

# child care TAX CREDIT

NebraskaChildCareTaxCredit.org



## Help for working parents and families

**It takes a lot to raise young kids.** There's nothing more important or rewarding than giving our youngest children a good start in life. But it can also be hard on a family's finances, especially with the high cost of child care and other expenses.

Nebraska's refundable **Child Care Tax Credit for Working Parents** can help ease the pressures on families and make providing for their little ones just a little easier.

### Who is this tax credit for?

The refundable Child Care Tax Credit for Working Parents is for parents or legal guardians of one or more children age 5 or younger.

Your family must meet certain household income guidelines to be eligible for the credit.

### What's a refundable credit?

Refundable tax credits are subtracted from the amount you owe in state income tax.

If the amount of your credit is larger than your tax liability, the difference is refunded to you.

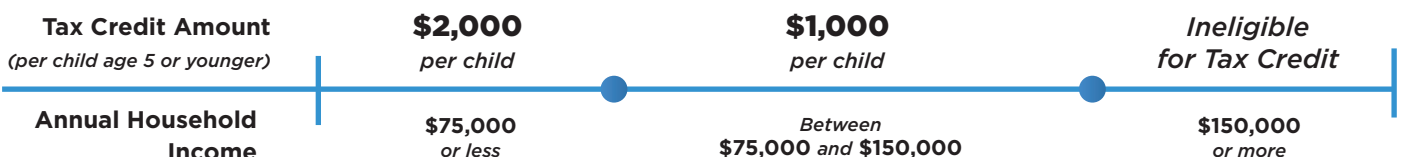
### How do I know if I'm eligible?

To be eligible for the refundable Child Care Tax Credit, **your annual household income must be \$150,000 or less.** At least one of the following conditions must apply:

- ▶ You have a child or children age 5 or younger enrolled in a licensed child care program, **OR**
- ▶ Your child(ren) receives care from a license-exempt provider who participates in the child care subsidy, **OR**
- ▶ Your total annual household income is less than or equal to 100% of the Federal Poverty Level (FPL).

### How much is the tax credit?

If you meet the eligibility requirements, the amount of the credit is determined by your annual household income and the number of children age 5 or younger.



## What is the Federal Poverty Level?

The Federal Poverty Level (FPL) is used to determine eligibility for certain benefits and programs based on the size of the family's household. It is re-calculated every year by the federal government.

### 2024 Federal Poverty Level Income Limits

Household Size	Annual Household Income at 100% FPL
2	\$20,440
3	\$25,820
4	\$31,200
5	\$39,000

## What are some examples of how the refundable tax credit works?

- ▶ A single-child family with an annual household income of \$110,000 has a 1-year-old enrolled in a licensed child care program. **They qualify for a \$1,000 refundable tax credit.**
- ▶ A two-child family with an annual household income of \$72,000 has a 1-year-old and a 3-year-old enrolled in a licensed child care program. **They qualify for a \$4,000 refundable tax credit (\$2,000 per child).**
- ▶ A single-child family of three has an annual household income of \$24,000 and a 1-year-old who is cared for at home. **This family qualifies for a \$2,000 refundable tax credit** even though their child is not enrolled in a licensed program because their household income is below the Federal Poverty Level for a 3-person household.

## Can I apply for the tax credit when I submit my 2024 state income tax return?

No. You must submit your application for the Child Care Tax Credit to the Nebraska Department of Revenue (NDOR) before filing your 2024 tax return. **It is important to apply for the credit as early as possible in 2025 so you can receive your tax credit approval before the deadline to submit your state income tax return.** The Nebraska Department of Revenue will review applications until the \$15M annual limit is reached for this credit.

### DISCLAIMER

First Five Nebraska does not provide guidance on financial or tax preparation issues. If you do not have access to an accountant or tax professional, ask about free tax preparation services in your community.

## How to Apply

STEP  
1

### PREPARE FOR YOUR APPLICATION

Visit the Nebraska Department of Revenue (NDOR) website for a complete list of the information you'll need to have ready before filling out your application for the Nebraska Child Care Tax Credit. (See [link below](#))

STEP  
2

### COMPLETE AND SUBMIT THE APPLICATION

The application window for the refundable Child Care Tax Credit opens on January 2. You will be able to complete and submit your application electronically on the NDOR website. (See [link below](#))

STEP  
3

### CLAIM THE TAX CREDIT

If your application is approved, you will receive a certificate to attach to your 2024 state income tax return. The amount of the credit will be subtracted from any tax you owe. Any unused credit will be refunded to you.

## Where to find more information



**Nebraska Department of Revenue Child Care Tax Credit Act Webpage**  
[bit.ly/Child-Care-Tax-Credit-Act](https://bit.ly/Child-Care-Tax-Credit-Act)

*This webpage provides application instructions and the Electronic Document & Application Submission Hub (eDASH) for submitting applications.*



**Required information for the Tax Credit Application**  
[bit.ly/cctc-r-requiredinfo](https://bit.ly/cctc-r-requiredinfo)

*Lists the information you'll need to have ready before beginning your application.*



**Nebraska Child Care Tax Credit Campaign Website**  
[NebraskaChildCareTaxCredit.org](https://NebraskaChildCareTaxCredit.org)

*Information and resources you can use to help spread the word about the tax credits.*

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