

State Tax Deductions and Credits for Children and Child Care Expenses

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Issue

Which states provide state income tax deductions or credits for children or child care expenses?

Summary

There are generally three ways in which state income taxes provide tax benefits for children or child care expenses:

- a **personal deduction or exemption** that excludes or exempts a specified amount of a taxpayer's income from tax for each dependent child claimed. Some states structure their personal exemption as a credit, which instead allows taxpayers to reduce the amount of tax owed by a specified amount for each dependent child claimed.
- a **child tax credit** (CTC) or other type of tax credit for each dependent child claimed.
- a **child and dependent care expenses tax credit** (CDCTC) that reduces the amount of tax owed based on a percentage of the (1) federal credit or (2) costs associated with caring for children and dependents calculated according to a state-specific methodology.

Of the 41 states that impose a broad-based personal income tax, we identified 22 that offer a personal exemption for dependents, seven that offer a personal exemption structured as a credit, 17 that offer a CTC or other type of tax credit for each dependent child claimed, and 26 that offer a CDCTC. In many cases, taxpayers must meet specified income eligibility requirements to claim these tax benefits and the tax credits are refundable, meaning that taxpayers can claim them regardless of their income tax liability.

Connecticut does not currently provide these benefits, but it (1) previously offered a [child tax rebate](#) as a one-time benefit available only in 2022 (see also Department of Revenue Services, [Frequently Asked Questions Concerning the Child Tax Rebate](#), TSSB 2022-5) and (2) recently enacted an increase to the state's earned income tax credit (EITC) for eligible taxpayers with at least one qualifying child so that they receive an extra \$250 ([PA 25-168](#), § 371).

For additional information, the National Conference of State Legislatures (NCSL) provides an overview of state [CDCTCs](#) and [CTCs](#), as well as a [database](#) that briefly describes the state CTC laws enacted since 2013. NCSL also provides an overview of state [EITCs](#), which are generally refundable tax credits for low- and moderate-income taxpayers that are based on family size, among other factors.

State Personal Exemptions and Related Tax Credits

For taxpayers claiming dependent children, we identified 22 states that offer a personal exemption and seven that offer a credit that is referred to as or based on a personal exemption. Tables 1 and 2 respectively list these states and provide the tax benefit amount and any applicable income limits for the 2025 tax year. The exemption amounts vary significantly, ranging from a high of \$5,800 per dependent in Michigan to a low of between \$300 in Alabama (for taxpayers with incomes over \$100,000). The credits range from a high of \$2,111 in Utah to \$29 in Arkansas. In five states (Illinois, Maryland, Minnesota, Ohio, and Rhode Island), the exemption phases out or is disallowed for higher income taxpayers and this is the case as well for two states offering a credit (Oregon and Utah).

Table 1: State Personal Exemptions for Dependent Children, 2025

State	Amount Per Dependent and Income Limit
Alabama Ala. Code § 40-18-19(a)	<ul style="list-style-type: none"> \$1,000 if income is \$50,000 or less \$500 if income is between \$50,001 and \$100,000 \$300 if income is \$100,001 or more
Georgia Ga. Code § 48-7-26	\$4,000
Hawaii Haw. Rev. Stat. § 235-54	\$1,144
Illinois 35 Ill. Comp. Stat. 5/204	<ul style="list-style-type: none"> \$2,850¹ Taxpayers cannot claim the exemption if income exceeds \$250,000 (single filers) or \$500,000 (joint filers)
Indiana Ind. Code § 6-3-1-3.5	\$1,000, plus an additional: <ul style="list-style-type: none"> \$1,500 (or \$3,000 in the first tax year in which the exemption is allowed) for each dependent under age 19 (or age 24 if a full-time student) and \$3,000 for adopted children under age 19 (or age 24 if a full-time student)
Kansas Kan. Stat. § 79-32,121	\$2,320
Maryland Md. Code, Tax-Gen. § 10-211	<ul style="list-style-type: none"> \$3,200 Phases out for taxpayers with incomes above \$100,000 (single filers) or \$150,000 (joint filers)
Massachusetts Mass. Gen. Laws ch. 62, § 3	\$1,000
Michigan Mich. Comp. Laws § 206.30	<ul style="list-style-type: none"> \$5,800¹ Additional \$3,400¹ for dependents with specific disabilities
Minnesota Minn. Stat. § 290.0121	<ul style="list-style-type: none"> \$5,200¹ Phases out for taxpayers with incomes above \$239,050 (single filers) or \$358,550 (joint filers)²
Mississippi Miss. Code § 27-7-21	\$1,500
New Jersey N.J. Stat. § 54A:3-1	\$1,500
New Mexico N.M. Stat. § 7-2-39	\$4,000 for all but one of the taxpayer's dependents
New York N.Y. Tax Law § 616	\$1,000
Ohio Ohio Rev. Code § 5747.025	<ul style="list-style-type: none"> \$2,400¹ if income is \$40,000 or less \$2,150¹ if income is between \$40,001 and \$80,000 \$1,900¹ if income is more than \$80,000 but disallowed if income exceeds \$749,999 (\$499,999 beginning in 2026)
Oklahoma Okla. Stat. tit. 68, § 2358	\$1,000
Rhode Island 44 R.I. Gen. Laws § 44-30-2.6	<ul style="list-style-type: none"> \$5,100¹ Phases out for taxpayers with incomes above \$254,250²
South Carolina S.C. Code §§ 12-6-1140 & 1160	<ul style="list-style-type: none"> \$4,930¹ Additional \$4,930¹ for dependents under age six
Vermont Vt. Stat. tit. 32, § 5811	\$5,300 ¹
Virginia Va. Code § 58.1-322.03	<ul style="list-style-type: none"> \$930 Additional \$1,000 for dependents living under permanent foster care placement
West Virginia W. Va. Code § 11-21-16	\$2,000
Wisconsin Wis. Stat. § 71.05	\$700

Sources: Compiled by OLR based on (1) Tax Foundation, [State Individual Income Tax Rates and Brackets, 2025](#); (2) CCH AnswerConnect, [State Tax SmartCharts](#); and (3) state income tax forms, instructions, and tax department websites

¹ Credit amounts are annually adjusted for inflation. Amounts shown are for the 2025 tax year (for returns filed in 2026).

² Income thresholds are annually adjusted for inflation. Amounts shown are for the 2025 tax year (for returns filed in 2026).

Table 2: State Dependent Credits, 2025

State	Amount Per Dependent and Income Limit
Arkansas Ark. Code §§ 26-51-501 & 26-51-503	<ul style="list-style-type: none"> • \$29¹ • \$500 per dependent with developmental disabilities
California Cal. Rev. & Tax. Code § 17054	\$475 ¹
Delaware Del. Code tit. 30, § 1110	\$110
Iowa Iowa Code § 422.12	\$40
Nebraska Neb. Rev. Stat. § 77-2716.01	\$171 ¹
Oregon Or. Rev. Stat. §§ 316.085 & 316.099	<ul style="list-style-type: none"> • \$256¹ • Additional \$256¹ for dependents with a qualifying disability • Disallowed if income exceeds \$100,000 (single filers) or \$200,000 (joint filers)
Utah Utah Code § 59-10-1018	<ul style="list-style-type: none"> • \$2,111¹ • Additional \$2,111¹ in the year of a qualifying dependent's birth • Phases out for taxpayers with incomes above \$18,213 (single filers) or \$36,426 (joint filers)²

Sources: Compiled by OLR based on (1) Tax Foundation, [State Individual Income Tax Rates and Brackets, 2025](#); (2) CCH AnswerConnect, [State Tax SmartCharts](#); and (3) state income tax forms, instructions, and tax department websites

¹ Credit amounts are annually adjusted for inflation. Amounts shown are for the 2025 tax year (for returns filed in 2026).

² Income thresholds are annually adjusted for inflation. Amounts shown are for the 2025 tax year (for returns filed in 2026).

Child Tax Credits

We identified 17 states that currently provide a CTC or other type of tax credit for taxpayers claiming dependent children (including Georgia, where the credit applies starting in 2026). Colorado offers two separate credit programs.

Table 3 below lists these states and briefly describes each tax credit's parameters. Among the 17 states, 12 have credits that are refundable and most of the credits are limited to children who are under age 6. For the 15 states with flat per-child credit amounts, they roughly range from a minimum of \$100 per child in Arizona to \$3,273 per child in Colorado. The remaining two states have percentage-based credits. Illinois's is a percentage of the state's EITC and Oklahoma's is the greater of a specified percentage of the federal CTC or federal CDCTC (see sidebars, right and p.9).

Federal CTC

The federal CTC is a tax credit for taxpayers with qualifying children (generally those under 17). The credit is up to \$2,200 per qualifying child (adjusted annually for inflation) and may be partially refundable for income-eligible taxpayers. It phases out for taxpayers with incomes over \$200,000 (single filers) or \$400,000 (joint filers) ([26 U.S.C. § 24](#)).

A recent Congressional Research Service report describes the credit and its parameters in greater detail ([The Child Tax Credit: How It Works and Who Receives It](#), published November 13, 2025).

Table 3: State Child Tax Credits

State	Eligible Age	Credit Amount and Income Eligibility	Refundable
Arizona Dependent Tax Credit Ariz. Rev. Stat. § 43-1073.01	Under 19, under 24 and a qualifying student, or any age with a qualifying disability	<ul style="list-style-type: none"> \$100 per child under 17; \$25 per eligible dependent age 17+ Phases out for taxpayers with incomes exceeding \$199,999 (single filers) or \$399,999 (joint filers) 	No
California Young Child Tax Credit Cal. Rev. & Tax Code § 17052.1	Under 6	<ul style="list-style-type: none"> \$1,189¹ per eligible return Phases out for taxpayers with incomes exceeding \$27,425² 	Yes
Colorado Child Tax Credit Colo Rev. Stat. § 39-22-129	Under 6	<ul style="list-style-type: none"> \$1,200 per child if income is \$26,000 or less (single filers) or \$36,000 or less (joint filers)² \$600 per child if income is between \$26,001 and \$51,000 (single filers) or \$36,001 to \$61,000 (joint filers)² \$200 per child if income is between \$51,001 and \$77,000 (single filers) or \$61,001 to \$87,000 (joint filers)² No credit allowed if income exceeds \$77,000 (single filers) or \$87,000 (joint filers)² 	Yes
Colorado Family Affordability Tax Credit Colo Rev. Stat. § 39-22-130	Under 17	<ul style="list-style-type: none"> \$3,273¹ per child under 6; \$2,455¹ per child 6 to 16 Phases out for taxpayers with incomes exceeding \$15,000 (single filers) or \$26,000 (joint filers) 	Yes
Georgia Child Tax Credit (starts in 2026) Ga. Code Ann. § 48-7-29.27	Under 6	<ul style="list-style-type: none"> \$250 per child No income limits 	No
Idaho Child Tax Credit (expired in 2025) Idaho Code § 63-3029L	Under 17	<ul style="list-style-type: none"> \$205 per child No income limits 	No
Illinois Child Tax Credit 35 Ill. Comp. Stat. § 5/244	Under 12	<ul style="list-style-type: none"> 40% of the taxpayer’s state earned income tax credit No income limits 	Yes

Table 3 (continued)

State	Eligible Age	Credit Amount and Income Eligibility	Refundable
Maine <i>Dependent Exemption Tax Credit</i> Me. Rev. Stat. tit. 36, § 5219-SS	Under 17 (but after 2025 changes to under 19, under 24 and a qualifying student, or any age with a qualifying disability)	<ul style="list-style-type: none"> • \$610¹ per child under 6; \$305¹ per dependent 6+ • Phases out for taxpayers, including with incomes exceeding \$100,000 (single filers) or \$150,000 (joint filers) 	Yes
Maryland <i>Child Tax Credit</i> Md. Code. Tax-Gen. § 10-751	Under 6 and those with a disability under 17	<ul style="list-style-type: none"> • \$500 per child • Phases out for taxpayers with incomes exceeding \$15,000 	Yes
Massachusetts <i>Child and Family Tax Credit</i> Mass. Gen. Laws ch. 62, § 6(x)	Under 13, any age with a disability, or age 65+	<ul style="list-style-type: none"> • \$440 per eligible dependent • No income limits 	Yes
Minnesota <i>Child Tax Credit</i> Minn. Stat. § 290.0661	Under 18	<ul style="list-style-type: none"> • \$1,750¹ per child • Phases out for taxpayers with incomes exceeding \$31,950 (single filers) or \$37,910 (joint filers)² 	Yes
New Jersey <i>Child Tax Credit</i> N.J. Stat. § 54A:4-17.1	Under 6	<ul style="list-style-type: none"> • \$1,000 per child • Phases out for taxpayers with incomes exceeding \$30,000; no credit allowed if income exceeds \$80,000 	Yes
New Mexico <i>Child Income Tax Credit</i> N.M. Stat. § 7-2-18.34	Under 19, under 24 and a qualifying student, or any age with a qualifying disability	<ul style="list-style-type: none"> • \$637¹ per child • Phases out for taxpayers within incomes exceeding \$25,000 	Yes
New York <i>Empire State Child Credit</i> N.Y. Tax Law § 606(c-1)	Under 17	<ul style="list-style-type: none"> • \$1,000 per child under 4 and \$330 per child age 4 to 16 (credit amount for older children increases to \$500 starting in 2026) • Phases out for taxpayers with incomes exceeding \$75,000 (single filers) or \$110,000 (joint filers) 	Yes
Oklahoma <i>Child Tax Credit</i> Okla. Stat. tit. 68, § 2357	Under 17 (for CTC-based credit) or under 13 or any age with a qualifying disability (for CDCTC-based credit)	<ul style="list-style-type: none"> • Greater of (1) 5% of federal CTC or (2) 20% of federal CDCTC (see Table 4 below) • No credit allowed if income exceeds \$100,000 	No

Table 3 (continued)

State	Eligible Age	Credit Amount and Income Eligibility	Refundable
Oregon <i>Oregon Kids Credit</i> Or. Rev. Stat. § 315.273	Under 6	<ul style="list-style-type: none"> • \$1,050¹ per child (up to five children) • Phases out for taxpayers with incomes exceeding \$26,550² 	Yes
Utah <i>Child Tax Credit</i> Utah Code § 59-10-1047	Under 6	<ul style="list-style-type: none"> • \$1,000 per child • Phases out for taxpayers with incomes exceeding \$43,000 (single filers) or \$54,000 (joint filers) 	No
Vermont <i>Child Tax Credit</i> Vt. Stat. tit. 32, § 5830f	Under 6	<ul style="list-style-type: none"> • \$1,000 per child • Phases out for taxpayers with incomes exceeding \$125,000 	Yes

Source: Compiled by OLR based on (1) NCSL, [Child Tax Credit Overview](#), updated December 11, 2025, and (2) state statutes and tax department websites

¹ Credit amounts are annually adjusted for inflation. Amounts shown are for the 2025 tax year (for returns filed in 2026).

² Income thresholds are annually adjusted for inflation. Amounts shown are for the 2025 tax year (for returns filed in 2026).

State Child and Dependent Care Expenses Tax Credits

We identified 26 states with a personal income tax credit for child or dependent care expenses. Table 4 below provides the credit amount and any applicable income limits and indicates whether the credit is refundable.

As the table shows, 21 states set their credits at a specified percentage of the federal CDCTC. They range from 7% of the federal credit in South Carolina to 100% in Minnesota, Nebraska, Ohio, and Wisconsin. The remaining five states (Hawaii, New Mexico, Oklahoma, Oregon, and Pennsylvania) establish their own credit calculation method. About half of the 26 states incorporate income limits, thresholds, or income-based phase-outs (e.g., California and Colorado). Fifteen states make their credits refundable, but three of these states (Louisiana, Maryland, and Nebraska) tie the credit's refundability to the taxpayer's income, one state (Maine) caps the refundable amount, and one (New York) makes it refundable only for residents.

(Separate but relatedly, Idaho offers an income tax deduction (rather than a credit) of up to \$12,000 per year for care expenses that qualify for the federal CDCTC ([Idaho Code § 63-3022D](#)).)

Federal CDCTC

The [federal CDCTC](#) is a nonrefundable tax credit designed to offset the cost of caring for a qualifying individual so taxpayers can work or look for work. A qualifying individual generally includes a (1) dependent child under age 13 or (2) spouse or other dependent of any age who is disabled and lives with the taxpayer for more than half the year.

For 2025, the maximum credit is \$1,050 for one qualifying individual or \$2,100 for two or more. It is calculated as a percentage of the taxpayer's qualifying employment-related expenses of up to \$3,000 for one qualifying individual and \$6,000 for two or more. The maximum credit rate is 35% for those with incomes under \$15,000, and phases out for those with higher incomes, until reaching a 20% minimum.

After 2025, the maximum credit increases to 50% for taxpayers with incomes up to \$15,000, subject to a similar phase-out and a 20% to 35% minimum, depending on income ([26 U.S.C. § 21](#)).

Table 4: State Child and Dependent Care Expenses Tax Credits, 2025

State	Credit Amount and Income Limits	Refundable
Arkansas Ark. Code § 26-51-502	20% of the federal credit	Yes
California Cal. Rev. & Tax. Code § 17052.6	Percentage of the federal credit, depending on income: <ul style="list-style-type: none"> • 50% if income is \$40,000 or less • 43% if income is between \$40,001 and \$70,000 • 34% if income is between \$70,001 and \$100,000 No credit if income exceeds \$100,000	No
Colorado Colo. Rev. Stat. §§ 39-22-119 & 39-22-119.5	<i>Child care expenses tax credit:</i> 50% of the federal credit if income is \$60,000 or less (70% starting in 2026) <i>Low-income child care expenses credit:</i> 25% of child care expenses, up to \$500 for a single dependent or \$1,000 for two or more dependents if income is \$25,000 or less (expires after 2025)	Yes
Delaware Del. Code tit. 30, § 1114	50% of the federal credit	No
Georgia Ga. Code, § 48-7-29.10	50% of the federal credit	No
Hawaii Haw. Rev. Stat. § 235-55.6	Percentage of qualified expenses (subject to specified limits) based on income: <ul style="list-style-type: none"> • 25% if income is \$25,000 or less • 24% if income is between \$25,001 and \$30,000 • 23% if income is between \$30,001 and \$35,000 • 22% if income is between \$35,001 and \$40,000 • 21% if income is between \$40,001 and \$45,000 • 20% if income is between \$45,001 and \$50,000 • 15% if income is over \$50,000 	Yes
Iowa Iowa Code § 422.12C	Percentage of the federal credit, based on income: <ul style="list-style-type: none"> • 75% if income is less than \$10,000 • 65% if income is between \$10,000 and \$19,999 • 55% if income is between \$20,000 and \$24,999 • 50% if income is between \$25,000 and \$34,999 • 40% if income is between \$35,000 and \$39,999 • 30% if income is between \$40,000 and \$89,999 • No credit if income is \$90,000 or more 	Yes
Kansas Kan. Stat. § 79-32,111c	50% of the federal credit	No
Kentucky Ky. Rev. Stat. § 141.067	20% of the federal credit	No
Louisiana La. Stat. §§ 47:297.4 & 47:6104	Percentage of the federal credit, based on income: <ul style="list-style-type: none"> • 50% if income is \$25,000 or less • 30% if income is between \$25,001 and \$35,000 • 10% if income is between \$35,001 and \$60,000 • 10% or \$25 if income exceeds \$60,000 (Additional child care expense credit is available based on the quality rating of the child care facility the child attends)	Yes, if income is \$25,000 or less
Maine Me. Rev. Stat. tit. 36, § 5218	25% of the federal credit (50% for child care services that meet specified quality standards)	Yes, up to \$500
Maryland Md. Code, Tax-Gen. § 10-716	32% of the federal credit; phases out if income exceeds \$30,000 (single filers) or \$50,000 (joint filers); no credit allowed if income exceeds \$112,100 (single filers) and \$174,300 (joint filers) ¹	Yes, if income is less than \$60,900 (single filers) or \$91,400 (joint filers) ¹

Table 4 (continued)

State	Credit Amount and Income Limits	Refundable
Minnesota Minn. Stat. § 290.067	100% of federal credit; subject to income-based phase out when income exceeds \$64,150 ¹	Yes
Nebraska Neb. Rev. Stat. § 77-2715.07	<ul style="list-style-type: none"> • 100% of federal credit if income is \$22,000 or less; phases out if income is between \$22,001 and \$29,000 • 25% of federal credit if income exceeds \$29,000 	Yes, if income is \$29,000 or less
New Jersey N.J. Stat. § 54A:4-17	Percentage of the federal credit, based on income: <ul style="list-style-type: none"> • 50% if income is \$30,000 or less • 40% if income is between \$30,001 and \$60,000 • 30% if income is between \$60,001 and \$90,000 • 20% if income is between \$90,001 and \$120,000 • 10% if income is between \$120,001 and \$150,000 • No credit if income exceeds \$150,000 	Yes
New Mexico N.M. Stat. § 7-2-18.1	40% of actual caregiver compensation (subject to limitations), up to \$480 for each qualifying dependent or \$1,200 total for all qualifying dependents; no credit if income exceeds \$30,160 ¹	Yes
New York N.Y. Tax Law § 606	20% to 35% of the federal credit, depending on income; 20% credit applies to taxpayers with incomes over \$43,000	Yes, for resident taxpayers
Ohio Ohio Rev. Code Ann. § 5747.054	Percentage of the federal credit, based on AGI: <ul style="list-style-type: none"> • 100% if income is less than \$20,000 • 25% if income is between \$20,001 and \$39,999 • No credit if income is \$40,000 or more 	No
Oklahoma Okla. Stat. tit. 68, § 2357	For taxpayers with incomes less than \$100,000, credit is the greater of (1) 20% of the federal CDCTC or (2) 5% of the federal CTC (see Table 3 above)	No
Oregon Or. Rev. Stat. § 315.264	Up to 75% of the federal credit, based on the taxpayer's income, care expenses paid, household size, and age of the youngest qualifying dependent	Yes
Pennsylvania 72 Pa. Stat. § 1603-W	100% of the federal credit (subject to limitations on qualified expenses used to calculate the credit)	Yes
Rhode Island 44 R.I. Gen. Laws § 44-30-2.6	25% of the federal credit	No
South Carolina S.C. Code § 12-6-3380	7% of the federal credit	No
Vermont Vt. Stat. tit. 32, § 5828c	72% of the federal credit	Yes
West Virginia W. Va. Code § 11-21-26	50% of the federal credit	No
Wisconsin Wis. Stat. § 71.07	100% of the federal credit	No

Source: Compiled by OLR based on (1) CCH AnswerConnect, *State Tax SmartCharts: Child and Dependent Care Expenses*, and (2) state statutes, tax forms, and instructions

¹ Income thresholds are periodically adjusted. Amounts shown are for the 2025 tax year (for returns filed in 2026).

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