



Denver Academy of Torah

Colorado Child Care Contribution Tax Credit

The Colorado Child Care Contribution Tax Credit is a state program that promotes childcare for children ages 12 and under. Donors who make a qualifying contribution in Colorado may claim a state income tax credit of 50% of the total qualifying contribution.

Denver Academy of Torah will allocate donations over \$10,000 to eligible childcare services, thereby making gifts eligible for this credit. This program allows donors to have a profound impact on childcare, at approximately one-third the cost of their donation!

*For donors who are married, filing jointly, with a marginal tax rate of 32%**

	YEAR 1	YEAR 2	EFFECTIVE
YOUR DONATION TO DENVER ACADEMY OF TORAH	\$ (10,000.00)		
COLORADO TAX CREDIT	\$ 5,000.00		
STATE TAX DEDUCTION	\$ 463.00		
FEDERAL TAX DEDUCTION	\$ 3,200.00		
FEDERAL TAX ON STATE TAX CREDIT		\$ (1,600.00)	
NET COST TO YOU	\$ (1,337.00)	\$ (1,600.00)	\$ (2,937.00)

YOU MAKE A \$10,000 IMPACT...AND IT ONLY COSTS YOU \$2,937

*This example is for illustrative purposes only, and is based on a 32% tax bracket, for couples who are married, filing jointly, who itemize deductions on their taxes. Please note that while a federal tax deduction is applied to the full, \$10,000 donation in the year the donation is gifted, federal income tax is assessed on the \$5,000 state tax credit the following year, resulting in a tax effect spanning two years.

Please consult a tax professional regarding your individual circumstances and how the Colorado Childcare Contribution Tax Credit will affect you personally.