



CEELO Annotated Bibliography: Tax Policy and Quality

**Anne W. Mitchell, Early Childhood Policy Research and Michelle Horowitz, CEELO
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Financing quality early care and education programs is an area of high interest for policymakers across the nation. This document identifies selected resources on using tax policy, especially refundable tax credits, as a financing strategy for early childhood programs.

[The Benefits of the Child Care Contribution Credit in Colorado](#)

Development Research Partners. (2011). *The benefits of the Child Care Contribution Credit in Colorado*. Littleton, CO: Author. Retrieved from <http://s3.amazonaws.com/mildredwarner.org/attachments/000/000/165/original/report-6f05acaf.pdf>

Describes the economic impact benefits of the credit in effect from 2004-2010. The credit was reinstated in 2013 and use has expanded.

[Extra Credit: How Louisiana Is Improving Child Care](#)

Campbell, N.D., Entmacher, J., Blank, H. & Matsui, A.K. (2015). *Extra credit: How Louisiana Is improving child care*. Washington, DC: National Women's Law Center. Retrieved from <http://www.nwlc.org/resource/extra-credit-how-louisiana-improving-child-care>

This excellent readable report analyzes the significant impacts of a unique package of refundable tax credits intended to improve the quality of child care in Louisiana – the School Readiness Tax Credits – in the first four years of their implementation.

[The Little Engine That Hasn't: The Poor Performance of Employer Tax Credits for Child Care](#)

FitzPatrick, C.S. & Campbell, N.D. (2002). *The little engine that hasn't: The poor performance of employer tax credits for child care*. Washington, DC: National Women's Law Center. Retrieved from <http://www.nwlc.org/sites/default/files/pdfs/TheLittleEngine2002.pdf>

This report examines tax credits for employers that provide some form of child care assistance to their employees, which exist in over half the states. It finds few employers have claimed these credits, assesses why these credits have had such a limited impact and discusses the policy implications.



[Making Care Less Taxing](#)

Campbell, N.D., Matsui, A.K., Vogtman, J.G & King, A.W. (2011). *Making care less taxing*. Washington, DC: National Women’s Law Center. Retrieved from http://www.nwlc.org/sites/default/files/pdfs/nwlc-mclt2011-without_report_card_inside_and_bookmarked.pdf

The 2011 report on state child and dependent care tax provisions, *Making Care Less Taxing*, and the accompanying state report card, *Making the Grade for Care*, which grades those state provisions, cover the 34 child and dependent care tax provisions in effect in 28 states in tax year 2010. Annual update memos are available for tax years 2012, 2013 and 2014.

[Making the Grade for Care](#)

National Women’s Law Center. (2011). *Making the grade for care*. Washington, DC: Author. Retrieved from <http://www.nwlc.org/sites/default/files/pdfs/nwlc-makinggradeforcare2011.pdf>.

The 2011 report on state child and dependent care tax provisions, *Making Care Less Taxing*, and the accompanying state report card, *Making the Grade for Care*, which grades those state provisions, cover the 34 child and dependent care tax provisions in effect in 28 states in tax year 2010. Annual update memos are available for tax years 2012, 2013 and 2014.

[Oregon Child Care Tax Credits](#)

Legislative Revenue Office. (2015). *2016 Expiring tax credits (pursuant to 2013 HB 2002) research report #2-15*. Salem, OR: Author. Retrieved from <https://www.oregonlegislature.gov/lro/Documents/RR%20-15%202016%20Expiring%20Tax%20Credits.pdf>

This Legislative research report on tax credits in Oregon provides good background on the rationale for and actual usage of several types of child care credits for both individual and corporate tax payers (see pp 40-54).

[State Child and Dependent Care Tax Provisions, Tax Year 2014](#)

National Women’s Law Center. (2014). *State child and dependent care tax provisions, tax year 2014*. Washington, DC: Author. Retrieved from <http://www.nwlc.org/resource/state-child-and-dependent-care-tax-provisions-tax-year-2014>.

Child and Dependent Care Tax Credit provisions in 28 states can help eligible families offset their child care expenses. These tax provisions can lower the income taxes that families must pay and, in some cases, give cash refunds to families whose incomes are too low to owe taxes, an important



consideration for effectively assisting low-income families.

[Tax Credits for Early Care and Education: Funding Strategy in a New Economy](#)

Blank, S. & Stoney, L. (2011). *Tax credits for early care and education: Funding strategy in a new economy*. Opportunities Exchange. Retrieved from http://opportunities-exchange.org/wp-content/uploads/OpEx_IssueBrief_Tax_Final1.pdf

This short paper describes the benefits of tax credits as one finance strategy for early care and education and provides brief descriptions of tax credits in 4 states.

[Using Tax Credits to Promote High Quality early Care and Education Services](#)

Stoney, L. & Mitchell, A. (2007). *Using tax credits to promote high quality early care and education services* [Issue Paper #2]. Washington, DC: Partnership for America's Economic Success. Retrieved from http://www.earlychildhoodfinance.org/downloads/2007/StonMitch_UsingTaxCreditsPromoteServices_2007.pdf

This paper delves into the feasibility of using the market intervention of tax credits, linked to quality/accountability measures like a QRIS, to help promote, and partially finance, higher quality early care and education services. It includes examples of successful tax provisions used in other industries.



CENTER ON ENHANCING EARLY LEARNING OUTCOMES

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One of 22 Comprehensive Centers funded by the U.S. Department of Education’s Office of Elementary and Secondary Education, the Center on Enhancing Early Learning Outcomes (CEELO) will strengthen the capacity of State Education Agencies (SEAs) to lead sustained improvements in early learning opportunities and outcomes. CEELO will work in partnership with SEAs, state and local early childhood leaders, and other federal and national technical assistance (TA) providers to promote innovation and accountability.

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