



Child and Dependent Care Credit

The Child and Dependent Care tax credit (CDCC) is designed to provide relief to low-income families who face the daily tension of choosing between work and quality care for their children or adult dependents.

The credit is applied to the amount owed by the filer to reduce their overall tax liability. Currently Ohio's nonrefundable CDCC is 25 percent of the federal CDCC for families making \$20,000 to \$40,000 a year. For families earning less than \$20,000 a year the state credit is 100 percent of the federal credit. The maximum benefit for a family with two or more children/dependents is \$2,100.

Unfortunately, Ohio's credit is not refundable so families do not receive its full value. Making the credit refundable would mean that the credit is used to offset tax liability and the balance of the credit is returned in the form of a refund. A nonrefundable credit also means many families at the lowest end of the income scale are not able to claim it. A refundable credit would allow all eligible working families to benefit from the credit even if they do not earn enough to require them to file a tax return. Making Ohio's CDCC refundable would have a significant impact on struggling families.



A refundable Child and Dependent Care Credit (CDCC) encourages work because it is only available to families who are working or looking for work and helps families meet the rising cost of quality care.

- ❖ Working families spent those dollars in their local communities to pay off debt, pay for transportation to work, invest in education, and buy basic necessities.
- ❖ The assistance from a refundable CDCC would help families afford higher quality care for children and adult dependents.



- ❖ High quality care is crucial to childhood development which has positive implications for children, families, and communities.
- ❖ Now more than ever, as Ohio's population ages, more and more families are caring for aging parents at home. The costs associated with caring for seniors can be as high as those for children.

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