

CHILD AND DEPENDENT CARE CREDIT EXPANSION

Prior Law _____

A child and dependent care tax credit was available for qualified Iowa income taxpayers and was calculated based on the corresponding federal tax credit. Since the federal credit is nonrefundable, taxpayers might only receive part of the credit if they did not have federal income tax liability for tax years beginning on or after January 1, 2012.

New Provisions _____

The Iowa child and dependent care tax credit is still available, but it is now available to qualifying taxpayers based solely on their income. Taxpayers can receive the Iowa credit regardless of whether their federal credit was limited because they had no federal tax liability.

Section Amended _____

Section 1 of 2014 Iowa Acts Senate File 2337 amends Section 422.12C, subsection 1, unnumbered paragraph 1, Code 2014.

Effective Date _____

January 1, 2015, for tax years beginning on or after that date.