



SPONSOR: Rep. Yearick & Rep. Berry & Sen. Hocker
Reps. Gray, Hilovsky, Michael Smith, Jones Giltner,
Carson, D. Short, Wilson-Anton; Sens. Buckson, Hoffner,
Wilson

HOUSE OF REPRESENTATIVES
153rd GENERAL ASSEMBLY

HOUSE SUBSTITUTE NO. 2
FOR
HOUSE BILL NO. 284

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO THE CHILD CARE 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) (1) A resident individual shall be 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 allowable credit under this subsection exceed the tax otherwise due
7 under this chapter.

8 ~~(b)~~ (2) In the case of spouses who file a joint federal return but who elect to determine their Delaware taxes
9 separately, the credit allowed pursuant to this subsection may only be applied against the tax imposed on the spouse with
10 the lower taxable income, computed without regard to such credit, and shall not exceed such tax.

11 **(b) In lieu of the credit set forth in subsection (a) of this section, of this section, a resident individual filing single,
12 head of household or qualifying widow(er) with federal adjusted gross income of less than \$60,000, or resident spouses filing
13 jointly with combined federal adjusted gross income of less than \$60,000, or married residents filing combined separate with
14 combined federal adjusted gross income of less than \$60,000 shall be entitled to a credit against the tax otherwise due under this
15 chapter in the amount of 100% of the child and dependent care expense credit allowable for federal income tax purposes for the
16 same tax year. The amount of the allowable credit under this subsection that exceeds the tax otherwise due under this chapter is
17 refundable.**

18 Section 2. This Act shall become effective for tax years beginning after December 31, 2025.

SYNOPSIS

This Act doubles the childcare and dependent care expense tax credit for resident households with federal adjusted gross income of less than \$60,000 and makes that credit refundable, and differs from HS 1 by clarifying the credit is for residents only (as is the case currently), and corrects the means test of federal adjusted gross income threshold for taxpayers filing "joint" and "married filing separate combined" at \$60,000. For all others, the tax credit remains unchanged.