

Oregon

Credit Name: Working Family Household and Dependent Care (WFHDC) Credit

Type of Provision: Refundable Tax Credit

Calculation: A percentage, based on federal Adjusted Gross Income (AGI), household size, and age of children, of eligible child or dependent care expenses (limited to \$12,000 for one child or dependent and \$24,000 for two or more children or dependents)

Sample Federal AGI	Household Size: 2 (1 Child/Dependent)		Household Size: 4 (2 Children/Dependents)	
	Percentage of Expenses	Maximum Value	Percentage of Expenses	Maximum Value
\$2,000	20%	\$2,400	10%	\$2,400
\$10,000	55%	\$6,600	40%	\$9,600
\$15,300	75%	\$9,000	60%	\$14,400
\$25,000	55%	\$6,600	75%	\$18,000
\$40,000	30%	\$3,600	50%	\$12,000
\$50,800	0%	\$0	47%	\$11,280
\$77,300	0%	\$0	0%	\$0

NWLC calculations for Tax Year 2019 using Oregon Revenue Online WFHDC Calculator, <https://revenueonline.dor.oregon.gov/tap/> (follow “WFHDC Calculator” hyperlink) (last visited January 10, 2020). The youngest child for each family example is an infant born on December 31, 2018.

Maximum Value

- One Child/Dependent: \$9,000
- Two or More Children/Dependents: \$18,000

Income Cutoff: over 300 percent of the Federal Poverty Level

Family Illustrations:



A woman who has an income of \$30,000, is raising an infant on her own, and pays \$8,990 in child care expenses could receive a maximum credit of \$4,225.



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 \$17,218 in child care expenses, could receive a maximum credit of \$8,092.

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

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

Lifting or increasing the income cap to give more middle-class families access to this tax credit.