COLORADO CHILD CARE CONTRIBUTION TAX CREDIT (CCCTC)

The CCCTC was established in 1999 to encourage private support of Colorado child care programs, like those funded by United Way. Monetary contributions to United Way’s Child Care Fund qualify for this credit. In addition to the applicable Federal and State income tax deductions, the credit provides a 50% state tax credit. The example below indicates the tax savings you could experience while benefiting local children and families.

COLORADO CHILD CARE CONTRIBUTION TAX CREDIT

Example - 2021 Tax Year with No Carry Over

<table>
<thead>
<tr>
<th>Your Gift Amount</th>
<th>$500</th>
<th>$1,000</th>
<th>$5,000</th>
<th>$10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado Child Care Contribution Tax Credit</td>
<td>$250</td>
<td>$500</td>
<td>$2,500</td>
<td>$5,000</td>
</tr>
<tr>
<td>Federal Income Tax Savings</td>
<td>$120</td>
<td>$240</td>
<td>$1,200</td>
<td>$2,400</td>
</tr>
<tr>
<td>Colorado Income Tax Savings</td>
<td>$23</td>
<td>$46</td>
<td>$228</td>
<td>$455</td>
</tr>
<tr>
<td>Total Tax Savings</td>
<td>$393</td>
<td>$786</td>
<td>$3,928</td>
<td>$7,855</td>
</tr>
<tr>
<td><strong>Your Gift, Net of Tax Savings</strong></td>
<td><strong>$107</strong></td>
<td><strong>$214</strong></td>
<td><strong>$1,072</strong></td>
<td><strong>$2,145</strong></td>
</tr>
</tbody>
</table>

Federal Income Tax Rate: 24%  
Colorado Income Tax Rate: 4.55%

The IRS issued regulations in 2019 requiring taxpayers to reduce their deduction for charitable donations to the extent they receive a state income tax credit for the donation. The regulation will not affect the 50% Colorado state tax credit donors currently receive nor impact federal taxes for those who claim the Standard Deduction.

As part of the Tax Cuts & Jobs Act passed in December 2017, there is a cap on the deductibility of State and Local Taxes in the amount of $10,000. In addition, the Standard Deduction was significantly increased, and is adjusted annually for inflation. The interplay of these two provisions, as well as the 2019 IRS regulation could have an impact on the actual tax benefits to a particular donor.

We encourage all donors to consult with your tax advisor regarding the deductibility of all charitable contributions.

“United Way funding is absolutely essential to Teaching Tree’s ability to provide our community’s low- and middle-income families with affordable, quality child care and education. With their young children enrolled in Teaching Tree’s exemplary early learning program, families were able to recover from COVID-related hardships and continue their efforts to become self-sufficient.”

- Anne Lance,  
  Executive Director  
  Teaching Tree Early Learning Center

For more information or to make your gift today, please contact Allison Hines at ahines@uwaylc.org.
HELPING FAMILIES ACCESS AFFORDABLE, QUALITY CHILD CARE

Your gift to the Child Care Fund supports United Way partners who provide quality child care services to low-income children under the age of 12 in Larimer County. Supporting access to affordable childcare is a two-generation approach to family self-sufficiency and children's success.

“The generous support from United Way decreases the financial burden for our families, it reduces their stress and allows parents to pursue better income and educational opportunities while their children receive the best care and learn in a loving environment”.

- Gloria Kat, Executive Director
  The Family Center/La Familia

“Support from United Way helps us ensure that vulnerable youth and families in our community have access to childcare and high quality programs. It helps us level the playing field so that every young person in our community can have access to the same opportunities.”

- Kaycee Headrick,
  Executive Director Boys and Girls Club of Larimer County

CCCTC CONTRIBUTION GUIDELINES

• Your total contribution must be received by United Way by December 31 to apply for the current year’s tax return.
• Non-monetary gifts do not qualify.
• Payroll deductions apply only if company provides required documentation.
• The credit allowed shall not exceed $100,000 per year.
• The credit allowed shall not exceed the tax liability for the year. Any excess credits may be carried forward for up to five years.