

SRTC 2017 - FAQs for Staff and Directors

1. What are the School Readiness Tax Credits (SRTC) for Child Care Teachers and Directors?

The SRTCs are essentially a wage supplement (or salary bonus) for child care teachers and directors, and are NOT dependent on whether the teacher or director owes taxes. These refundable credits are provided directly to child care teachers and directors based on their level on the [Staff Career Ladder](#) or [Director Career Ladder](#), as evaluated by [Louisiana Pathways](#). The amount of the credit varies based on the level on the Staff Career Ladder or Director Career Ladder.

2. Where is my Staff/Director form for the School Readiness Tax Credit?

All Child care directors and staff members who are registered with Louisiana Pathways will receive a Child Care Director and Staff Member form by mail to the address registered with Louisiana Pathways by January 31st. For questions regarding your level please contact Louisiana Pathways at 1-800-245-8925.

3. UPDATED PROCESS FOR 2017: What records/certification will I need to claim the credit?

You will receive two copies of a certificate (which will be sent to you by Pathways, no later than January 31st each year) that states the SRTC training/education level you have achieved. You should obtain all required signatures for both copies of the certificate.

In order to claim the tax credit, you must submit or maintain one copy with your tax records, as required by the Secretary of the Department of Revenue in subsequent forms and instructions. The second copy should be mailed back to Louisiana Pathways, as described in the included directions. This may allow you to qualify for increased tax credits in future years.

4. I filed my Staff/Director SRTC. Where is my refund for the School Readiness Tax Credit?

Please contact the Louisiana Department of Revenue for refund status at 225-219-0102 (individual) or 225-219-7462 (business) or visit http://revenue.louisiana.gov/sections/individual/school_readiness.aspx

5. How do I file for the School Readiness Tax Credit?

You must contact your tax preparer or the Louisiana Department of Revenue for information on filing taxes.

6. Who is eligible for the Staff and Director SRTC?

Child care teachers and directors are eligible if they work for at least six months at a licensed, center-based early care and education program that participates in Louisiana's Quality Rating and Improvement System and have enrolled in the state early care and education practitioner registry known as [Louisiana Pathways](#).

7. What are the four levels and how much is the SRTC?

The SRTC for each level are as follows for 2017:

SRTC Levels (requirements for the levels can be found on Louisiana Pathways)	Amount of Refundable School Readiness Tax Credit adjusted for 2017
Director I/Child Care Teacher I	\$1,680.00
Director II/Child Care Teacher II	\$2,239.00
Director III/Child Care Teacher III	\$2,798.00
Director IV/Child Care Teacher IV	\$3,358.00

Note: These tax credit amounts are adjusted annually for each calendar year by the percentage increase in the Consumer Price Index United States city average for all urban consumers (CPI-U), as prepared by the United States Department of Labor, Bureau of Labor Statistics, as determined by the secretary of the Department of Revenue on December first of the preceding calendar year.

8. Does the number of stars the center has earned impact the amount of the SRTC for staff?

No, the number of stars a center has earned will not impact how much its child care staff receives in tax credits. As long as the center is participating in the quality rating and improvement system then the teachers are eligible to apply for the SRTC. Eligible teachers must meet all of the educational requirements (Level I – IV) and must have worked at least 6 months of the calendar year at the same child care center.

9. Does the number of stars the center has earned impact the amount of the SRTC for directors?

For the 2017 tax year, the number of stars a center has earned will not impact the level of tax credit a director can qualify for. As long as the center is participating in the quality rating and improvement system, and therefore has at least one star, then the directors are eligible to apply for the SRTC. Eligible directors must meet all of the educational requirements (Level I – IV) and must have worked at least 6 months for an average of 30 hours a week of the calendar year at the same child care center.

Beginning with the 2018 tax year, directors who work at 3 star, 4 star, or 5 star centers may be able to qualify for higher tax credit levels. These additions for the 2018 tax year **will not** result in any director reducing in their tax credit level. Directors will still be able to qualify based on the current educational requirements, and will be awarded the highest tax credit level for which they qualify.

10. What is a tax credit, and how is it different from a tax deduction?

A tax credit reduces the taxes paid, dollar-for-dollar. A tax deduction lowers taxable income. A tax credit is generally more valuable to a taxpayer than a tax deduction of the same amount. For example, for a taxpayer in the 20-percent tax bracket, the value of a \$100 tax deduction is 20 percent (\$20). But the value of the same amount as a tax credit is 100 percent, or in this example, the full \$100. So, if you owe \$5,000 in taxes but have a \$1,000 tax credit, then your final tax bill will be \$4,000. However, if you had a \$1,000 tax deduction, and were in the 15% tax bracket, then your final tax bill would be \$4,850 (as you save \$150 which is 15% of \$1,000).

11. What is a refundable tax credit?

A 'refundable' tax credit is one that is available to a taxpayer even if they do not owe taxes. For example, a taxpayer who is eligible for a nonrefundable tax credit worth \$500 and who owes only \$100 in taxes can only claim \$100 of the credit. If the same tax credit were refundable, the taxpayer could claim the full \$500. That's right; they would receive a check for the difference. Because the SRTC is refundable, eligible teachers and directors who do not owe any taxes will still receive an income tax refund. For example, if you meet the requirements for a Child Care Teacher Level I, then you qualify for \$1,658. Let's assume that, after you do your 2016 taxes, you are eligible for a refund of \$100. After the SRTC is applied, you will actually get a refund check of \$1,758.

12. Can I qualify for the credit if I don't pay taxes?

Yes, the SRTC is refundable. This means that even if you do not owe any taxes you will receive all of the SRTC to which you are eligible.

13. Do I have to file an income tax return in order to receive the credit?

Yes, in order to claim this credit you will have to file a state income tax return, even if you do not owe any taxes. On or before January 31st of each year, you will receive a certificate from Pathways that states the level of training and education you have achieved (Level I-IV). You must submit or maintain the certificate as required by the Secretary of the Department of Revenue in subsequent forms and instructions. [Note: it is important to fill out both a federal and state tax form – even if you do not owe any taxes – because you might be eligible for other refundable tax credits, such as the earned income tax credit, which is a refundable tax credit at both the federal and state level for taxpayers in certain income brackets, even if taxes are not due.]

14. Can I qualify for the tax credit if I work for a Type I or Type II Center?

No, only Type III centers are allowed to participate.

15. Where can I obtain certification of the rating for my child care center?

You can ask the director of your child care center for a copy of the December notice for the 2017 tax year.

16. How can I enroll in the state early care and education practitioner registry known as Louisiana Pathways? If I have enrolled in Louisiana Pathways, where can I obtain a copy of my credentials?

You may contact [Louisiana Pathways](#) or call (800) 245-8925 to register or to verify your level and request the needed documentation.

17. If I want to earn my CDA or take courses or clock hours, is there financial assistance available?

Yes, there is a scholarship program through Louisiana Pathways for both a CDA and college courses. Contact [Louisiana Pathways](#) or call (800) 245-8925 for more information.

18. How do I figure out what level I qualify for?

The following ladder describes the levels for the 2017 tax year (the taxes filed in the beginning of 2018).

Information about levels for the 2018 tax year (the taxes filed in the beginning of 2019) can be found [here](#).

Definition of Director and Teacher SRTC Levels	Training and Education Requirements for 2017	Experience Requirements for 2017	Professional Activity Requirements for 2017
Director I = Level I	CDA Credential or approved early childhood diploma and 30 clock hours in approved Administrative Training Categories or related associate degree or 30 hours toward associate degree with 4 college courses in early childhood or child development	minimum 1 year	membership in an early childhood professional organization
Director II = Level II	CDA Credential or approved early childhood diploma and 45 clock hours in approved Administrative Training Categories or National Administrative Credential or associate degree in early childhood or child development or related associate degree with 4 college courses in early childhood or child development or related bachelor degree with 3 college courses in early childhood or child development	minimum 18 months	membership in an early childhood professional organization and service to the profession such as: serving on a board or committee, presenting at a conference, participating as a CDA advisor or mentor, attendance at a conference or professional event
Director III = Level III	CDA Credential or approved early childhood diploma and Administrator Certificate* or associate degree in child development or early childhood and Administrator Certificate* or bachelor degree in early childhood or child development of which 3 college courses focus on infants and toddlers and Administrator Certificate* or related bachelor degree with 6	minimum 2 years	membership in an early childhood professional organization and service to the profession such as: serving on a board or committee, presenting at a conference, participating as a CDA advisor or mentor, attendance at a conference or professional event

	college courses in early childhood or child development of which 3 courses focus on infants and toddlers and Administrator Certificate*		
Director IV = Level IV	master's degree in early childhood, child development or early childhood administration of which 3 courses focus on infants and toddlers and Administrator Certificate* or a related master's degree with 8 college courses in early childhood or child development of which 3 courses focus on infants and toddlers and Administrator Certificate*	minimum 2 years	membership in an early childhood professional organization and service to the profession such as: serving on a board or committee, presenting at a conference, participating as a CDA advisor or mentor, attendance at a conference or professional event
Child Care Teacher I = Level I	CDA credential in preschool or infant/toddler specialization or approved early childhood diploma	minimum 1 year	encouraged to participate in an early childhood professional organization
Child Care Teacher II = Level II	CDA credential or approved early childhood diploma and 9 CEUs or 2 early childhood college courses or 30 hours toward associate degree with 4 college courses in early childhood or child development or related associate degree	minimum 2 years	membership in an early childhood professional organization and service to the profession such as: committee or board membership, service as a CDA advisor or mentor, attendance at a professional conference or event, conference presentation, advocacy and leadership activities
Child Care Teacher III = Level III	associate degree in early childhood or child development or related associate degree with 4 college courses in early childhood or child development or bachelor degree in early childhood or child development or related bachelor degree with 3 college courses in early childhood or child development	minimum 2 years	membership in an early childhood professional organization and service to the profession such as: committee or board membership, service as a CDA advisor or mentor, attendance at a professional conference or event, conference presentation, advocacy and leadership activities
Child Care Teacher IV = Level IV	bachelor degree in early childhood or child development of which 3 college courses focus on infants and toddlers or related bachelor degree with 6 early childhood or child development college courses of which 3 focus on infants and toddlers development	minimum 2 years	membership in an early childhood professional organization and service to the profession such as: committee or board membership, service as a CDA advisor or mentor, attendance at a professional conference or event, conference presentation, advocacy and leadership activities

* **Administrator Certificate** - to receive an Administrator Certificate you must have 75 clock hours of instruction in approved Administrative Training Categories (2 college courses in approved administration can be substituted for the Administrator Certificate).

Additional Guidance for the SRTC's:

- [School Readiness Tax Credit Guidance and slides](#)
- [SRTC 2017 – FAQs for Businesses](#)
- [SRTC 2017 – FAQs for Child Care Providers](#)
- [SRTC 2017 – FAQs for Parents](#)