



SPONSOR: Rep. Ross Levin & Sen. Lockman
Rep. Snyder-Hall

HOUSE OF REPRESENTATIVES
153rd GENERAL ASSEMBLY

HOUSE SUBSTITUTE NO. 1
FOR
HOUSE BILL NO. 274

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO THE CHILD AND DEPENDENT CARE EXPENSE TAX CREDIT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend § 1114, Title 30 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows:

3 § 1114. Child care and dependent care expense credit.

4 (a) A resident individual ~~shall be~~ is entitled to a credit against that individual's tax otherwise due under this
5 chapter in the amount of 50 ~~percent~~ % of the child and dependent care expense credit allowable for federal income tax
6 purposes for the same tax year. ~~In no event shall the~~ The allowable credit under this subsection may not exceed the tax
7 otherwise due under this chapter.

8 (b) For taxable years beginning on or after January 1, 2027, a resident individual is entitled to a credit against that
9 individual's tax otherwise due under this chapter in the amount of 100% of the child and dependent care expense credit
10 allowable for federal income tax purposes for the same tax year. The allowable credit under this subsection may not exceed
11 the tax otherwise due under this chapter.

12 ~~(b)~~ (c) In the case of spouses who file a joint federal return but who elect to determine their Delaware taxes
13 separately, the credit allowed pursuant to this ~~subsection~~ section may only be applied against the tax imposed on the spouse
14 with the lower taxable income, computed without regard to such credit, and ~~shall~~ may not exceed such tax.

SYNOPSIS

Like House Bill No. 274, House Substitute for House Bill No. 274 increases the state child and dependent care expense tax credit from the current 50% match to a full 100% match with the federal child and dependent care expense tax credit. The substitute is different from House Bill No. 274 in that it makes this increase applicable to taxable years beginning on or after January 1, 2027.

This Act also makes technical corrections to conform existing law to the standards of the Delaware Legislative Drafting Manual.