



Help for Individual Child Care Professionals

Caring for little kids is a big responsibility. Nebraska’s child care providers play an important role in helping parents give their youngest kids the early experiences they need for a good start in life. The **refundable School Readiness Tax Credit** encourages child care professionals to develop in their careers and grow our state’s early childhood workforce.

Who is this tax credit for?

The refundable School Readiness Tax Credit is available to qualifying staff members of child care programs and self-employed professionals, such as Family Child Care Home (FCCH) providers.

What’s a refundable tax credit?

Refundable tax credits are subtracted from the amount you owe in state income tax. If the amount of the credit is larger than your tax liability, the difference is refunded to you.

How do I know if I’m eligible?

You may be eligible for the refundable School Readiness Tax Credit if you:

- ▶ Have been employed for at least six months in a child care program participating in Step Up to Quality during the tax year
- ▶ Completed 12 hours of in-service training approved by the Nebraska Department of Education (NDE) during the tax year
- ▶ Are registered in the Nebraska Early Childhood Professional Record System (NECPRS)

How much is the tax credit?

The size of the refundable credit corresponds to the applicant’s Professional Classification Level as determined by NDE criteria. Visit [NDE/Step Up to Quality](#) for more information.

| Professional Classification Level | Tax Credit Amount |
|-----------------------------------|-------------------|
| 5 | \$3,500 |
| 4 | \$3,200 |
| 3 | \$2,900 |
| 2 | \$2,600 |
| 1 | \$2,300 |

I’m a FCCH provider. Can I also apply for the nonrefundable School Readiness Tax Credit for child care programs?

Yes, self-employed owners/operators of licensed Family Child Care Home programs can apply for both the refundable and nonrefundable credits if they meet the eligibility requirements.

Am I guaranteed a tax credit if I qualify?

The Nebraska Legislature has put aside \$7.5 million each year for the refundable and nonrefundable School Readiness Tax Credits combined.

When the \$7.5 million annual limit is reached, the Nebraska Department of Revenue (NDOR) will not issue additional refundable or nonrefundable School Readiness Tax Credits until the following tax year.

Please note that applications are reviewed by NDOR in the order in which they are received.

When should I apply?

You can submit your application for the refundable School Readiness Tax Credit **as soon as you have met all of the eligibility requirements.**

It is not necessary to wait until the end of the tax year to begin the application process.

Additional resources and information



Nebraska Department of Revenue Website

revenue.nebraska.gov/about/information-guides/school-readiness-tax-credit-act

- ▶ School Readiness Staff Member Application form (refundable) [PDF]
- ▶ Instructions for completing and mailing your application



Nebraska Department of Education/Step Up to Quality Website

education.ne.gov/stepuptoquality/providers-educators/resources/tax-credits/

- ▶ Explanation of the Professional Classification Level point system
- ▶ Video tutorials on the Attestation Application process in NECPRS



School Readiness Tax Credit Campaign Website

SchoolReadinessTaxCredit.org

- ▶ Overview of the School Readiness Tax Credit application process
- ▶ Messaging and public education resources

How to Apply

STEP
1

NECPRS ATTESTATION

BY FEBRUARY 1, 2025, submit an Attestation Application to the Nebraska Department of Education (NDE) through your **NECPRS profile**. Allow up to four (4) weeks for NDE to process and approve your Attestation Application.

STEP
2

MAIL YOUR TAX CREDIT APPLICATION

BY MARCH 1, 2025, complete and mail a copy of the **2024 School Readiness Staff Member Application form** to the Nebraska Department of Revenue (NDOR). You must include a copy of the Attestation Approval you receive from NDE.

STEP
3

CLAIM THE TAX CREDIT

Attach the tax credit certification from NDOR to your individual state income tax return.

DISCLAIMER

First Five Nebraska does not provide guidance on financial or tax preparation issues. If you do not have access to an accountant or tax professional, ask about free tax preparation services in your community.

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readiness
TAX CREDIT**

SchoolReadinessTaxCredit.org