

**Revenue Information Bulletin No. 25-029****November 10, 2025<sup>1</sup>****Income Tax****Workforce Child Care Tax Credits****Purpose**

During the 2025 Regular Session, the Louisiana Legislature passed Act 454, which renames the School Readiness Tax Credits as the Workforce Child Care Tax Credits (“WCCTC”) and amends the provisions relative to business-supported child care, effective January 1, 2026. This bulletin explains how taxpayers can qualify for and claim these credits.

**Workforce Child Care Tax Credit (WCCTC)**

Act 454 renames the chapter containing La. R.S. 47:6101-6108, from School Readiness Tax Credits to the Workforce Child Care Tax Credits. Additionally, Act 454 doubles the amount of eligible business child care expenses that can be claimed for the refundable credit<sup>2</sup> and increases the credit rate for child care facilities with a quality star rating of three, four, or five<sup>3</sup>. The changes are outlined in the charts below.

Expense Type	Previous Limit	New Limit
Equipment purchase, repair or facility construction/renovation/expansion/major repair	\$50,000	\$100,000
Payments to eligible child care centers for services supporting employees	\$5,000	\$10,000
Purchase of child care slots at eligible child care facilities for children of employees	\$50,000	\$100,000

<sup>1</sup> Revised February 2026 to correct reference to eligible business expense amounts.

<sup>2</sup> La. R.S. 47:6102.

<sup>3</sup> La. R.S. 47:6107.

Quality Rating of Child Care Center	Previous Credit Rate	New Credit Rate
1 star or not participating	0%	0%
2 stars	5%	0%
3 stars	10%	30%
4 stars	15%	40%
5 stars	20%	50%

### **Qualifications**

To qualify for the WCCTC related to business-supported child care, a business must provide child care for its employees through a facility that has received at least a three-star quality rating from the Department of Education (DOE). Child care services provided for an employee through a facility with a one- or two-star quality rating are not eligible for the WCCTC.

### **Application**

Between January 1 and February 28 of each year, businesses must apply for the WCCTC for business-supported child care credits earned in the previous calendar year. An application must be submitted annually by taxpayers who wish to claim the credit. The completed WCCTC for Business-Supported Child Care Application must be submitted electronically through [LaTap](#) and include the following information:

1. the name and Louisiana revenue tax identification number of the child care facility to or for whom the eligible expenses were paid or made;
2. the amount and nature of qualifying expenses at each child care facility, as defined in R.S. 47:6102;
3. the child care facility's quality rating; and
4. the facility's license number.

Information necessary to verify a child care facility's quality rating will be provided to the Department by the DOE Department-provided application requirements will be published prior to the first application period. Upon approval, the Department will provide each approved applicant with a letter indicating the amount of the credit earned and the taxable period against which the refundable credit may be used. If denied, the letter will provide the reasons for denial.

### **Claiming the Credit**

Businesses may claim the credit by entering the three-digit credit code 67F on the *Refundable Priority Two* Credit Schedule and attaching the approval letter issued by the Department to its income tax return.

### **Credit Cap**

For calendar year 2026, Acts 454 sets a \$1 million annual cap on the amount of credits that may be granted by the Department. Starting January 1, 2027, the cap will increase by \$1 million each year if at least 80% of the prior year's cap was used, up to a maximum of \$5 million. If less than 80% was used, the cap remains the same.

The Department will publish the current year's credit cap on its website no later than July 1 each year in accordance with La. R.S. 6107(C)(2). For cap administration purposes, applications for the WCCTC for business-supported child care will be approved on a first-come, first-served basis as determined by the received date of a completed WCCTC Application. An application is not considered complete until all required information has been received by the Department. Applications received on the same business day shall be treated as received at the same time, and if the aggregate amount of requests received on the same business day exceeds the total amount of available tax credits, tax credits are approved on a pro rata basis.

**Richard Nelson**  
**Secretary**