

Table 26: State Child & Dependent Care Tax Provisions as of January 1, 2011

State	Maximum % of Federal Credit	Link to Federal Structure	Refundable for Residents	Income Measure	Maximum Benefit Income Range (1)	Max. Eff. State Benefit Rate (2)	Minimum Benefit Income Range (1)	Min. Eff. State Benefit Rate (2)
<i>Federal</i>	<i>100%</i>	<i>N/A</i>	<i>No</i>	<i>FAGI</i>	<i>\$0 - \$15,000</i>	<i>35.00%</i>	<i>\$43,001 and over</i>	<i>20.00%</i>
AR	20%	Credit	Yes/No	N/A	Same as Federal	7.00%	Same as Federal	4.00%
CA	50%	Credit	No	Same as Federal	\$0 - \$40,000	17.50%	\$100,001 and over	0.00%
CO	50%	Credit	Yes	Same as Federal	\$0 - \$25,000	17.50%	\$60,001 and over	0.00%
DE	50%	Credit	No	N/A	Same as Federal	17.50%	Same as Federal	10.00%
GA	30%	Credit	No	Same as Federal	Same as Federal	10.50%	Same as Federal	6.00%
HI (3)	25%	Expense	Yes	Hawaii AGI	\$0 - \$22,000	25.00%	\$40,001 and over	15.00%
ID	Subtraction	Expense	N/A	N/A	\$53,520 and over	7.80%	\$0 - \$2,676	1.60%
IA	75%	Credit	Yes	Iowa Net Income	\$0 - \$9,999	26.25%	\$45,000 and over	0.00%
KS	25%	Credit	No	N/A	Same as Federal	8.75%	Same as Federal	5.00%
KY	20%	Credit	No	N/A	Same as Federal	7.00%	Same as Federal	4.00%
LA	50%	Credit	Yes/No	Same as Federal	\$0 - \$25,000	17.50%	\$60,001 and over	3.50%
ME	50%	Credit	Yes- up to \$500	N/A	Same as Federal	17.50%	Same as Federal	5.00%
MD	32.50%	Credit	No	Same as Federal	\$0 - \$41,000	11.38%	\$50,001 and over	0.00%
MA (4)	Deduction	Expense	N/A	N/A	N/A	5.30%	N/A	5.30%
MN	100%	Credit	Yes	Household Income	\$0 - \$23,720	35.00%	\$37,370 and over	0.00%
MT	Itemized Deduction	N/A	N/A	Montana AGI	\$0 - \$22,800	6.90%	\$22,800 and over	0.00%
NE	100%	Credit	Yes/No	Same as Federal	\$0 - \$22,000	35.00%	\$29,001 and over	5.00%
NM (5)	N/A	N/A	Yes	NM Modified Gross Income	\$0 - \$30,160	NA	\$30,161 and over	0.00%
<i>NY</i>	<i>110%</i>	<i>Credit</i>	<i>Yes</i>	<i>New York AGI</i>	<i>\$0 - \$25,000</i>	<i>38.50%</i>	<i>\$65,000 and over</i>	<i>4.00%</i>
NC	13%	Credit	No	Same as Federal	\$0 - \$25,000	13.00%	\$40,001 and over	10.00%
OH	100%	Credit	No	Ohio AGI	\$0 - \$19,999	35.00%	\$40,000 and over	0.00%
OK (6)	20%	Credit	No	Same as Federal	Same as Federal	7.00%	\$100,001 and over	0.00%
OR (7)	40%	Credit	Yes	FAGI/Poverty Level	\$0 - \$37,050	14.00%	\$46,351 and over	0.00%
RI	25%	Credit	No	Same as Federal	Same as Federal	8.75%	Same as Federal	5.00%
SC	7%	Expense	No	N/A	Same as Federal	7.00%	N/A	N/A
VT	50%	Credit	Yes	Same as Federal	\$0 - \$40,000	17.50%	\$40,000 and over	0.00%
VA	Deduction	Expense	No	N/A	Same as Federal	5.75%	Same as Federal	2.00%

Notes:

(1) The maximum Federal credit is 35% of qualifying expenses in the Federal Adjusted Gross Income (FAGI) range \$0 - \$15,000. The minimum percentage is 20% of qualifying expenses for taxpayers with FAGI over \$43,000. Qualifying expenses must exceed earned income. Maximum qualifying expenses are \$3,000 for one dependent and \$6,000 for two or more dependents.

(2) Maximum or minimum effective state benefit rates are calculated for comparison with Federal benefit rates.

(3) Qualifying expenses are the pre-2003 Federal expense amounts of \$2,400 (one dependent) and \$4,800 (two or more dependents).

(4) Qualifying expense amounts are \$4,800 (one dependent) and \$9,600 (two or more dependents).

(5) A credit of 40% of eligible child care expenses, reduced, for tax filers with federal tax liability, by the amount of the tax filer's federal child and dependent care credit used to offset federal tax liability. Total credit is limited to \$480 if one child, \$960 if two children, and \$1,200 if three or more children.

(6) A credit of 20% of the "allowed" federal credit for child care expenses, except that if Oklahoma AGI is less than federal AGI, the Oklahoma credit is prorated based on the ratio that Oklahoma AGI bears to federal

(7) Working family child care credit

Source: Office of Tax Policy Analysis, based largely on Commerce Clearinghouse State Tax Guide and National Women's Law Center, "2011 Making Care Less Taxing-Improving State Child and Dependent care Provisions" (April 2011).