



## School Readiness Tax Credits Frequently Asked Questions for Parents and Families

### 1. What is the School Readiness Tax Credit (SRTC) for parents?

The SRTC is an additional state child care tax credit for taxpayers with children who are under the age of 6 and are enrolled in a child care center that has earned at least 2 stars in Louisiana's Quality Rating and Improvement System. The amount of the tax credit increases with the number of stars that the child care center has earned. For additional information about the Parent SRTC review the <u>School Readiness Tax Credit Guidance</u>.

Percentage of Eligible Expenses	Star Rating of the Center
200%	5 Star
150%	4 Star
100%	3 Star
50%	2 Star
0%	1 Star

### 2. How does a family claim SRTC?

The Louisiana Department of Revenue creates a credit certificate that participating and qualifying child care centers provide to each family claiming the child care tax credit (taxpayer). The credit certificate consists of a provider portion of the certificate and a taxpayer portion of the certificate.

### **Provider Portion**

No later than January 31, the child care provider completes the provider portion of the credit certificate and gives to each taxpayer who had a child at the facility during the previous calendar year. The provider portion of the credit certificate includes the following information: the child care facility name, the child care facility star rating, the child care facility's Louisiana tax identification number, the child care facility license number, the name

of the child attending the facility and the issue date and effective year. The provider will submit to a list of all taxpayers to whom a certificate was issued to the Department of Revenue.

### Taxpayer Portion

The taxpayer then completes the taxpayer portion of the certificate which includes the following information: the name and social security number of the taxpayer claiming the credit, and the name, social security number, and date of birth for the qualifying child for whom this credit is claimed on the tax return. The taxpayer must submit or maintain the certificate as required by the Secretary of the Department of Revenue in subsequent forms and instructions.

### 3. How do I file for the School Readiness Tax Credit?

You must contact your tax preparer or the Louisiana Department of Revenue for information on filing taxes.





# 4. I submitted a claim for my SRTC. Where is my refund for the School Readiness Tax Credit?

Please contact the Louisiana Department of Revenue for refund status at 225-219-0102 (individual) or 225-219-7462 (business) or visit <u>http://revenue.louisiana.gov/sections/individual/school\_readiness.aspx</u>

#### 5. How are star ratings determined?

Star ratings are determined by CLASS<sup>®</sup> observations conducted during the academic school year. The table below:

Tax Year	Academic Year Performance Profile	Star Rating Effective Dates
2021	2019-2020	January - December 2021
2020	2018-2019	January - December 2020
2019	2017-2018	January - December 2019
2018	2016-2017	January - December 2018

Please note: Star ratings are only effective for 1 year. The star rating may increase, decrease or stay the same depending on the academic year performance profile results. <u>LouisanaSchools.com</u> will always show the current year performance results, which is not the same as the tax year. You can also visit the <u>link</u> and find your child care center and its 2020 star rating.

### 6. Who is eligible for the parent SRTC?

Eligible taxpayers must have incurred child care expenses for one or more children, under the age of six, who are enrolled in a licensed child care center. The licensed child care center must have earned at least 2 stars in the Louisiana Unified Quality Rating System by December 31 of the tax year.

### 7. Can I still receive the SRTC if my child turned 6 during the year?

Yes. As long as your child was age 5 at some point during the year then the child care expenses incurred for that child are eligible. This includes if your child turned 6 on January 2 of the following year.

8. What if my child attended different child care centers throughout the year and they all had different ratings? If a child attends multiple centers throughout the year, then the center with the highest star rating is used to determine the SRTC.

### 9. How much can a family earn and still be eligible for the tax credit?

All families are eligible to receive some level of credit as long as they pay for at least one child under the age of 6 to attend a center-based early childhood program that has attained at least a 2 star rating.

### Additional Guidance for SRTC's:

- SRTC Guidance
- SRTC FAQs for Businesses
- SRTC FAQs for Staff and Directors
- <u>SRTC FAQs for Child Care Providers</u>



