

STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

Fiscal: Fiscal impact issued**Revenue:** Revenue impact issued**Action Date:** 04/15/15**Action:** Do Pass With Amendments, Be Printed Engrossed And Be Referred To Tax Credits By Prior Reference.**Meeting Dates:** 02/06, 02/16, 03/09, 04/13, 04/15**Vote:**

Yeas: 9 - Buehler, Evans, Gallegos, Hayden, Keny-Guyer, Parrish, Piluso, Stark, Taylor

Prepared By: Robyn Johnson, Committee Administrator

WHAT THE MEASURE DOES:

Allows the Office of Child Care to issue tax credit certificates equaling \$2.5 million. Sets effective date of section two on January 1, 2016. Extends sunset for Office of Child Care contributions to 2022. Takes effect 91st day following *sine die*.

ISSUES DISCUSSED:

- Use of contributions to the Office of Child Care
- Quality improvement for child care businesses
- Child care environment quality studies

EFFECT OF COMMITTEE AMENDMENT:

Allows Office of Child Care to issue tax credit certificates equaling \$2.5 million. Sets effective date of section two as January 1, 2016. Takes effect 91st day following *sine die*.

BACKGROUND:

Since 2003, the state has extended the Oregon Child Care Contribution Tax Credit each time it has come up for review. By making a contribution to the Office of Child Care, taxpayers receive an Oregon state tax credit of 75 cents for each dollar contributed against personal or corporate taxes. There is currently a program cap of \$500,000 in tax credits per year. Use of the tax credit has grown from \$0.4 million in 2005 to just under \$0.8 million in 2012. (Research Report 2-15, February 2015, Legislative Revenue Office.)

Contributions are used to fund the Office of Child Care. Education awards are made to providers to increase educational attainment related to increasing teaching quality in the child care setting, and for incentives and support for child care facilities that aspire to meet higher quality rating standards.

House Bill 2113-A once again, extends the tax credit for contributions to the Office of Child Care, from 2016 to 2022, and raises the limit on annual contributions from \$500,000 to \$2.5 million.