

**Comparison: Proposed Family Caregiver Tax Credit and
the Child and Dependent Care Credit**

1.2.26

Kirby Keeton; Office of Legislative Counsel

Child and Dependent Care Credit	Family Caregiver Tax Credit
Based on existing federal credit. 32 V.S.A. § 5830c.	New Vermont-specific credit. Proposed 32 V.S.A. § 3850g.
Maximum credit of about \$1,500 (72 percent of the federal credit). Credit maximum increased if caring for more than one individual. The \$1,500 credit amount would require caring for at least two individuals.	Maximum credit of \$2,500. Credit amount not affected by number of individuals receiving care.
Credit amount between 20 and 35 percent of expenses, depending on income level.	Credit amount of 30 percent of expenses.
Refundable (nonrefundable at federal level).	Refundable.
Phases down between \$15,000 and \$43,000 of AGI. Phases down to 20 percent of expenses at \$43,000 of AGI but does not phase out.	Phases down between \$125,000 and \$175,000 of AGI. Phases out completely at \$175,000 of AGI.
Qualifying Person <ul style="list-style-type: none">• Dependent child under age 13 OR• A spouse or older dependent physically or mentally incapable of self-care.	Qualifying Person <ul style="list-style-type: none">• Over the age of 13 (does not have to be a dependent) AND• Related to the caregiver by blood, civil marriage, or adoption AND• has a medically diagnosed disability or health condition AND• does not reside at any kind of adult care home AND<ul style="list-style-type: none">○ is unable to perform at least two activities of daily living OR○ requires substantial supervision to protect from threats to health and safety

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Dependents Person receiving care must be a dependent.	Dependents Applies to qualifying individuals who do not meet the federal requirements. Person receiving care does not have to be a dependent.
Expenses Must be related to work or looking for work.	Expenses Qualified expenditures that are not allowed under the federal CDCC. Work related expenses would instead be claimed under the CDCC. Expenditures for goods, services, and supports that assist an individual with long-term care needs with accomplishing activities of daily living and may include reasonable expenditures for goods, services, and supports for the caregiver.