



Colorado Child Care Contribution Tax Credit

Did you know that donating to Arma Dei Academy can reduce your taxes through the Colorado Child Care Contribution Credit?

How it works

Half of your donation will be offset by a dollar-for-dollar credit against your Colorado income taxes whether you itemize on your tax returns or not. Furthermore, you can claim a charitable deduction on your federal and state income tax returns subject to statutory limitations.

Guidelines:

- The maximum credit you may take in any year is \$100,000 or your actual Colorado income tax liability for the year, whichever is less. Any unused credit may be carried forward for up to five additional tax years.
- Only monetary donations are eligible. Stock or other securities and in-kind gifts, such as labor or equipment, are not eligible but may qualify for other tax benefits.
- Both individuals and corporations can take advantage of the credit. Donor advised funds or tax-advantaged entities are not eligible to receive the tax credit.

How to utilize the credit

The best way to make an eligible donation is to write a physical check to *Arma Dei Academy* and add *CCTC* to the memo line. Donations through the Arma Dei Academy website will not be eligible.

Why is this helpful?

Our reason for sharing this information is that many in the Arma Dei community don't know about the advantage of the Colorado Child Care Contribution Tax Credit to maximize the impact of their donation.

You will receive a DR 1317 tax credit form from Arma Dei for all donations over \$50. The attached example shows the benefits you could be eligible to receive. Case A is for taxpayers who itemize deductions while Case B is for taxpayers who take the standard deduction.

What is the best way to donate?

There are multiple ways to make an eligible donation to the Preschool. To avoid service fees, we recommend sending a physical check to 341 E. Wildcat Reserve Pkwy., Highlands Ranch, CO 80126, that is made out to *Arma Dei Academy* with *CCTC* in the memo line OR through an e-check (account number: 103687883530, routing number: 102000021).

If you have any questions, please email Michael Butler at mbutler@armadeiacademy.com.

Arma Dei Academy - Colorado Child Care Contribution Credit *Case A*

Tax Savings Example for a Gift of \$10,000

Case A - Assumes state income and property tax deduction limitation of \$10,000 on Federal Return has been exceeded

For illustration purposes only. Please consult with your tax advisor about your specific situation.

	Federal Tax Bracket				
<i>Joint Return AGI</i>	\$751,600	\$501,050	\$394,600	\$206,700	per 2025 IRS publication
Federal Income Tax Rate	37%	35%	32%	24%	per 2025 IRS publication
CO Income Tax Rate	4.25%	4.25%	4.25%	4.25%	
Charitable Donation	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	
State Income Tax Savings from Credit	(\$5,000.00)	(\$5,000.00)	(\$5,000.00)	(\$5,000.00)	\$10,000 x 50%
State Tax Deduction Savings	\$0.00	\$0.00	\$0.00	(\$403.75)	\$10,000 less \$500 subtraction x 4.25% state tax rate. Subject to \$16,000 limitation for AGI over \$300,000
Federal Income Tax Deduction Savings	(\$1,850.00)	(\$1,750.00)	(\$1,600.00)	(\$1,200.00)	\$10,000 x 50% x federal tax rate
Net Cost to Taxpayer	\$3,150.00	\$3,250.00	\$3,400.00	\$3,396.25	
Total Tax Savings	\$6,850.00	\$6,750.00	\$6,600.00	\$6,603.75	
Cost per dollar to contribute	31.5	32.5	34	33.96	cents on the dollar cost

*Assumes donor itemizes deductions as opposed to using standard deduction

*Assumes donor has state of Colorado income tax liability of at least 50% of the donation

*Assumes State income and property tax deduction limitation of \$10,000 per year on Federal return has been exceeded

*Assumes total Charitable Contributions are greater than \$16,000.

*CO state law requires a reduction of \$500 from total charitable contributions when calculating state taxable income. FYI Income 48.

*Assume No State income tax deduction savings due to \$16,000 limitation for AGI above \$300,000. See FYI Income 48

*The Federal Deduction is only eligible for the portion of the donation that is not being credited to your Colorado taxes

*Child Care Contribution Credit may be carried over year-to-year

*<https://tax.colorado.gov/sites/tax/files/Income35.pdf>



Arma Dei Academy - Colorado Child Care Contribution Credit *Case B*

Tax Savings Example for a Gift of \$1000

Case B - Assumes utilization of the Federal Standard deduction of \$30,000 for 2025

For illustration purposes only. Please consult with your tax advisor about your specific situation.

	Federal Tax Bracket		
Joint Return AGI	\$96,950	\$23,850	per 2025 IRS publication
Federal Tax Rate	22%	12%	per 2025 IRS publication
\$1000 Charitable Donation	\$1,000.00	\$1,000.00	
State Income Tax Savings from Credit	(\$500.00)	(\$500.00)	\$1000 x 50%
State Tax Deduction Savings	\$0.00	\$0.00	\$1000 less \$500 subtraction x 4.25% state tax rate
Federal Income Tax Deduction Savings	N/A	N/A	There are no Federal Tax benefits when utilizing the standard deduction
Net Cost to Taxpayer	\$500.00	\$500.00	
Total Tax Savings	\$500.00	\$500.00	
Cost per dollar to contribute	50	50	cents on the dollar cost

*Assumes donor has state of Colorado income tax liability of at least 50% of the donation

*CO state law requires a reduction of \$500 from total charitable contributions when calculating state taxable income. FYI Income 48.

*Child Care Contribution Credit may be carried over year-to-year

*<https://www.colorado.gov/pacific/sites/default/files/Income35.pdf>