

HB 3066 STAFF MEASURE SUMMARY

House Committee On Early Childhood and Family Supports

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Meeting Dates: 4/11

WHAT THE MEASURE DOES:

Directs Department of Human Services to conduct statewide study regarding family supports.

FISCAL: No fiscal impact

REVENUE: No revenue impact

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 amendment. Replaces measure. Modifies child care contribution tax credit program. Removes references to advisory committee. Removes reference that specifies a purpose of program is to set standards for child care industry concerning the cost of child care. Specifies a purpose of the program is to improve professional development of child care providers. Allows Office of Child Care to make distributions to child care providers without rulemaking. Creates effective date of 91 days after sine die.

FISCAL: No fiscal impact

REVENUE: No revenue impact

BACKGROUND:

The Office of Child Care (OCC) is part of the Early Learning Division in the Department of Education. The OCC licenses, inspects and assesses complaints against child care facilities and provides technical assistance to child care providers.

The child care contribution tax credit is a credit against corporate or personal income tax for contributions to the OCC. The Oregon 2017-2019 Tax Expenditure Report finds that this tax credit helps to stabilize child care provider wages, encourage professional development and improve the quality of care children receive.

The OCC issues tax credit certificates to taxpayers who make contributions to the OCC. The total value of tax credit certificates to taxpayers cannot exceed \$500,000 per calendar year. The maximum amount of credit available to a taxpayer is 50 percent of the contribution. The OCC distributes funds from the contributions according to rules established by the Early Learning Council.

The tax credit was created in 2001 and modified in 2015 under House Bill 2171. House Bill 2171 repealed community agencies and the use of tax credit marketers. House Bill 3066 -1 aims to remove the remaining references. The tax credit sunsets December 21, 2021.

PRELIMINARY