



**National Child Tax Credit (CTC)**

The CTC, enacted in 1997, is the largest refundable federal tax code provision benefiting working families with children. It is a proven, targeted way to set kids and their families up for success and put money back into the pockets of Colorado families. The federal CTC supports more than 260,000 Colorado families. Data shows that most families spend CTC money on expenses like groceries, rent, utility bills, and child care.<sup>1</sup> The CTC has been expanded several times since its inception in 1997, with bipartisan support. Under current law the credit is worth up to \$2,000 per eligible child (under age 17 at the end of the tax year).<sup>2</sup>

In 2021, the Biden administration expanded the CTC to the lowest earners and expanded the credit amount under the American Rescue Plan Act (ARPA), cutting child poverty by 30 percent. These expansions have since expired.

**Colorado Child Tax Credit (CTC)**

The Colorado legislature created a refundable state CTC in 2013 for families with children under 6, and fully funded the state credit in 2021. The Colorado CTC will be available to families for the first time during the 2023 tax season.

State CTC Credit Amounts for Single and Joint Filers (before tax year 2024)			
Single Filers		Joint Filers	
Income	Prior to HB23-1112 (% of federal)	Income	Prior to HB23-1112 (% of federal)
\$0 - \$25,000	60%	\$0-\$35,000	60%
\$25,000 - \$50,000	30%	\$35,000 - \$60,000	30%
\$50,000 - \$75,000	10%	\$60,000 - \$85,000	10%

<sup>1</sup> <https://www.cbpp.org/research/federal-tax/the-child-tax-credit>

<sup>2</sup> <https://www.cbpp.org/sites/default/files/atoms/files/policybasics-ctc.pdf>

State CTC Credit Amounts for Single and Joint Filers (starting tax year 2024)			
Single Filers		Joint Filers	
Income	Credit Amount Per Child	Income	Credit Amount Per Child
\$0 - \$25,000	\$1,200	\$0-\$35,000	\$1,200
\$25,000 - \$50,000	\$600	\$35,000 - \$60,000	\$600
\$50,000 - \$75,000	\$200	\$60,000 - \$85,000	\$200

In 2023, the legislature passed [HB23-1112](#), which expanded the CTC by increasing the benefit amounts from a percentage of the federal credit to flat amounts adjusted for inflation shown above, and by eliminating the phase-in that had previously excluded Colorado families making under \$12,000 from full or even partial benefits.

### Colorado CTC Credit Amounts, Starting in Tax Year 2024



Now, all Colorado families making under \$85,000 have access to the CTC. Previously, eligibility for Colorado's CTC began at \$2,500, meaning that families with kids under six making between \$0 and \$2,500 received no benefit at all. The phase-in ended at \$12,500, meaning that families with kids under six making between \$2,500 and \$12,500 did not receive the full benefit.

Eliminating this phase-in provides the full benefit of the Colorado CTC to 65,000 kids, 12,000 of whom had received no benefit at all prior to HB-1112.