

PRELIMINARY STAFF MEASURE SUMMARY

CARRIER:

Senate Committee on Human Services and Early Childhood

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have fiscal impact, statement not yet issued

SUBSEQUENT REFERRAL TO: Tax Credits

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Cheyenne Ross, Administrator

Meeting Dates: 3/19

WHAT THE MEASURE DOES: Extends tax credit for employer-provided dependent care assistance.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

BACKGROUND: The tax credit for employer-provided dependent care assistance is available to an employer who provides child or other dependent care assistance or referral services to its employees. The employer is eligible to receive a credit for 50 percent of the cost of this type of referral or assistance, up to \$2,500 per employee. This credit may be applied against personal or corporate income taxes, but it is primarily used by corporations. An employer who wants to claim the credit must be certified annually by the Office of Child Care, and unused credits may be carried forward five years. Over the past few years, use has varied (from a low of \$200,000 in 2011 to \$1.4 million in 2005) but has been on a downward trend. (*2016 Expiring Tax Credits*, Research Report No. 2-15, Legislative Revenue Office, February 2015.)

House Bill 2114 extends the employer-provided dependent care assistance tax credit to 2022.