

Activity Title: New York State Early Childhood Tax Credits

Activity Background/Description:

The NYSB5 staff will work with the Early Childhood Advisory Council (ECAC) Tax Credit Sub-Committee to increase parent knowledge about child care options. Specifically, this activity will entail sharing early childhood tax credit information by working with:

- 1) The NYS Department of Tax and Finance, business community, parent organizations and child care providers, ECAC Finance Work Group members and ECAC members to develop infographics, promotional materials and a distribution plan for providing child care tax credit information.
- 2) Technical Assistance organizations to develop and distribute tax credit promotional materials.
- 3) The Center for Human Services Research at the State University at Albany during the needs assessment focus groups it conducts to gain information: (1) to help develop a strategy for informing parents and businesses about tax credits that are currently available (including the NYS Child and Dependent Care Tax Credit and the NYS Employer-Provided Child Care Credit); and (2) to seek information about several potential tax credits (including the Child Care Director and Staff Tax Credit; Child Care Provider Tax Credit; and Quality Enhanced Child and Dependent Tax Credit).

The tax credits currently available in New York that information will be shared on include:

- 1) NYS Child and Dependent Tax Care Credit – a credit that is available to families with incomes between \$50,000 and \$150,000. The qualified expense limit for taxpayers with more than two qualifying persons ranges from \$7,500 to \$9,000, and is fully refundable for full-year residents. This credit may be claimed regardless of whether the federal child and dependent care credit is claimed.
- 2) NYS Employer-Provided Tax Credit - a credit for qualifying expenditures in providing child care alternatives for employees. Qualified child care expenditures include operating costs of a qualified child care facility of the taxpayer or under contract with another taxpayer, as well as amounts paid or incurred to acquire, construct, rehabilitate, or expand property used as part of a care facility of the taxpayer.

Implementation Timeline: Summer 2019 – Winter 2019

Additional Details:

Information on the NYS child and dependent care tax credit:

https://www.tax.ny.gov/pit/credits/child_and_dependent_care_credit.htm

Information on early childhood tax credit proposals:

https://www.ccf.ny.gov/files/2715/5715/7040/Proposed_Tax_Credits.pdf

Cross-sector Partners:

NYS ECAC members and ECAC Finance Work Group Team, Child Care Availability Task Force - Cross-Systems Work Group, and NY Early Care and Learning Council.

Contact(s) for Additional Information:

Stephanie Woodard - stephanie.woodard@ccf.ny.gov