



## Income 33 Child Care Tax Credit

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The Colorado child care credit is a percentage of the allowable child care credit claimed on the federal income tax return. The federal credit is a child and dependent care credit, and is allowed for expenses incurred in the care of children under the age of 13 and for expenses incurred in the care of disabled dependents over the age of 12. However, the Colorado child care credit is limited to only the expenses incurred for the care of children under the age of 13. [§39-22-119, C.R.S.]

If the federal adjusted gross income is:	The Colorado child care credit will be:
Up to \$25,000	50% of the federal child care credit
From \$25,001 to \$35,000	30% of the federal child care credit
From \$35,001 to \$60,000	10% of the federal child care credit
\$60,001 or more	No Colorado child care credit is allowed

### REFUNDABLE CREDIT

If the Colorado child care/child tax credit exceeds the Colorado tax, the excess will be refunded.

### PART-YEAR AND NONRESIDENTS

Part-year residents can claim the child care credit; however, they must apportion the credit using the percentage from their Form 104PN. Part-year Colorado residents should **first** compute their Colorado child care credit as though they were full-year residents and **then** multiply the credit by the percentage on line 34 of their Colorado Form 104PN (for the purposes of calculating the child care credit, this percentage cannot exceed 100%).

Nonresidents are not eligible for the Colorado child care credit.

### ADDITIONAL RESOURCES

Please visit the IRS Web site for federal qualification requirements and additional information, which is available at: <http://www.irs.gov/Individuals/Child-and-Dependent-Care-Information>

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FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having the authority to bind the Department, has not formally reviewed and/or approved these FYIs.