



**153rd GENERAL ASSEMBLY
FISCAL NOTE**

BILL:	HOUSE SUBSTITUTE NO. 2 TO HOUSE BILL NO. 284
SPONSOR:	Representative Yearick
DESCRIPTION:	AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO THE CHILD CARE 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 December 31, 2025.
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. 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.
4. This Act would double the existing credit to 100% of the federal CDCC and make the credit refundable for the following:
 - a. Resident individuals filing single, head of household or qualifying widow(er) with federal adjusted gross income of less than \$60,000;
 - b. Resident spouses filing jointly with combined federal adjusted gross income of less than \$60,000; and
 - c. Married residents filing combined separate with combined federal adjusted gross income of less than \$60,000.

General Fund Revenue Loss:

Fiscal Year 2027:	\$2.7 million
Fiscal Year 2028:	\$2.7 million
Fiscal Year 2029:	\$2.7 million

Prepared by Robert Scoglietti
Office of the Controller General