



Legislation Details (With Text)

**File #:** Res 0993-2016      **Version:** A      **Name:** Expand the NYC child care tax credit.

**Type:** Resolution      **Status:** Adopted  
**In control:** Committee on Finance

**On agenda:** 2/24/2016

**Enactment date:**      **Enactment #:**

**Title:** Resolution calling upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation to expand the New York city child care tax credit

**Sponsors:** Melissa Mark-Viverito, Margaret S. Chin, Annabel Palma, Inez E. Dickens, Vincent J. Gentile, Ydanis A. Rodriguez, Helen K. Rosenthal, Brad S. Lander, Andrew Cohen, Stephen T. Levin, Ben Kallos, Eric A. Ulrich

**Indexes:**

**Attachments:** 1. February 24, 2016 - Stated Meeting Agenda with Links to Files, 2. Res. No. 993 - 2/24/16, 3. Committee Report 8/16/16, 4. Hearing Transcript 8/16/16, 5. August 16, 2016 - Stated Meeting Agenda with Links to Files, 6. Res. No. 993-A (FINAL), 7. Hearing Transcript - Stated Meeting 8-16-16, 8. Minutes of the Stated Meeting - August 16, 2016

Date	Ver.	Action By	Action	Result
2/24/2016	*	City Council	Introduced by Council	
2/24/2016	*	City Council	Referred to Comm by Council	
8/16/2016	*	Committee on Finance	Hearing Held by Committee	
8/16/2016	*	Committee on Finance	Amendment Proposed by Comm	
8/16/2016	*	Committee on Finance	Amended by Committee	
8/16/2016	A	Committee on Finance	Approved by Committee	Pass
8/16/2016	A	City Council	Approved, by Council	Pass

Res. No. 993-A

Resolution calling upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation to expand the New York city child care tax credit

By The Speaker (Council Member Mark-Viverito) and Council Members Chin, Palma, Dickens, Gentile, Rodriguez, Rosenthal, Lander, Cohen, Levin, Kallos and Ulrich

Whereas, Child and dependent care tax credits are available against the federal, New York State, and New York City personal income taxes; and

Whereas, The New York City Child Care Tax Credit (“the City Credit”) is a refundable tax credit that can be claimed by taxpayers for child care expenses for a dependent child under the age of four if those

expenses enable the taxpayer to be gainfully employed; and

Whereas, For households with an annual federal adjusted gross income of \$25,000 or less, the amount of the City Credit is 75 percent of the claimed State credit, which in turn can range from 20 to 110 percent of the claimed federal credit depending on income; and

Whereas, The City Credit phases out to zero for households with annual federal adjusted gross incomes between \$25,000 and \$30,000; and

Whereas, The City Credit is more limited than the federal and State credits in several ways; and

Whereas, For example, the federal and State credits are available for child care expenses incurred for dependent children under the age of thirteen, while the City Credit is available only for children under the age of four; and

Whereas, The federal and State credits are also available for expenses incurred for the care of adults claimed as dependents where those adults are unable to care for themselves, while the City Credit is not; and

Whereas, Additionally, neither the federal nor State credits have an income limitation, while the City Credit is not available to households with an annual federal adjusted gross income of more than \$30,000; and

Whereas, In Tax Year 2013, 24,118 New York City taxpayers claimed the City Credit with an average credit amount of \$482, according to the Annual Report on Tax Expenditures for Fiscal 2016 published by the City's Department of Finance; and

Whereas, In contrast, the average cost for full-time, center-based infant child care in New York State in 2014 was \$14,144, according to report by Child Care Aware, a national not-for-profit organization that advocates for affordable child care; and

Whereas, With such high costs, New York ranked as the third least affordable state in the country for center-based infant care; and

Whereas, Accordingly, single-parent families in New York, which have a median annual income of \$25,937, would have had to spend 54.5 percent of their incomes on child care, while married-couple families,

which have a median annual income of \$93,157, would have had to spend 15.2 percent of their incomes on child care; and

Whereas, New York City's caregivers need additional assistance to ensure that they are able to provide high-quality care to their loved ones; and

Whereas, The City Credit should be expanded to include more low-income families and should be deepened to lessen the burden on working families who must pay for child or dependent care in order to go to their jobs; and

Whereas, Specifically, the State should increase the annual federal adjusted gross income threshold for the full City Credit to \$35,000, with a phase-out to zero at \$45,000; and

Whereas, The maximum City Credit amount should be deepened from its current 75 percent of the State credit to 100 percent of the State credit; and

Whereas, It is estimated that these changes would increase the number of taxpayers eligible for the credit by approximately 18,700 and would increase the maximum benefit for one child from \$866 to \$1,155 for a household with an annual federal adjusted gross income of \$15,000; and

Whereas, In addition, similar to its federal and State counterparts, the City Credit should be expanded to cover expenses incurred for the care of adult dependents; and

Whereas, With the City's aging population on the rise, it is incumbent that caregivers are provided with the support they need to provide the care and companionship their loved ones need in order to age with dignity; and

Whereas, The AARP estimates that at any given time during the year, over four million family caregivers in New York State are providing unpaid care for a loved one; and

Whereas, Nearly six in ten caregivers, or approximately 59 percent, in New York State work or have worked while providing elder care to family members according to the New York State Family Caregiver Council; and

Whereas, Were these workers to pay for caregiving services, they would face an average cost of \$19 an hour for a home health aide in New York City according to MetLife;

Whereas, The lack of affordable child and dependent care is a major obstacle to being in the workforce for many parents and caregivers; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation to expand the New York City child care tax credit.

RC 8-9-16  
LS #3982