

# LEVERAGE YOUR INVESTMENT

## Child Care Contribution Tax Credit (CCTC)

Early Connections Learning Centers is changing the odds for young children and investments in high quality early education to ensure a stronger, more vibrant economy—now and into the future. **Gifts to Early Connections qualify for the CCTC, which means you get half of your gift back when you file Colorado taxes.** Your support is leveraged through the CCTC; ensures children receive a strong start and parents can provide for their families knowing their children are in good hands. Join us, as together we create a brighter future for our community's children.

**100% IMPACT  
AND 50%  
OF YOUR  
DONATION  
BACK IN YOUR  
POCKET!**

### Savings Example for a Gift of \$50,000

Illustration - 35% tax bracket and 4.6% Colorado income tax. Situations vary by individual.

**CHILD CARE  
CONTRIBUTION CREDIT**  
50% Tax Credit

<b>\$50,000 Donation</b>	<b>\$50,000</b>
Colorado Income Tax Credit (50%)	\$25,000
Federal and State Income Tax Deductions	\$19,800
Total Tax Savings	\$44,800
<b>After Tax Cost of Giving \$50,000</b>	<b>\$5,200</b>

As always, please consult your professional advisor.

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### Qualifying contributions

The contribution must be monetary (cash, check or some equivalent form); contributions of services or property (including stock) or that receive consideration, do not qualify for the credit. Qualifying charitable distributions (QCDs) made directly to Early Connections are considered monetary contributions. Contributions made to investment funds that yield future payments to Early Connections qualify for the credit only if 100% of the interest and principal the fund yields are utilized in a manner that qualifies for the credit.

### Claiming the credit

Any Colorado taxpayer that makes a qualifying contribution can claim the CCTC. Taxpayer must submit with their return a copy of the completed CCTC Certification (Form DR 1317) obtained from Early Connections certifying the contribution. Resident and nonresident individuals, estates, trusts, and C corporations can all claim the credit for qualifying contributions they make, either directly or as a partner or a shareholder in a partnership or S corporation that makes a qualifying contribution.



### Key considerations

- The credit a taxpayer can claim for any tax year cannot exceed \$100,000 which applies jointly when filing a joint return.
- The amount of credit a taxpayer uses for any tax year cannot exceed the taxpayer's income tax liability for that year.
- If a taxpayer's credit exceeds the total tax due, the taxpayer can carry forward the excess credit to the following tax year.
- Taxpayers can carry forward excess credits for up to 5 tax years, but must use the excess credits in the earliest tax year possible.

**Questions? Please contact Rebekah Gans at [rgans@earlyconnections.org](mailto:rgans@earlyconnections.org) or 719-381-4803.**