

# Making Care Less Taxing: State Child and Dependent Care Tax Provisions, Tax Year 2020

Child and dependent care expenses can take a huge bite out of families' budgets.

While not a substitute for greatly expanded investments in direct child care assistance, the federal **Child and Dependent Care Tax Credit** and similar state tax provisions can help eligible families offset their out-of-pocket child and dependent care expenses. These tax provisions can lower the income taxes that families pay and, in some cases, give cash refunds to families whose incomes are too low to owe taxes.

Twenty-eight states (including the District of Columbia) have child and dependent care tax provisions, most of which are based in some way on the federal credit. Fourteen of those states offer refundable credits (listed in bold).

STATE TAX PROVISION <sup>1</sup>	MAXIMUM VALUE
Arkansas Child Care Credit	\$420
<b>Arkansas Early Childhood Program Credit<sup>2</sup></b>	<b>\$420</b>
California Child and Dependent Care Expenses Credit	\$1,050
<b>Colorado Child Care Expense Tax Credit<sup>3</sup></b>	<b>\$1,050</b>
<b>Colorado Low-Income Child Care Expenses Credit</b>	<b>\$1,000</b>
Delaware Child Care Credit <sup>4</sup>	\$1,050
District of Columbia Credit for Child and Dependent Care Expenses	\$672
<b>District of Columbia Keep Child Care Affordable Tax Credit<sup>5</sup></b>	<b>\$1,000 (per eligible child)</b>
Georgia Child and Dependent Care Expense Credit	\$630
<b>Hawaii Credit for Child and Dependent Care Expenses</b>	<b>\$1,200</b>
Idaho Tax Subtraction for Child and Dependent Care Expenses	\$416
<b>Iowa Child and Dependent Care Credit<sup>6</sup></b>	<b>\$1,575</b>
Kansas Credit for Child and Dependent Care	\$525
Kentucky Child and Dependent Care Credit	\$420
<b>Louisiana Child Care Credit<sup>7</sup></b>	<b>\$1,050</b>
<b>Louisiana Child Care Expense Credit<sup>8</sup></b>	<b>\$2,100</b>
<b>Maine Child Care Credit<sup>9</sup></b>	<b>\$1,050</b>
<b>Maine Adult Dependent Care Credit</b>	<b>\$525</b>
<b>Maryland Credit for Child and Dependent Care Expenses<sup>10</sup></b>	<b>\$672</b>
Maryland Child and Dependent Care Expenses Subtraction	\$345
Massachusetts Tax Deduction for Child and Dependent Care Expenses	\$480

STATE TAX PROVISION <sup>1</sup>	MAXIMUM VALUE
<b>Minnesota Child and Dependent Care Credit</b>	<b>\$2,100</b>
Montana Child and Dependent Care Expense Deduction <sup>11</sup>	\$180 for 2 children or dependents, \$192 for 3 or more
<b>Nebraska Credit for Child and Dependent Care Expenses</b>	<b>\$2,100</b>
New Jersey Child and Dependent Care Credit	\$1,000
<b>New Mexico Child Day Care Credit<sup>12</sup></b>	<b>\$960 for 2 children or dependents, \$1,200 for 3 or more</b>
<b>New York Child and Dependent Care Credit</b>	<b>\$2,310</b>
Ohio Child Care and Dependent Care Credit	\$2,100
Oklahoma Child Care Tax Credit <sup>13</sup>	\$420
<b>Oregon Working Family Household and Dependent Care Credit<sup>14</sup></b>	<b>\$18,000</b>
Rhode Island Credit for Child and Dependent Care Expenses	\$525
South Carolina Credit for Child and Dependent Care	\$420
Vermont Credit for Child and Dependent Care Expenses <sup>15</sup>	\$504
<b>Vermont Low-Income Child and Dependent Care Credit<sup>16</sup></b>	<b>\$1,050</b>
Virginia Deduction of Child and Dependent Care Expenses	\$345

You can access information about state child and dependent care tax provisions in NWLC's report, Making Care Less Taxing, and additional resources at <https://nwlc.org/resources/mclt/>. If you are interested in introducing or improving a child and dependent care tax provision in your state, or in more information about the [federal Child and Dependent Care Tax Credit](#) on which many state credits are based, contact Amy Matsui at [amatsui@nwlc.org](mailto:amatsui@nwlc.org).

- 1 Refundable or partially refundable credits are listed in bold. Credit/deduction names are based on the names on the state tax forms, not statutory provisions.
- 2 In order for a family to claim the refundable portion of this credit, the care expenses must be incurred for children age 5 and under in an approved early childhood program.
- 3 Only child care expenses may be claimed for this credit.
- 4 Child and dependent care expenses may be claimed for this tax credit.
- 5 Child care expenses must have been incurred at a D.C. licensed child development facility to count towards this credit. A child receiving any child care subsidies is excluded from the credit.
- 6 Eligible families may claim the higher of the child and dependent care tax provision or the state's Early Childhood Development Tax Credit, which is worth up to \$250 per eligible child, but not both.
- 7 Eligible families can claim both of the Louisiana credits.
- 8 Only care expenses for children aged 5 and under enrolled in child care programs rated two stars or higher on Louisiana's Quality Start rating system may be claimed for this credit.
- 9 In order for a family to claim the maximum value of this credit, the expenses must be incurred at nationally accredited child care sites approved by the Maine Department of Health and Human Services.
- 10 The credit is refundable for families with an Adjusted Gross Income of \$50,000 or less for individuals or \$75,000 or less for married couples filing jointly. Eligible families may claim both Maryland child and dependent care tax provisions.
- 11 Only care expenses for children under age 15 may be claimed for this credit.
- 12 Only care expenses for children under age 15 may be claimed for this credit.
- 13 Eligible families may claim the higher of the child and dependent care tax provision or a credit worth 5% of the federal child tax credit, but not both.
- 14 Only care expenses for children under age 13 or disabled spouses or dependents of any age may be claimed for this credit.
- 15 Eligible families may claim either the Vermont Tax Credit for Child and Dependent Care Expenses or the Vermont Low-Income Child and Dependent Care Tax Credit, but not both.
- 16 Only expenses incurred in child care facilities that are either nationally accredited or rated three or more stars on Vermont's STARS quality rating system may be claimed for this credit.