

## **Big Brothers Big Sisters of Colorado is a qualified Child Care Contribution Tax Credit program**

---

### **What is the Child Care Contribution Credit?**

Any taxpayer who makes a monetary contribution to promote child care in Colorado may claim an income tax credit of 50% of the total contribution.

### **Do corporations qualify for the credit?**

Any Colorado state taxpayer qualifies for the credit. This includes businesses.

### **Do in-kind donations qualify for the credit? What about stock donations?**

The credit is available for monetary contributions only. Donations of property—including gifts of stock—do not qualify for the credit.

### **What kind of documentation do I need?**

Big Brothers Big Sisters will provide a DR 1317 form to the donor along with a donation receipt. Donors must provide this statement to the Department of Revenue upon request.

### **Is there a minimum contribution amount?**

Gifts of \$500 or more are eligible for the Child Care Contribution Tax Credit.

### **Is there a maximum credit amount?**

The credit allowed cannot exceed \$100,000 per year. Also, the credit cannot exceed the tax liability for the year. Any excess credits may be carried forward for up to five years.

### **How does the credit help Big Brothers Big Sisters of Colorado?**

Big Brothers Big Sisters of Colorado relies on charitable contributions from the community to operate our mentoring programs. The child care contribution credit is a benefit for our supporters.

<b>Tax Savings Example for an investment of \$1,000</b>	<b>CCCC ( 50% Tax Credit)</b>
Colorado State Income Tax Savings	\$73
Colorado Income Tax Credit	\$500
Federal Income Tax Deduction*	\$136
Total Tax Savings	\$709
<b>After tax cost of giving \$1,000</b>	<b>\$291</b>

Example based on information provided by Mile High United Way.

Illustration for a 35% corporate tax bracket. Situations vary.

\*Federal tax deduction is lowered because of the add-back effect of reduced state tax.

*The information presented should not be considered tax advice. Consult a professional tax advisor or the Colorado Department of Revenue for more information about state tax credits.*