

Income Tax (Child Care Contribution Credit)

What is the child care contribution income tax credit?

Any taxpayer that makes a monetary contribution to promote child care in Colorado may claim an income tax credit of 50 percent of the total contribution.

Contributions to promote child care in Colorado includes the following:

- Donating money for the establishment or operation of a child care facility or program in Colorado;
- Donating money to establish a grant or loan program for a parent or parents in Colorado requiring financial assistance for child care;
- Donating money for the training of child care providers in Colorado;
- Donating money for the establishment of an information dissemination program in Colorado to provide information and referral services to assist a parent or parents in obtaining child care.

Contributions will not qualify for this credit if any of the following apply:

- The contribution is made to a child care facility in which the taxpayer or a person related to the taxpayer has a financial interest.
- The contribution is made to a for-profit business (unless the contribution is directly used for the acquisition or improvement of facilities, equipment, or services, including the improvement of staff salaries, staff training, or the quality of child care)
- The contribution is not directly related to promoting child care in Colorado.
- The contribution is made after December 31, 2019.
- The donor receives consideration from the donee organization in exchange for the contribution.