

## STATE CHILD AND DEPENDENT CARE TAX PROVISIONS, TAX YEAR 2008

Child and dependent care expenses can take a huge bite out of the budget of working families. With few increases in state or federal funding, direct child care assistance is not available to every working family that needs help paying for child and dependent care.

The federal Child and Dependent Care Tax Credit and similar state tax credits and deductions can help eligible families offset their child care expenses. These tax provisions can lower the income taxes that families must 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. Thirteen of those states offer refundable credits (listed in bold below).

STATE TAX PROVISION <sup>1</sup>	MAXIMUM VALUE
<b>Arkansas Child Care Credit<sup>2</sup></b>	<b>\$420</b>
<b>California Child and Dependent Care Expenses Credit</b>	<b>\$1,050</b>
<b>Colorado Child Care Credit<sup>3</sup></b>	<b>\$1,050</b>
Delaware Child Care Credit <sup>2</sup>	\$1,050
The District of Columbia Credit for Child and Dependent Care Expenses	\$672
Georgia Child and Dependent Care Expense Credit	\$630
<b>Hawaii Credit for Child and Dependent Care Expenses</b>	<b>\$1,200</b>
Idaho Child or Dependent Care Deduction	\$468
<b>Iowa Child and Dependent Care Credit or Early Childhood Development Tax Credit</b>	<b>\$1,575</b>
Kansas Credit for Child & Dependent Care Expenses	\$525
Kentucky Child and Dependent Care Credit	\$420
<b>Louisiana Child Care Credit<sup>4</sup></b>	<b>\$1,050</b>
<b>Louisiana Child Care Expense Credit</b>	<b>\$2,100</b>
Louisiana Credit for Disabled Dependents	\$2,100
<b>Maine Child Care Credit<sup>2</sup></b>	<b>\$1,050</b>
Maryland Credit for Child and Dependent Care Expenses	\$683
Maryland Child Care Expenses (deduction) <sup>2</sup>	\$285
Massachusetts Child Under 13 or Disabled Dependent/Spouse Care Deduction	\$509
<b>Minnesota Child and Dependent Care Credit</b>	<b>\$1,440</b>
Montana Child and Dependent Care Expense Deduction <sup>5</sup>	\$144
<b>Nebraska Child/Dependent Care Credit</b>	<b>\$2,100</b>
<b>New Mexico Child Day Care Credit<sup>6</sup></b>	<b>\$960 for two, \$1,200 for three or more children or dependents</b>
<b>New York State Child and Dependent Care Credit</b>	<b>\$2,310</b>
North Carolina Credit for Child and Dependent Care Expenses	\$780
Ohio Child Care and Dependent Care Credit	\$2,100
Oklahoma Child Care Credit <sup>7</sup>	\$420

STATE TAX PROVISION, CONT'D <sup>1</sup>	MAXIMUM VALUE
Oregon Child and Dependent Care Credit	\$1,800
<b>Oregon Working Family Credit<sup>8</sup></b>	<b>40% of eligible expenses</b>
Rhode Island Credit for Child and Dependent Care Expenses	\$525
South Carolina Child and Dependent Care Credit	\$420
Vermont Credit for Child and Dependent Care Expenses	\$504
<b>Vermont Low-Income Child and Dependent Care Credit<sup>9</sup></b>	<b>\$1,050</b>
Virginia Child and Dependent Care Deduction	\$345

*If you are interested in conducting outreach activities to inform families in your state about these and other valuable tax credits for which they may be eligible, please visit NWLC's tax credits outreach campaign webpage at [www.loweryourtaxes.org](http://www.loweryourtaxes.org). If you are interested in introducing or improving a child and dependent care tax credit in your state, please contact Amy Matsui at [amatsui@nwlc.org](mailto:amatsui@nwlc.org).*

<sup>1</sup> Refundable or partially refundable credits are listed in bold.

<sup>2</sup> Child and dependent care expenses may be claimed for this tax provision.

<sup>3</sup> Only child care expenses may be claimed for this credit.

<sup>4</sup> Only child 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.

<sup>5</sup> Only expenses for children or dependents under age 15 may be claimed for this credit.

<sup>6</sup> Tax year 2007 value; tax year 2008 value not yet available.

<sup>7</sup> Unclear whether or not dependent care expenses may also be claimed for this credit.

<sup>8</sup> Only care expenses for children under age 13 or disabled children of any age may be claimed for this credit.

<sup>9</sup> 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.