

Understanding the Colorado Child Care Contribution Tax Credit

What is the Colorado Child Care Contribution Tax Credit?

The Colorado Child Care Contribution Tax Credit promotes child care in the state of Colorado for children ages 12 and under. Donors who make contributions to eligible child care organizations may claim a state and federal tax deduction and a state income tax credit of 50% of the total qualifying contribution. Most donations made to Colorado UpLift are eligible for this credit, which allows donors to leverage larger gifts to UpLift.

How could it work for me?

Sample Illustration - 35% tax bracket for individuals

	50% Credit
A. Donation	\$10,000
B. Colorado State Income Tax Savings	\$460
C. Colorado Income Tax Credit	\$5,000
D. Federal Income Tax Deduction Benefit*	\$1,590
E. Returned to you at tax time (B+C+D)	\$7,050
After tax cost of giving \$10,000 (A-E)	\$2,950

*Federal tax deduction benefit is reduced because of the add-back effect of reduced state taxes.

The example above is a **sample calculation**. Individual situations vary. Please consult with your tax advisor.

COLORADO UPLIFT

MISSION

Building long-term, life-changing relationships with urban youth.

VISION

Breaking cycles of poverty and fostering new generations of urban, community leaders.

ABOUT

Established in 1982, Colorado UpLift connects youth with caring adults who are available 24/7. These full-time staff act as teachers, mentors, and life coaches, impacting students as early as elementary school and continuing through high school and beyond. In addition to providing support, our five program areas help students grow holistically and equip them for success as community leaders.

Colorado Child Care Contribution Tax Credit

Frequently Asked Questions

How can I make an eligible donation to Colorado UpLift?

You can mail a check to Colorado UpLift (400 W. 48th Ave. Ste. 250, Denver, CO 80216) or give online at [ColoradoUpLift.org/Donate](https://coloradoupLift.org/Donate).

Is the credit allowed for gifts of appreciated assets?

No. Only monetary contributions, including qualifying distributions from individual retirement accounts, are eligible.

How do I substantiate my gift for tax purposes?

Colorado UpLift will provide you with a Form DR 1317 along with your donation receipt.

Does the credit affect the amount of the charitable income tax deduction?

The IRS recently issued proposed regulations addressing the effect of state tax credits on charitable income tax deductions. Consult your tax advisor to understand how the proposed regulations may affect your individual situation.

Is there a limitation on the amount of the credit?

The credit a donor can claim for qualifying contributions made during a tax year is limited to \$100,000. If the credit exceeds the donor's tax liability, it may be carried over to the next year, for up to five additional tax years.

How do I know my donation makes a difference?

You can find out more about the impact of your gift at [ColoradoUpLift.org/The-Impact](https://coloradoupLift.org/The-Impact).



Contact

Questions? Please contact Brian Stamer, Colorado UpLift's Chief Operating Officer.

720.345.7478 | bstamer@coloradoupLift.org

Disclaimer: Individual situations vary. This document is meant for informational purposes and is not to be construed as tax, legal, or investment advice. Please consult with your tax advisor.