



COLORADO CHILD CARE TAX CREDIT

Many Stanley families are embracing the power of the Colorado Child Care Tax Credit (CCTC). Established to encourage comprehensive child care service in Colorado, donations to certain Stanley programs – a licensed child care provider in the state – yields an incredibly generous tax credit.

HOW DOES CCTC WORK?

The CCTC adds an additional benefit to your gift to Stanley beyond the normal federal charitable contribution deduction. Qualifying donations made to Stanley are eligible for up to a 50% credit against your Colorado state income tax liability.* A *credit* is a dollar-for-dollar reduction of your Colorado state tax burden, and it can increase your state tax refund. How does the math work? You calculate your Colorado tax due and then subtract up to half of your Stanley CCTC qualified donation from that tax, up to the amount of the tax. The credit will reduce what you may owe, or it may increase your refund. **You get to use your cash donation to Stanley to lower your Colorado tax bill or increase your Colorado tax refund – perhaps dramatically!** And of course, because your gift is a charitable donation, you may also deduct 50% of your investment as a charitable donation on your federal income tax return, lowering your overall taxable income on both the state and federal levels.

GUIDELINES

- You must designate in writing, either on the check, pledge form, by letter, or email, that the donation is for Afterschool Enrichment Programs/Summer Program.
- There is no minimum qualifying donation but for administrative purposes we ask that your gift be \$1,000 or more.
- In-kind and stock donations **do not** qualify for this credit.
- If you donate from a charitable family foundation or a donor advised fund, please consult with your tax advisor.
- To receive a credit for your 2021 tax year, we must receive your gift by December 31, 2021.
- Consult your tax advisor about the calculation of the credit and your potential net tax benefit.
- Stanley will provide you the necessary documentation for your tax records in January 2022.

Consider the cost of a donation after the credit:

Contribution to Stanley	\$1,000	\$2,500	\$5,000	\$25,000	\$50,000
CO Child Care Tax Credit	(\$500)	(\$1,250)	(\$2,500)	(\$12,500)	(\$25,000)
Federal Income Tax Reduction	(\$160)	(\$400)	(\$800)	(\$4,000)	(\$8,000)
CO State Income Tax Reduction	(\$23)	(\$57)	(\$114)	(\$569)	(\$1,138)
After-Tax Cost	\$317	\$793	\$1,586	\$7,931	\$15,862

*For illustrative purposes only. Tax saving examples for individuals assumes 32% federal tax rate and 4.55% state tax rate.

Please consult with your tax professional today about your specific situation and how a donation through CCTC can help you give more, save more, and maximize your impact to Stanley. For more information, contact Director of Development Samantha Boggs, Samantha.boggs@stanleybps.org.