

**H.F. 495**

As amended by H0495A1

**Subject** Income tax subtraction for day care costs

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**Date** March 20, 2026

**Summary**

H.F. 495 establishes an individual income tax subtraction for “day care costs” paid to a child care center, family child care center, or group family child care center licensed under chapter 142B.

The subtraction would be limited to day care costs in excess of the amount of dependent care assistance (dependent flex spending account contributions) the taxpayer excluded from gross income.

The subtraction is effective for tax year 2026 and later.