

Louisiana Quality Start Program

The Louisiana Quality Start Child Care Rating System “Quality Start” is the foundation of a state program operated by the Dept. of Children and Family Services through which participating child care centers are rated according to specific criteria and are provided numerous types of support for improvement of their staff and operations. The program has a component for the family, known as the Child Care Assistance Program, to provide various support services including mental health. The rating system allows a consumer to easily find the highest quality in child care services available in their area. Participating centers may also join the Louisiana Pathways program that is administered by Northwestern State University of Louisiana to provide continuing education for child care center staff.

Act 394 of 2007, R.S. 47:6101, et seq., established five different **School Readiness Tax Credits** in a comprehensive effort to support the Quality Start program by incentivizing all participants in the business of child care.

- Child care expenses tax credit.

A taxpayer who incurs child care expenses for a child under age 6 is allowed a credit for child care expenses. This credit is in addition to another La. Individual income tax credit for child care expenses (that is based upon the taxpayer’s eligibility for the *federal* income tax credit for such expenses). The amount of the School Readiness Tax Credit for child care expenses is the amount of the other La. Individual income tax credit for child care expenses multiplied by a percentage based upon the rating of the center (from 5 star = 200%, 2 star = 50%). For taxpayers with incomes below \$25,000 the credit is refundable. R.S. 47:297 and 6104. *Individual income tax.*

- Child care center tax credit.

A taxpayer who operates a child care center and participates in the Quality Start program is allowed a refundable credit based upon the average monthly number of children it services who either participate in the Child Care Assistance Program of the Dept. of Children and Family Services or are foster children in the custody of the department. The credit is equal to that number of children multiplied by amount based on the rating of the center: (from 5 stars = \$1,500 to 2 stars = \$750). R.S. 47:6105. *Individual and corporation income and franchise taxes.*

- Directors and staff tax credit.

A taxpayer who works at a participating child care center is allowed a refundable tax credit based upon their professional qualifications, in an amount from \$3,000 to \$1,500, the amount being adjusted annually for inflation. R.S. 47:297 and 6104. *Individual income tax.*

- Business-supported child care expenses credit.

A taxpayer/business that incurs certain “business child care expenses supported by the business” is allowed a refundable tax credit in an amount equal to a percentage of the amount of expenses, that percentage being based upon the rating of the center (from 5 star = 20% to 2 star = 5%). R.S. 47:6107(A)(1) *Individual and corporation income and franchise taxes.*

o Donations made to resource referral agencies credit.

A taxpayer whose business makes a donation to a state contracted child care resource and referral agency, which donations are used to supplement activities of those agencies, is allowed a refundable tax credit not to exceed \$5,000 per year. The amount of the credit is equal to the amount of the donation. R.S. 47:6107(A)(2). *Individual and corporation income and franchise taxes.*

Excellent website <http://www.qrslouisiana.org/>

- o Clickable map to allow a consumer to find a participating center
- o Information on the various tax credits available
- o Online application process for a child care center
- o Copious information relating to resources and specific assistance available to a child care center seeking to participate in the program and develop its staff and facilities in order to achieve a higher rating within the program.



LOUISIANA
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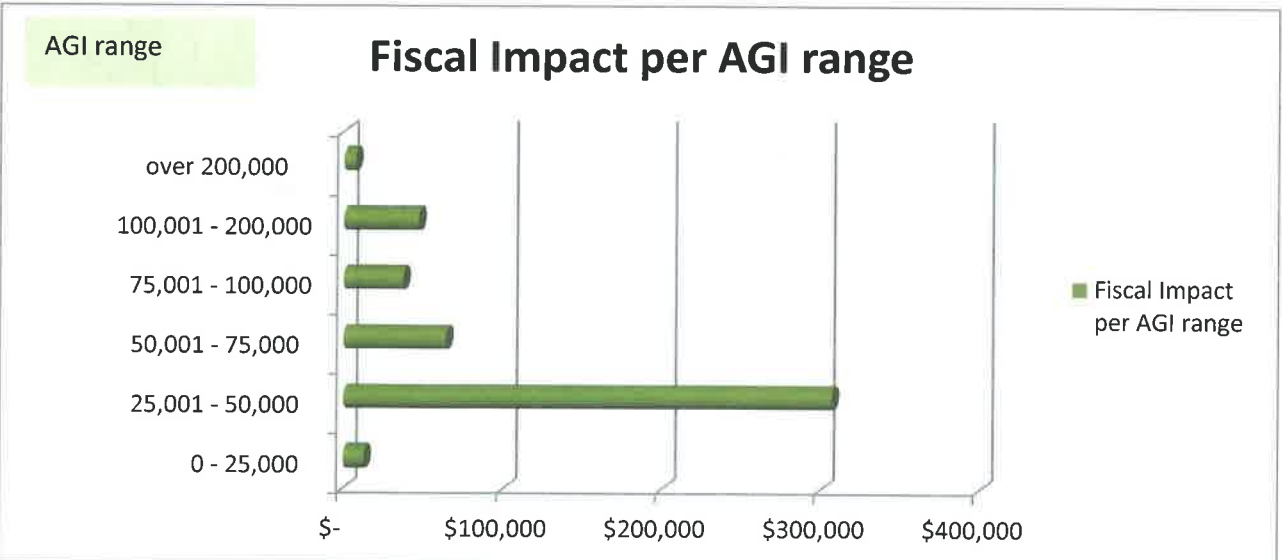
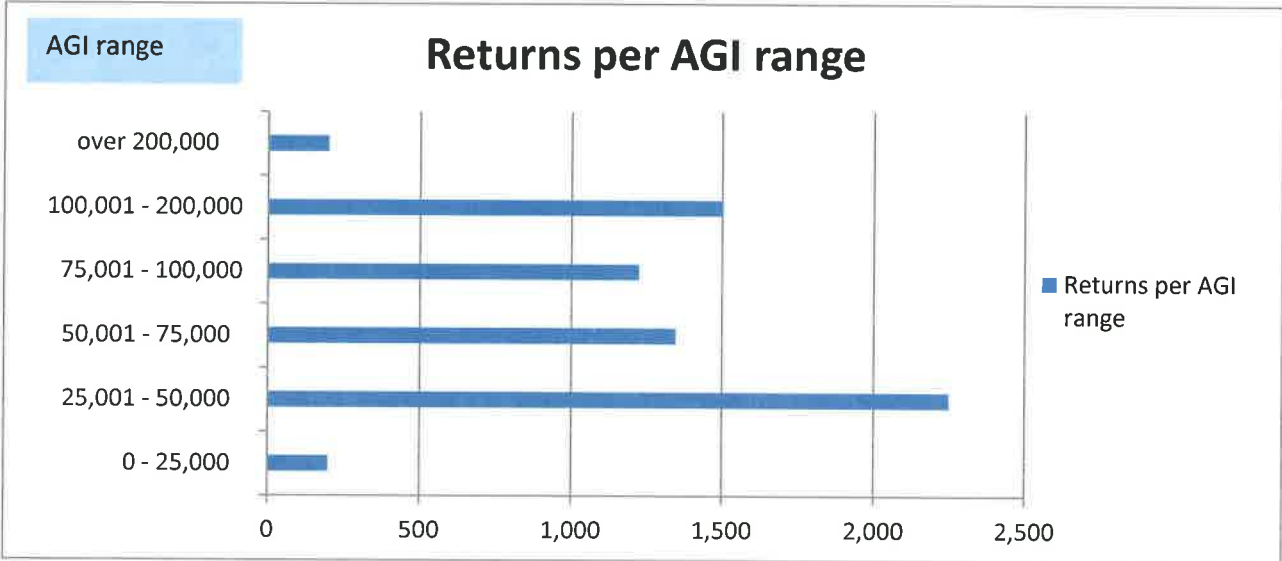
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<http://house.legis.state.la.us>

Individual Income tax exemption #71

School Readiness Child Care Credit (Non Refundable Portion)



AGI range	Returns per AGI range	AGI range	Fiscal Impact per AGI range
0 - 25,000	200	0 - 25,000	\$ 12,808
25,001 - 50,000	2,252	25,001 - 50,000	\$ 307,023
50,001 - 75,000	1,346	50,001 - 75,000	\$ 64,034
75,001 - 100,000	1,224	75,001 - 100,000	\$ 37,129
100,001 - 200,000	1,503	100,001 - 200,000	\$ 46,871
over 200,000	199	over 200,000	\$ 6,992



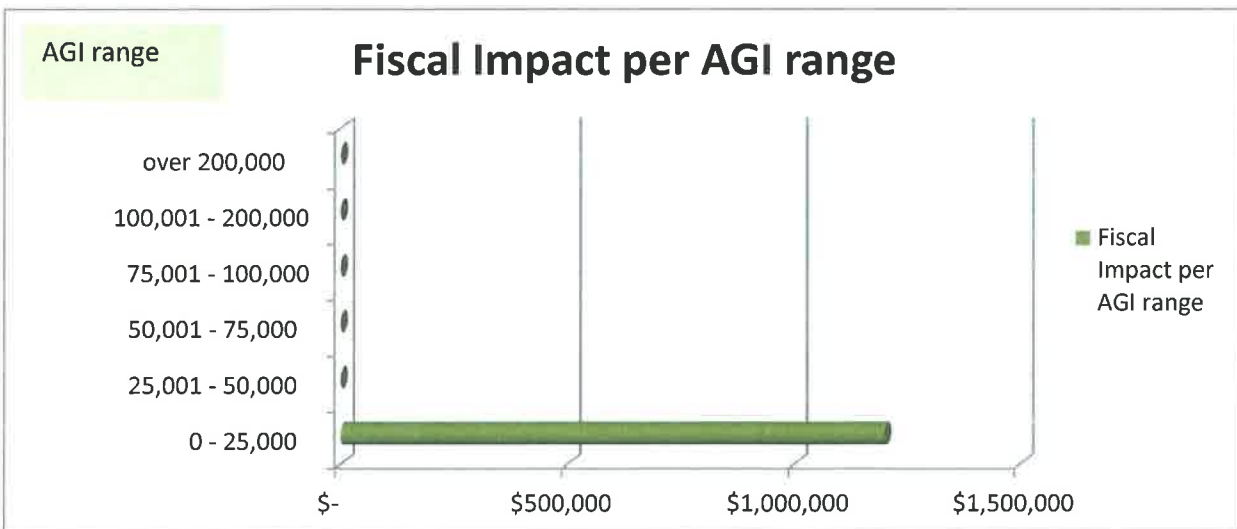
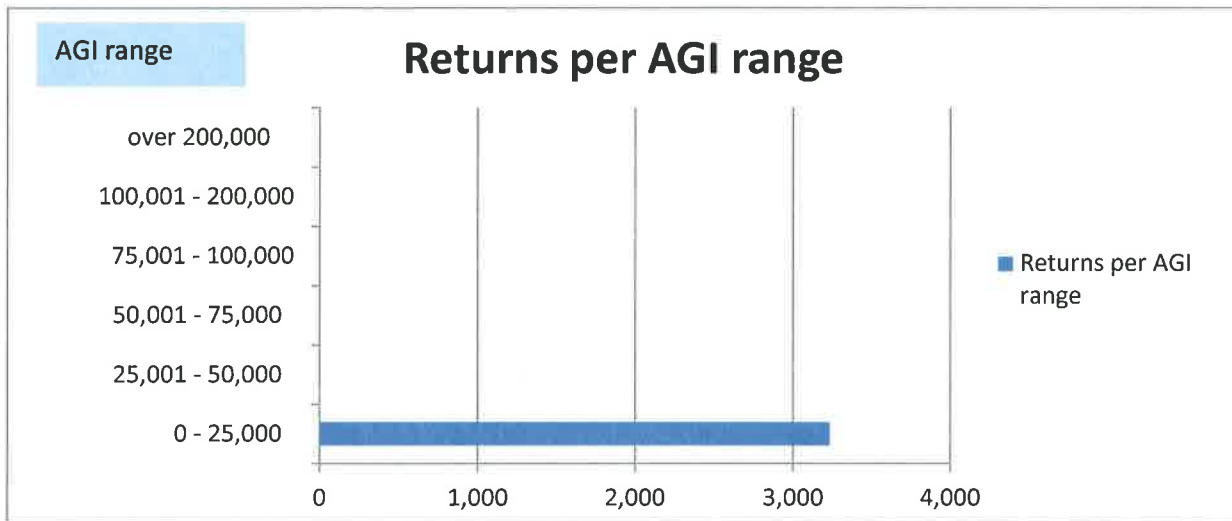
Individual Income tax exemption #71

School Readiness Child Care Credit (Refundable Portion)



AGI range	Returns per AGI range	AGI range	Fiscal Impact per AGI range
0 - 25,000	3,235	0 - 25,000	\$ 1,199,815
25,001 - 50,000	0	25,001 - 50,000	\$ -
50,001 - 75,000	0	50,001 - 75,000	\$ -
75,001 - 100,000	0	75,001 - 100,000	\$ -
100,001 - 200,000	0	100,001 - 200,000	\$ -
over 200,000	0	over 200,000	\$ -

* AGI ranges were merged to protect taxpayer confidentiality

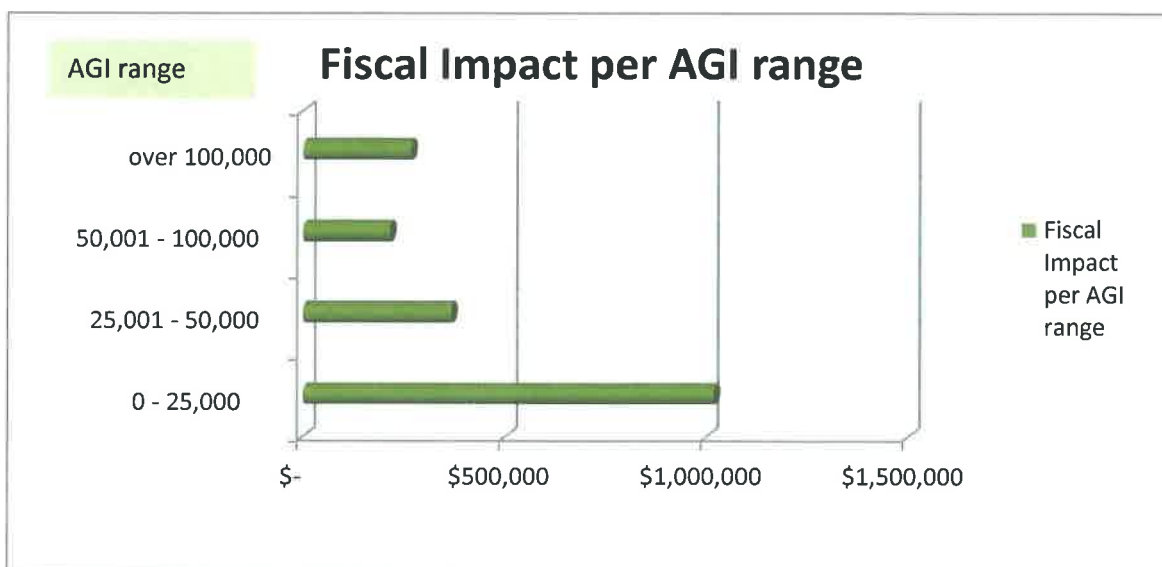
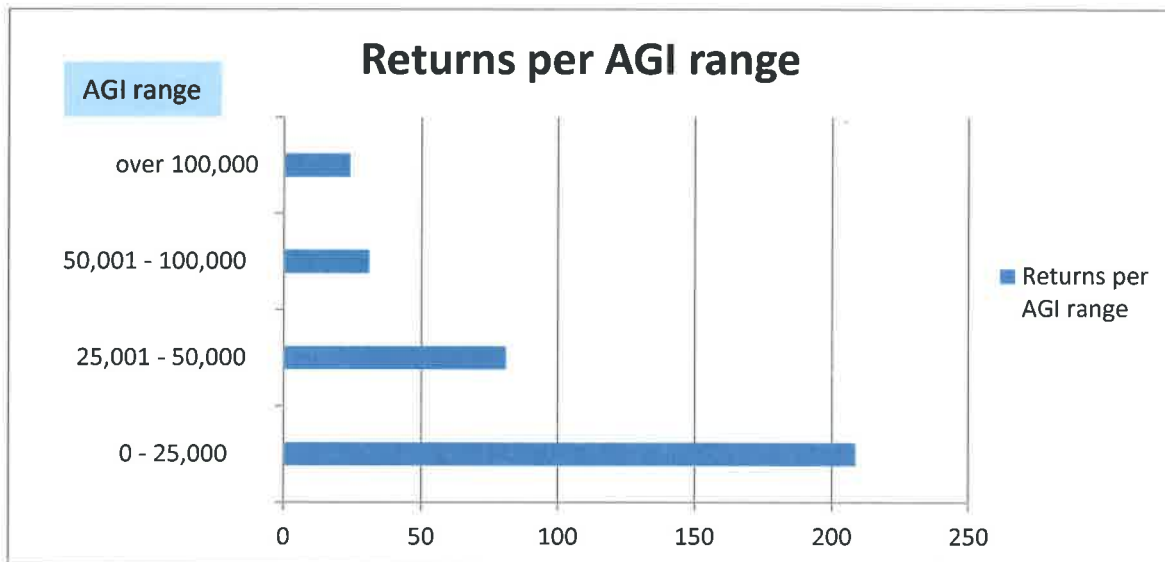


Individual Income tax exemption #72

School Readiness Child Care Provider Credit

AGI range*	Returns per AGI range	AGI range*	Fiscal Impact per AGI range
0 - 25,000	209	0 - 25,000	\$ 1,019,426
25,001 - 50,000	81	25,001 - 50,000	\$ 366,150
50,001 - 100,000	31	50,001 - 100,000	\$ 214,826
over 100,000	24	over 100,000	\$ 265,841

* AGI ranges were merged to protect taxpayer confidentiality

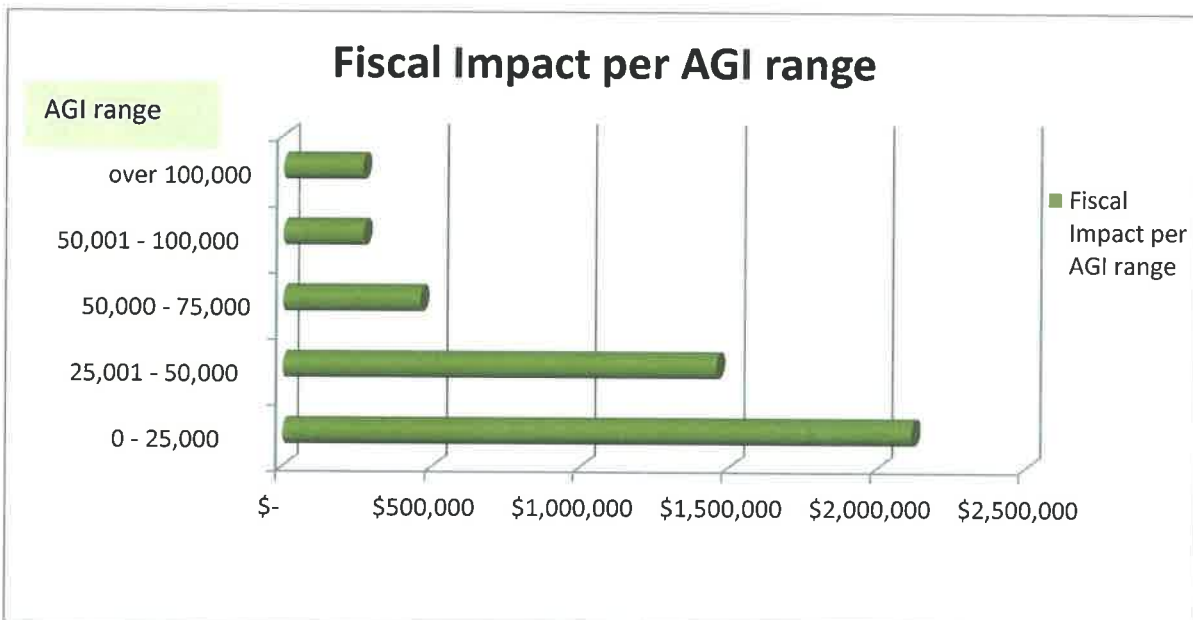
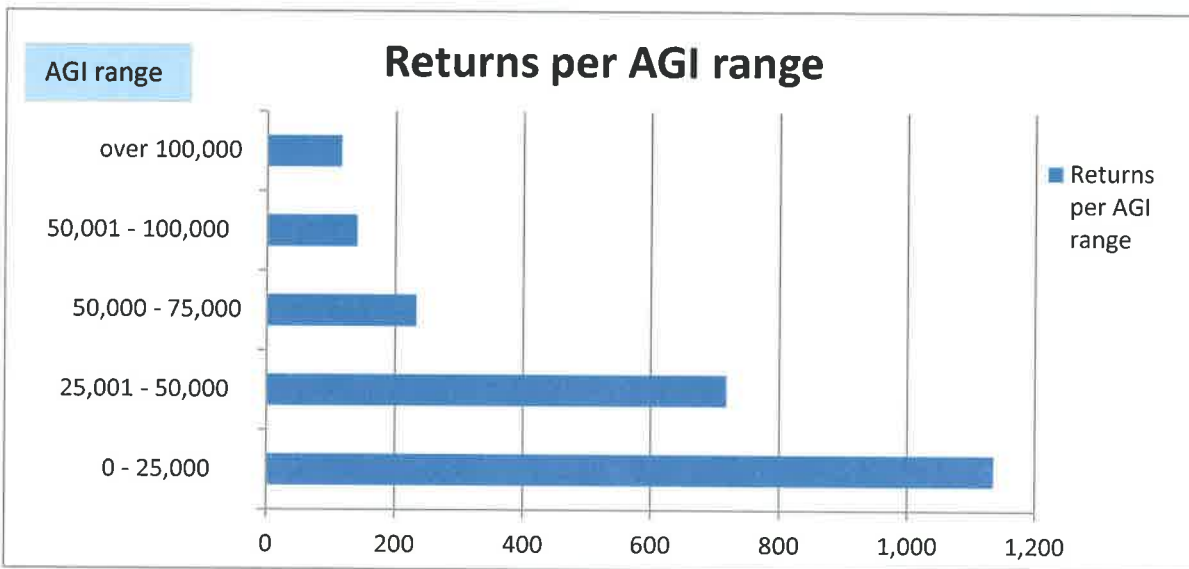


Individual Income tax exemption #73

School Readiness Directors and Staff

AGI range*	Returns per AGI range	AGI range*	Fiscal Impact per AGI range
0 - 25,000	1,136	0 - 25,000	\$ 2,117,250
25,001 - 50,000	718	25,001 - 50,000	\$ 1,458,250
50,000 - 75,000	233	50,000 - 75,000	\$ 460,700
50,001 - 100,000	141	50,001 - 100,000	\$ 269,800
over 100,000	116	over 100,000	\$ 266,750

* AGI ranges were merged to protect taxpayer confidentiality

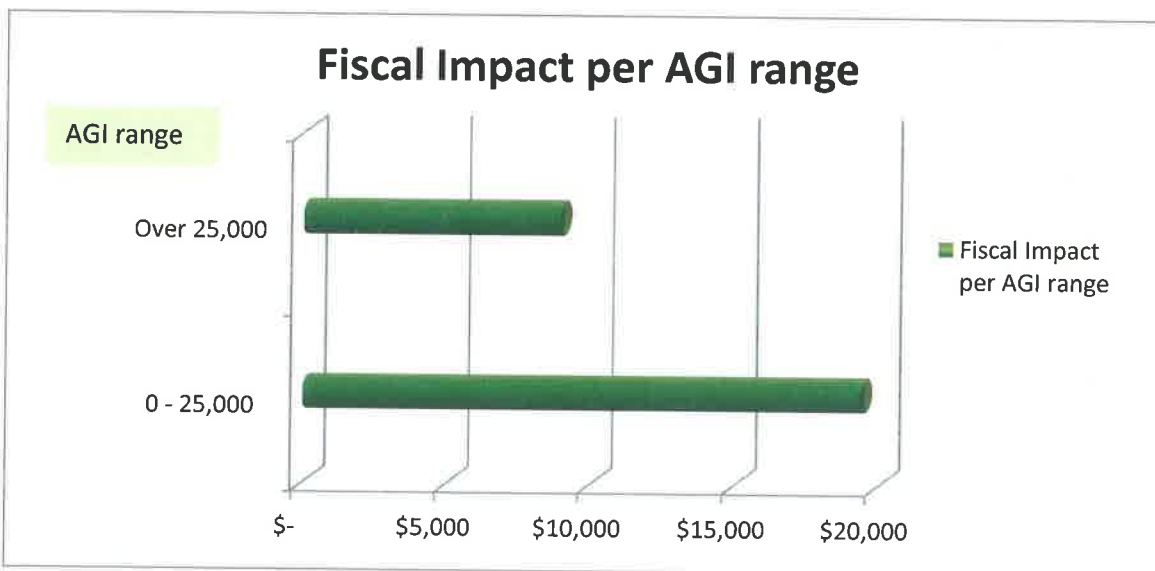
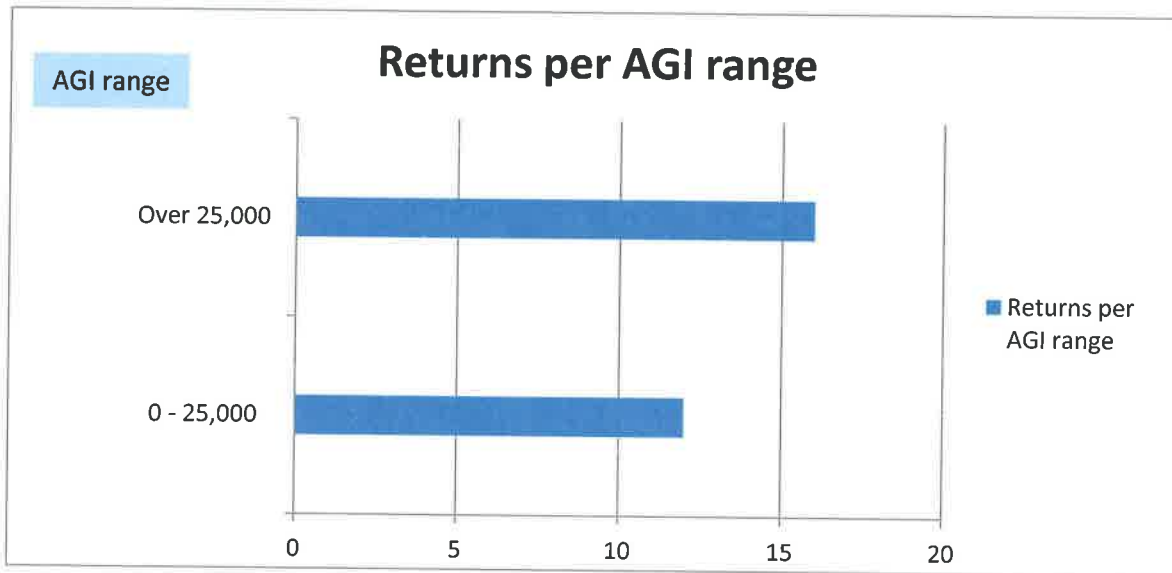


Individual Income tax exemption #74

School Readiness Business Supported Child Care Credit

AGI range*	Returns per AGI range	AGI range*	Fiscal Impact per AGI range
0 - 25,000	12	0 - 25,000	\$ 19,434
Over 25,000	16	Over 25,000	\$ 8,948

* AGI ranges were merged to protect taxpayer confidentiality



Individual Income tax exemption #75

School Readiness Fees and Grants to Resource and Referral Agencies Credit

AGI range*	Returns per AGI range	AGI range*	Fiscal Impact per AGI range
0 - 25,000	135	0 - 25,000	\$ 64,280
25,001 - 50,000	54	25,001 - 50,000	\$ 27,713
50,001 - 100,000	16	50,001 - 100,000	\$ 57,451
over 100,000	14	over 100,000	\$ 25,380

* AGI ranges were merged to protect taxpayer confidentiality

