153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE SUBSTITUTE NO. 1 to HOUSE BILL NO. 274**
SPONSOR:	**Representative Ross Levin**
DESCRIPTION:	**AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO THE CHILD AND DEPENDENT CARE EXPENSE TAX CREDIT.**

Assumptions:

1. This Act is effective upon signature. The provisions of this Act are effective for taxable years beginning on or after January 1, 2027.
2. The federal Child and Dependent Care Credit (CDCC) is a non-refundable personal income tax credit, reducing taxes by 20-50% of qualifying care expenses (up to $3,000 for one dependent or a maximum of $6,000 for two or more dependents).
3. Currently, a Delaware resident is entitled to a non-refundable personal income tax credit equal to 50% of the federal CDCC. This Act would double the existing credit, such that a Delaware resident would be entitled to a non-refundable personal income tax credit equal to 100% of the federal CDCC.
4. In Tax Year 2023, approximately 19,850 Delaware households took advantage of the existing credit with an average credit amount of $310. The total General Fund revenue loss associated with the existing credit in that year was $6.2 million.
5. Assume a 1% annual growth in the number of households claiming the credit.

Estimated General Fund Revenue Loss:

Fiscal Year 2027:	$0
Fiscal Year 2028:	$6.35 million
Fiscal Year 2029:	$6.4 million

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