

# **NYS DTF Child and Dependent Care Credit by Place of Residence Beginning Tax Year 2002**

## **Overview**

### **General Description**

The Department of Taxation and Finance annually publishes statistical information on the New York State child and dependent care credit (NYS CDCC). Pursuant to Section 606(c) of the Tax Law, New York State taxpayers are permitted to claim a percentage of the Federal credit for household and dependent care expenses necessary to allow gainful employment. The percentage of credit allowed is determined along a sliding scale according to the taxpayer's New York adjusted gross income (NYAGI), ranging from a maximum of 110 percent of the federal credit for taxpayers with NYAGI below \$25,000 to a fixed minimum of 20 percent for taxpayers whose NYAGI is greater than \$65,000. The credit is refundable to resident taxpayers, nonrefundable for nonresidents, and partially refundable for part-year residents. The Federal credit allows up to \$3,000 of qualifying expenses for one qualifying person and up to \$6,000 of expenses for two or more qualifying persons. A qualifying person is a child under age 13 who can be claimed as a dependent or a disabled spouse or other disabled person that can be claimed as a dependent.

Beginning in 2007, New York City has provided an additional and distinct child and dependent care credit for full-year and part-year City residents with federal adjusted gross income (FAGI) of \$30,000 or less who paid child care expenses for children under the age of four. The New York City child and dependent care credit (NYC CDCC) can be as much as 75 percent of the New York State child and dependent care credit, depending on the amount of the taxpayer's FAGI. The City credit may be claimed in addition to the State credit.

For the New York State CDCC, summary data are presented for all taxpayers including full-year New York State residents, part-year residents and nonresidents (where applicable). Data are presented on a statewide and county-level basis for numbers and amounts of credit claims based on filing status and number of qualifying dependents. Taxpayers filing as "married separate" generally are not allowed to take the child and dependent care credit and thus are not included in the data set.

For the New York City CDCC, summary data are presented on a county-level basis for numbers and amount of credit claims at the aggregate level only. The finer breakouts on this credit, by filing status or qualifying dependents, are not presented because the New York City CDCC has different qualifiers than the New York State CDCC.

### **Data Collection Methodology**

This statistical data is gathered from IT-216 credit claim forms filed through December of the following year (e.g., 2013 data includes forms filed by the end of December 2014). It includes credit claims that passed the Department's verification procedures, and therefore were credited or paid to taxpayers.

**Statistical and Analytic Issues**

The data is an annual snapshot of credit claims that are filed and processed for a specific tax year by a certain point in time.

The totals may not equal the sum of the components due to rounding and the disclosure and reporting requirements.

In 2003, the Federal credit was enhanced to allow greater expenses. As a result, State credit amounts beginning in 2003 and going forward are higher than tax year 2002 credit amounts.

**Limitations of Data Use**

The information reflects personal income credit claim data collected and does not account for subsequent audits or amended claims filed after initial processing. Therefore, the information contained in the dataset does not reflect final credit allowed for all credit claims.