



*Jackson, 3, interacts with Jennifer, the child care coordinator for Respite Care. Respite Care provides short-term care to children with disabilities and respite to their parents. The nonprofit organization offers an interactive, stimulating and safe environment that addresses the physical, emotional, mental, and social needs of each child.*

*Photo by Sherri Barber Photography*

# Colorado Childcare Contribution Tax Credit

Impacting  
Our Community.

Benefiting  
Your Clients.

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The Colorado Childcare Contribution Tax Credit was established to encourage greater support of Colorado childcare programs. The tax law allows both a federal and Colorado itemized deduction, in addition to a Colorado Qualified Childcare Tax Credit of 50% of the total contribution. As a result, taxpayers realize an income tax savings exceeding 80% of the contribution. This effectively reduces the impact to the taxpayer to less than 20 cents per dollar of donation.

The Community Foundation of Northern Colorado recently established a Childcare Fund to help taxpayers receive the maximum available tax benefits. After making a tax-deductible gift to the Childcare Fund and earning a 50% tax credit, the donor may advise our staff of one or more eligible childcare agencies that could benefit from their contribution. The Community Foundation staff will quickly and efficiently process the grant and accompanying paperwork, freeing your clients to focus on other activities.

Taxpayers who take advantage of the Colorado Childcare Contribution Tax have a greater impact on the causes they care about most:

**Example of tax savings using the 50% Colorado Childcare Credit**

Federal Tax Bracket	25%	28%	33%	35%
Contribution	\$1,000	\$5,000	\$10,000	\$25,000
Federal tax savings	\$250	\$1,400	\$3,300	\$8,750
Colorado tax savings	\$48	\$238	\$475	\$1,188
Colorado tax credit	\$500	\$2,500	\$5,000	\$12,500
<b>Net Cost of Gift</b>	<b>\$203</b>	<b>\$863</b>	<b>\$1,225</b>	<b>\$2,563</b>

The Community Foundation has an outstanding reputation for integrity and service to donors, and we stand ready to help you help your clients craft their charitable giving plans. To learn more about the Community Foundation, please contact our staff at (970) 224-3462 or visit [www.CommunityFoundationNC.org](http://www.CommunityFoundationNC.org).

For more information, please visit [www.revenue.state.co.us/fyi/html/income35.html](http://www.revenue.state.co.us/fyi/html/income35.html)

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