



NEW YORK STATE SENATOR

Simcha Felder

## Senator Felder Unveils Legislation for Middle-Class Child Care Tax Credit

SIMCHA FELDER April 22, 2013

| ISSUE: **FAMILIES, FINANCE, CHILDREN, TAXES**

### **Credit Would Ease Child Care Costs for Middle-Class New Yorkers, Currently the Highest in the Nation**

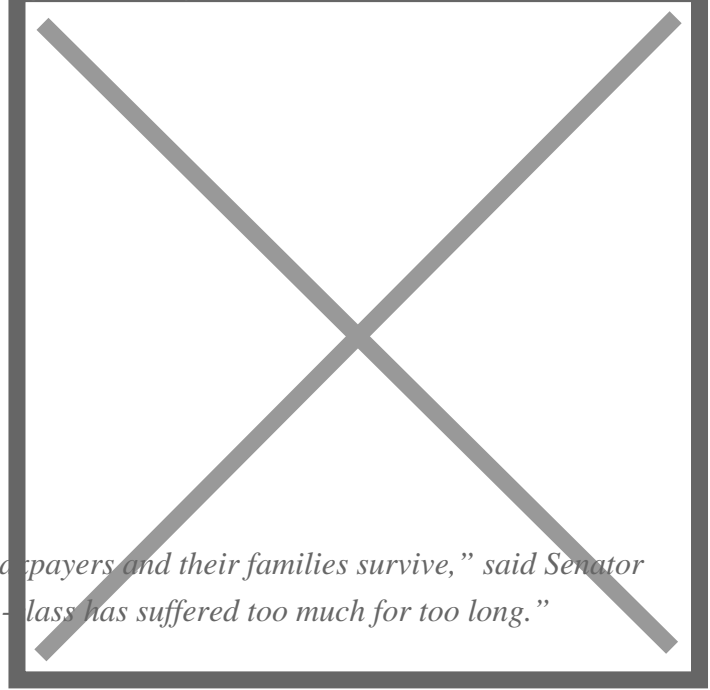
At a press conference at City Hall yesterday, Senator Simcha Felder (D-Brooklyn) unveiled legislation which will ease the cost of child care for middle-class families in New York City. Senator Felder made the announcement in conjunction with Speaker Quinn, The Children's Aid Society, United Neighborhood Houses, the Children's Defense Fund and parents of young children eligible for child care.

The Middle-Class Child Care Tax Credit, first proposed by Speaker Quinn, will increase the child care tax credit offered to low-income families and will expand the credit to include middle-class households.

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*"This legislation is in keeping with my commitment to help middle-class taxpayers and their families survive," said Senator Felder. "New York City's forgotten middle-class has suffered too much for too long."*

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New York City has the most expensive infant day care costs in the country. In 2012, the average cost of day care was \$14,000. The legislation will make child care more affordable for parents by providing expanded assistance to New Yorkers with children under the age of 4.

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*"We must rein in the skyrocketing cost of child care and make it affordable for all New Yorkers," said Speaker Christine C. Quinn.*

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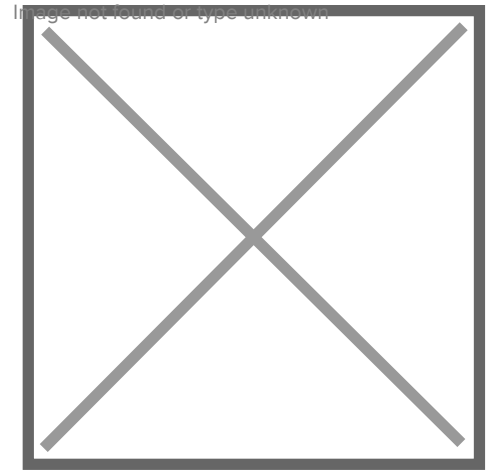
*"The Middle-Class Child Care Tax Credit will ease the cost of childcare in New York City—the highest in the nation—and will provide expanded assistance to low-income and middle-class parents with young children, and I thank Senator Felder and Assembly Member Farrell for sponsoring this important legislation."*

Currently, only households with adjusted gross incomes of \$25,000 or less can benefit from the full tax credit for child care. The expanded credit will offer tax relief to parents with incomes of up to \$170,000.

More than 100,000 families will benefit from the expanded child care credit, which would be equal to the applicable percentage of the Federal tax credit for dependent care services.

With child care credits from all levels of government, middle-class families will receive tax credits of up to \$1,000 for one child and \$2,000 credit for two or more children.

**The percentage would be:**

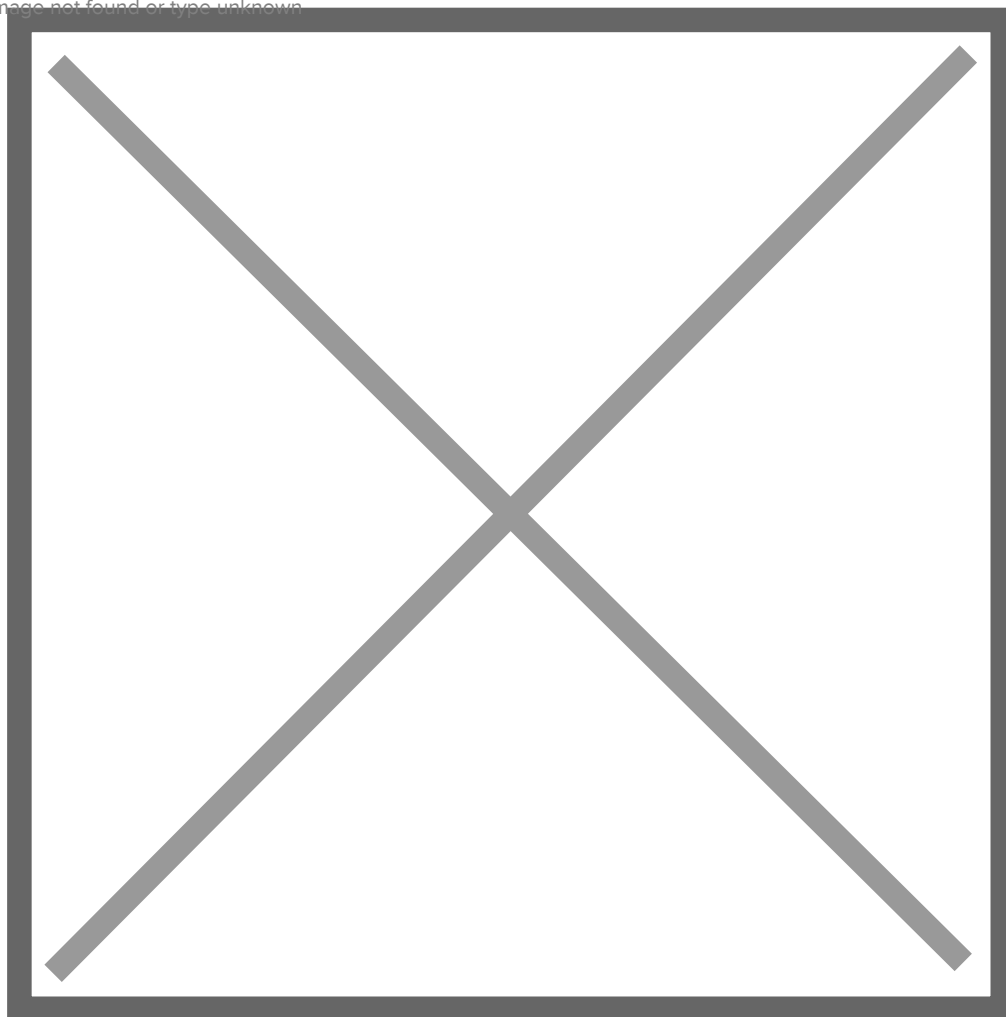


- **90 percent for incomes of \$45,000 or less**
- **For incomes between \$45,001 and \$60,000, the credit phases down from 90 percent to 50 percent**
- **50 percent for incomes between \$60,001 and \$150,000**
- **For incomes between \$150,001 and \$175,000, the credit phases down from 50 percent to zero**

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*“Especially during these difficult economic times, we have to do everything we can to ease the burden on taxpayers, and put money back into the pockets of hard-working New Yorkers where it belongs.” Senator Felder added. “I am very proud to sponsor this common-sense legislation.”*

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*Credits: All charts credited to Office of New York City Council Speaker Christine C. Quinn*