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NOTICE 17-07

CREDIT FOR CHILD AND DEPENDENT CARE (JULY 1, 2017)

The 2017 Legislature enacted Senate Bill 30, which makes changes to Kansas income tax law New Section 1 of the Bill creates a credit for child and dependent care expenses that may be allowed against the tax liability of an individual who is a Kansas resident.

Internal Revenue Code Section 21 (26 U.S. Code § 21) allows a federal credit for expenses for the care of a qualifying individual to enable a taxpayer to work or actively look for work. The Kansas credit is based on the amount of federal credit allowed against the taxpayer's federal income tax liability. The Kansas credit is limited to the amount of Kansas tax due, after all other credits have been allowed. It is not refundable.

In order to qualify for the credit the individual claiming the credit, their spouse, and every dependent of the individual must have a valid social security number that has been issued to them by the social security administration.

The new credit is effective starting with tax year 2018, increases for tax year 2019, and increases again for tax year 2020 and all tax years thereafter.

New Section 1 provides of the Bill provides:

> *(a) There shall be allowed as a credit against the tax liability of a resident individual imposed under the Kansas income tax act an amount equal to 12.5% for tax year 2018; an amount equal to 18.75% for tax year 2019; and an amount equal to 25% for tax year 2020, and all tax years thereafter, of the amount of the credit allowed against such taxpayer's federal income tax liability pursuant to 26 U.S.C. § 21 for the taxable year in which such credit was claimed against the taxpayer's federal income tax liability.*
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> *(b) The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by K.S.A. 79-32,110, and amendments thereto, reduced by the sum of any other credits allowable pursuant to law.*
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> *(c) No credit provided under this section shall be allowed to any individual who fails to provide a valid social security number issued by the social security administration, to such individual, the individual's spouse and every dependent of the individual.*

Taxpayer Assistance

Additional copies of this notice, forms or publications are available from our web site, **www.ksrevenue.org**. If you have questions about this Notice, please contact:

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