Oregon Child Care Contribution Tax Credit Summary

Background:

- Tax Credit passed as a pilot in 2001. Included a sunset and was capped at $500,000/year.
- Original concept formulated by Enterprise Foundation, legislators, child care advocates
- Key Legislators : Representative Deborah Kafoury, Representative Ben Westlund, Senator Kate Brown and Senator Susan Castillo.
- First pilot in Lane County in 2005. Second pilot in Multnomah County in 2007.
- Based on lessons learned from the pilots, the use of the tax credit funds focuses on increasing strategic impact and extends support to child care providers across the state.

Who can receive the credit:

- Contributors receive $.75 in credit for every dollar they contribute.
- Individuals – via tax returns, stocks, or sending directly to the OCC
- Corporations – via tax returns, stocks, or sending directly to the OCC
- Largest contributor is at $250,000/year.
- No marketing is necessary based on the popularity of the tax credit.

Tax Credit Goals:

- Original goal was increase/stabilize child care provider wages.
- Providers receive wage enhancements tied to educational attainment.
- Increase quality of child care environments through facility improvement support and incentives in conjunction with the Quality Rating and Improvement System (QRIS – 3, 4 and 5 star facilities).

Where do the funds go:

- Licensed providers engaged in the QRIS Commitment to Quality (C2Q) and star levels receive:
  - Professional Development for child care workforce and small business development
  - Quality investments in center and family-based care facilities
  - Increased technology for the delivery of training and education; training events; individual provider professional development information; networking; referrals to resources.
- Proposing to add: focused statewide child care business networks with an emphasis on low-moderate underserved income populations (i.e. ELL, immigrant families)