

School Readiness Tax Credit Act – Application for Childcare and Education Provider

Complete this application if you are the person who owns or operates an eligible program.

Applicant Name and Address			Program Name and Address		
Applicant's Name			Program Name		
Street or Other Mailing Address			Street or Other Mailing Address		
City	State	Zip Code	City	State	Zip Code
Applicant's Social Security Number (SSN) or Nebraska ID Number		Current Step Up to Quality rating of the program. Check One. Attach a copy of the rating issued by the Nebraska Department of Health and Human Services. <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5			
Type of Entity					
<input type="checkbox"/> Sole Proprietorship		<input type="checkbox"/> C Corporation		<input type="checkbox"/> Partnership	
<input type="checkbox"/> LLC		<input type="checkbox"/> S Corporation		<input type="checkbox"/> Fiduciary	

For the calendar year January 1 through December 31, 20____
or other tax year beginning _____ and ending _____.

Average Monthly Subsidized Children Calculation				
Note: For column (B), enter the total number of hours for which you received a subsidy reimbursement for each month. Include six hours in the total for each day you were paid by the day.				
(A) Month	(B) Number of Hours Paid	(C) Number of Child Days [Column (B) Divided by 6]	(D) Number of Days Providing Service	(E) Average Number of Children this Month [Divide column (C) by column (D)].
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
			Total	

- 1 Total average number of children for which you received a subsidy for each month. [Column (E) total divided by 12]. Enter the total as a whole number. Round up any result that is .50 or higher to the next higher number. Round down any result that is .49 or less to the next lower number. . . _____
- 2 Amount of school readiness tax credit requested. Multiply line 1 by the dollar amount shown in the table below for your Nebraska Step Up to Quality rating _____

Nebraska Step Up to Quality Rating	Amount of Credit Per Child
Step 1	\$0
Step 2	\$0
Step 3	\$250
Step 4	\$500
Step 5	\$750

Under penalties of law, I declare that I have examined this application, and to the best of my knowledge and belief, it is correct and complete.

sign here ▶

Signature of Applicant _____ Title _____ Date _____

Email Address _____ Phone Number _____

Mail this form and required documentation to:
Nebraska Department of Revenue, PO Box 94609, Lincoln, NE 68509-4609.

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The information below must be completed by a partnership, S corporation, limited liability company, or fiduciary to distribute the School Readiness Tax Credit for Childcare and Education Providers to partners, shareholders, members, or beneficiaries. Attach additional sheets if necessary.

3 Enter the line 2 amount of school readiness tax credit distributed to partners, shareholders, members, or beneficiaries..... _____

(A) Name of Partner, Shareholder, Member, or Beneficiary	(B) Social Security or Nebraska ID Number	(C) Percentage Share of Income	(D) Amount of Tax Credit (Column C x line 3)
Total			

Instructions

Who Must File. The applicant must be a qualified individual, partnership, limited liability company (LLC), S corporation, corporation, or fiduciary that owns or operates a childcare or early childhood education program assigned a quality scale rating pursuant to the Step Up to Quality Child Care Act. A partnership, LLC, S corporation, or fiduciary may distribute the School Readiness Tax credit (credit) in the same manner and proportion as the partner, member, shareholder, or beneficiary reports the pass through entity's income. Note: Providers with a Step Up to Quality rating of 1 or 2 are not eligible to receive a credit under this Act.

When to File. This application for credits needs to be filed after the close of the tax year for which you are claiming or distributing the credit. Partnerships, LLCs, S corporations, and fiduciaries distributing credits should apply within two months after the close of the tax year which begins on or after January 1, 2021.

What to File. Attach and submit a copy of the Step Up to Quality Act rating issued by the Nebraska Department of Health and Human Services (NDHHS) along with this application. **Also include the Explanation of Payments (EOP) received from the NDHHS for each month.** The Nebraska Department of Revenue (DOR) may contact you for additional information to verify your application.

Processing Procedure. DOR will process the applications in the order received until the program tax credit limitation of \$5 million has been reached. Please allow four weeks for DOR to process and respond to your application.

Specific Instructions

Applicant Information. Enter the applicant's name, mailing address, and SSN or Nebraska ID number. Enter the Nebraska ID Number if you are claiming the credit on a business tax return or are distributing the credit to partners, members, shareholders, or beneficiaries.

Program Information. Enter the name and address of the qualifying program. Also check the box that corresponds to the most recent Step Up to Quality Act rating issued to you by the NDHHS.

Average Monthly Number of Subsidized Children Calculation. The credit is based on a calculated average which may not be equal to the actual number of children enrolled in your program:

Column (B) – Number of Hours Paid. For each month, enter the number of hours of childcare for which you received subsidy reimbursement. Do not include hours for school age children. For each claim on the EOP that shows you were paid by the day (Freq: DY), convert the days into hours by multiplying the number of units on the EOP by six. A day equals six hours. When the EOP for the month includes multiple pages of claims, indicate on each page the number of hours calculated. Add together the calculated hours indicated on each page and enter the result for the month in column B.

Column (C) – Number of Child Days. For each month, divide the number of hours in column B by six.

Column (D) – Number of Days Providing Service. Enter the number of days you provided service for any children for each month. Exclude days your facility was closed, including weekends and holidays, if applicable.

Column (E) – Average Number of Children this Month. For each month, divide the number in column (C) by the number in column (D) and enter the result.

Line 1. Total average number of children you received a subsidy for each month. Enter the total of column (E) divided by 12. Enter this result as a whole number. Round up any result that is .50 or higher to the next higher number. Round down any result that is .49 or less to the next lower number.

Line 2. Amount of school readiness tax credit requested. Multiply the total average number of children you received a subsidy for each month from line 1 by the credit amount that corresponds with your program's Step Up to Quality Act rating.

Signature. This application must be signed by the owner, partner, shareholder, member, or fiduciary. Include a daytime phone number in case DOR needs to contact you about the application. By entering an email address, the taxpayer acknowledges that DOR may contact the taxpayer by email. The taxpayer accepts any risk to confidentiality associated with this method of communication. DOR will send all confidential information by secure email or the State of Nebraska's file share system.

Distribution of Credits. Complete page 2 for a partnership, LLC, S corporation, or fiduciary that owns or operates the eligible program to distribute the school readiness tax credit to partners, shareholders, members or beneficiaries. Credits may only be distributed for tax years beginning on and after January 1, 2021.

Claiming the Credit. Childcare and Education Providers claiming the credit must attach a copy of the tax credit certification issued by DOR to their Nebraska income tax return. DOR will not allow the tax credit if the certification is not attached to your Nebraska tax return.

The distributing entity must inform the partner, shareholder, member, or beneficiary listed on page 2, of the distributed approved credit amount. The individual will enter the distributed credit on line 26, Form 1040N. Individuals with distributed credit will not have the tax credit certification to attach to their Nebraska income tax return. DOR's records will be used to verify the credit claimed on line 26, Form 1040N.