenses, could receive a maximum of $416 in tax savings, depending on their tax liability.

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

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

Turning the subtraction 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.