



## Instructions

**Who May File.** Any eligible contributor who makes a qualifying Child Care Tax Credit contribution must complete and file the Child Care Tax Credit Contribution Application, Form CCTC-A, to have the contribution certified by the Nebraska Department of Revenue (DOR) prior to claiming the credit on their income tax return. Any unused credit may be carried forward for the next five years after the credit was first granted.

**When to File.** The Form CCTC-A must be completed, along with the Child Care Tax Credit Contribution Receipt, Form CCTC-R, after the qualifying contribution is made under the Child Care Tax Credit Act. The qualifying Child Care Tax Credit contribution must be approved by DOR prior to claiming the nonrefundable tax credit on the contributor's return.

**Processing Procedure.** DOR will process the Forms CCTC-A in the order received and determine the amount of the credit until the program annual tax credit limitation of \$2.5 million has been reached.

**Amount of Credit.** The amount of the credit will be determined by DOR. The credit will be equal to the amount of the qualifying contribution if (1) the eligible program that receives the contribution has a physical presence in an opportunity zone in this state designated pursuant to the federal Tax Cuts and Jobs Act, Public Law 115-97; or (2) the eligible program that receives the contribution has at least one child enrolled in the child care subsidy program established pursuant to Neb. Rev. Stat. §§ 68-1202 and 68-1206 and the child care provider is actively caring and billing for the child as verified by the Nebraska Department of Health and Human Services. If one of the preceding criteria are not met the credit will be equal to 75% of the qualifying contribution. The credit for the contributor shall not exceed \$100,000 for any single taxable year.

**Records.** All contributors must retain records for at least three years after filing the tax return claiming the credit. If the contributor's credit in the taxable year the contribution was made exceeds their total tax due, they may carry forward the excess credit for up to five taxable years after the taxable year in which contribution was made. If'll be carrying forward any unused credits, the records supporting the original credit must be kept for at least three years after filing the last return on which the credit carryforward is used.

### Process to Submit the Form CCTC-A

**The contributor needs to contact the eligible program or intermediary organization they are making the qualified contribution to and work together to complete the Form CCTC-R.**

**After the Form CCTC-R has been completed and signed by the eligible program or intermediary organization the contributor needs to complete the Form CCTC-A and attach a copy of the completed and signed Form CCTC-R to their completed and signed Form CCTC-A.**

**Form of Contribution.** A qualifying contribution can be made in the form of cash, check, cash equivalent, agricultural commodity, livestock, or publicly traded security.

**How to Value Contribution.** Contributions should be valued per IRS Guidelines. A payment for daycare services to a child care provider for child care services being provided for a particular child is not a qualified contribution.

**Claiming Credits.** The approved nonrefundable tax credit may be claimed in tax years beginning on or after January 1, 2024. The credit may be claimed on the appropriate line of the corporate, individual, or fiduciary income tax returns. Partnerships and S corporations electing to be subject to Nebraska income tax may also claim the credit. The credit can be distributed to beneficiaries.