

## State of Colorado Child Care Contribution Tax Credit Information and Guidance



Riverside Educational Center  
After School Tutoring and Enrichment

The following information clarifies the Child Care Contribution Tax Credit rules and regulations as put forth by the Colorado Department of Revenue.

You will find the official state guidelines at this link:

[https://tax.colorado.gov/sites/tax/files/DR1317\\_2013.pdf](https://tax.colorado.gov/sites/tax/files/DR1317_2013.pdf) or QR code:



Please note, this information is not a substitute for consulting with your tax professional.

1. **TIME PERIOD:** From October 7, 2022 - December 31, 2024, all monetary donations to REC are eligible for a **29% Colorado state tax credit**. This is a nonrefundable credit which can be carried forward for up to five years and applied to any tax liability you may have during this time period.
2. **AMOUNT OF CREDIT:** The maximum tax credit you can claim is \$100,000 during a single tax year. For REC, a contribution equalling \$344,827.59 would result in a \$100,000 tax credit.
3. **ANNUAL LIMIT:** The annual limit of \$100,000 applies jointly to taxpayers filing together. Credits cannot exceed tax liability in any given year. Tax credits can be carried forward for up to five tax years, but are not refundable.
4. **ELIGIBLE TAXPAYERS:** Any taxpayer making a qualifying contribution can claim the child care contribution credit. Resident and nonresident individuals, estates, trusts, and C corporations can 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.
5. **IRA CONTRIBUTIONS:** Qualifying charitable distributions made directly from IRA accounts are eligible for the tax credit.
6. **REC ELIGIBILITY:** For purposes of this tax credit, REC is a registered, unlicensed child care facility, as approved by the Colorado Department of Revenue on October 7, 2022.
7. **PERCENTAGE OF QUALIFYING STUDENTS SERVED:** The tax credit is allowed only for the part of the contribution used for qualified purposes (serving children ages 12 and younger). In REC's case, the 50% credit applies to 58% of the donation (the percentage of REC programming serving children ages 12 and younger).
8. **END OF TAX CREDIT PERIOD:** Contributions made after December 31, 2024 are not eligible for this tax credit.



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## Additional Giving Options

REC is incredibly fortunate to have a strong level of community support and donor involvement. Another way to support REC and our capital campaign is through donations of stock or IRA Charitable Rollovers.

### Stocks

REC can accept gifts of appreciated stock. A gift of appreciated stock made directly to REC can have significant tax benefits for donors, as it allows the donor to avoid paying the capital gains tax on the sale of the stock.

REC has created a brokerage account through Timberline Bank and WealthSource Partners for the purpose of accepting gifts of appreciated stock. If you are interested in learning more, please contact Kristen Lummis ([kristen@rec4kids.com](mailto:kristen@rec4kids.com)). She can connect you to our brokerage account representative.

### IRA Charitable Rollovers

Additionally, REC can also accept IRA Charitable Rollovers, also known as Qualified Charitable Distributions. These donations also have a tax benefit for donors age 70 ½ or older. IRA rules allow donors to make a contribution directly from an IRA account to REC without paying taxes on the distribution.

If you are interested in making a gift of appreciated stock or an IRA Qualified Charitable Distribution, please contact your financial advisor.