

Child and Adult Daycare Tax Credit

A Rhode Island taxpayer that purchases or provides for adult or child day care services for adult family members or dependent children of the taxpayer's employees or to employees of its commercial tenants is allowed a tax credit in the amount of:

- 25% of the total amount expended during the taxable year for services purchased and 25% of the total amount expended during the taxable year for the establishment and/or operation of a day care facility by the taxpayer alone or in conjunction with others. The maximum credit allowed is \$30,000 and the amount of unused credit may not be carried forward.
- 30% of the total amount foregone in rent or lease payments related to the dedication of rental or lease space to day care services. The amount forgone shall be the difference between fair market rental and actual rental. The maximum credit allowed is \$30,000 and the amount of unused credit may be carried forward 5 years.
- Credits for child daycare require confirmation that the facility agrees to accept children for whom the services are paid by Rhode Department of Human Services.
- [RI General Law](#)