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House Early Childhood and Family Supports Committee
HB 3066 and -1 Amendments

Background: In 2003, the legislature enacted the Oregon Child Care Contribution Tax Credit. By making a contribution to the program, taxpayers receive an Oregon state tax credit of 50 cents for each dollar contributed. Any individual or company with Oregon state tax liability can contribute by either making a cash or stock contribution.

Proceeds from the tax credits were used in demonstration projects from 2004 - 2009. The projects identified valuable strategies to improve the quality of child care environments and inform public policy on need for child care subsidies.

Today, funds are used to support two statewide programs to increase financial supports and quality improvements for child care businesses throughout Oregon. Education awards, ranging from \$100 to \$500, are distributed to child care providers actively pursuing professional development and are based on the professional development level (step) within the Oregon Registry, Oregon's professional development training and education database for the childhood care and education workforce. Education Awards range from \$100 to \$500 and are paid directly to the child care provider as they reach a milestone on the Oregon Registry. Financial supports are provided to licensed facilities that are meeting quality rating and improvement standards.

Need for HB 3066-1:

Why we need revisions to 329A.700 - .718:

During the 2015 Legislative session, the Legislature amended the Child Care Contribution Tax Credit in an omnibus tax credit bill, HB 2171.

Sections 20 - 24 of HB 2171 amended this tax credit and:

- Established the maximum allowable tax credit at 50 cents on the \$1.00 and the maximum amount to be certified at \$500,000. (Revisions to ORS Chapter 315)
- Deleted requirements to use tax credit marketers. (Revision to Chapter 329A)
- Deleted distribution of funds to community agencies. (Revisions to Chapter 329A)

HB 2171 failed to repeal other sections within this series of ORS 329A. It did not repeal other language in ORS 329A.709, 329A.715 and 329A.718 that describes the duties of a community agency, how the community agencies shall disburse funds and the use of marketers.

HB 3066-1 incorporates language that reflects the strategies identified through the demonstration projects, and repeals ORS 329A.709, 329A.715 and 329A.718.