

Potential Impact of Colorado Childcare Contribution Tax Credit

Tax rate and explanation	Without Childcare Tax Credit			With Childcare Tax Credit		
Gift size (24% federal tax bracket)	\$1,000	\$2,000	\$3,000	\$1,000	\$2,000	\$3,000
Federal tax savings for contribution	\$120	\$240	\$360	\$120	\$240	\$360
State tax savings for contribution	\$23	\$46	\$68	\$23	\$46	\$68
Childcare Contribution Credit	n/a	n/a	n/a	\$500	\$1,000	\$1,500
True cost of gift after credits and deductions	\$857	\$1,714	\$2,572	\$357	\$714	\$1,072
Gift size (32% federal tax bracket)	\$1,000	\$2,000	\$3,000	\$1,000	\$2,000	\$3,000
Federal tax savings for contribution	\$160	\$320	\$480	\$160	\$320	\$480
State tax savings for contribution	\$23	\$46	\$68	\$23	\$46	\$68
Childcare Contribution Credit	n/a	n/a	n/a	\$500	\$1,000	\$1,500
True cost of gift after credits and deductions	\$817	\$1,634	\$2,452	\$317	\$634	\$952
Gift size (35% federal tax bracket)	\$1,000	\$2,000	\$3,000	\$1,000	\$2,000	\$3,000
Federal tax savings for contribution	\$175	\$350	\$525	\$175	\$350	\$525
State tax savings for contribution	\$23	\$46	\$68	\$23	\$46	\$68
Childcare Contribution Credit	n/a	n/a	n/a	\$500	\$1,000	\$1,500
True cost of gift after credits and deductions	\$802	\$1,604	\$2,407	\$302	\$604	\$907
Gift size (37% federal tax bracket)	\$1,000	\$2,000	\$3,000	\$1,000	\$2,000	\$3,000
Federal tax savings for contribution	\$185	\$370	\$555	\$185	\$370	\$555
State tax savings for contribution	\$23	\$46	\$68	\$23	\$46	\$68
Childcare Contribution Credit	n/a	n/a	n/a	\$500	\$1,000	\$1,500
True cost of gift after credits and deductions	\$792	\$1,630	\$2,445	\$292	\$584	\$877

*Conclusion: A \$1,000 gift using Childcare Contribution Tax Credit in a 32% federal tax bracket with an income of \$182,100-\$231,249 would have a true cost of \$317 and a gift of \$3,000 would cost only \$952. (assumes that donor itemizes)

*This is a hypothetical tax scenario. The Pathway to the Rockies Council Scouting America does not give tax advice. For tax questions, please seek your personal tax advisor.