

**HB 3066 A STAFF MEASURE SUMMARY**

**Carrier:** Rep. Piluso

**House Committee On Early Childhood and Family Supports**

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**Action Date:** 04/11/17

**Action:** Do pass with amendments. (Printed A-Eng.)

**Vote:** 9-0-0-0

**Yeas:** 9 - Bynum, Hack, Hayden, Huffman, Keny-Guyer, Lively, Malstrom, Piluso, Smith DB

**Fiscal:** No fiscal impact

**Revenue:** No revenue impact

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**WHAT THE MEASURE DOES:**

Modifies child care contribution tax credit program. Eliminates advisory committee. Revises statement of program purpose. Specifies one purpose of program is to improve professional development of child care providers. Permits Office of Child Care to determine portion of distributions to child care providers without rulemaking. Effective 91st day after sine die.

**ISSUES DISCUSSED:**

- 2015 Legislative Assembly revised the child care contribution tax credit program but did not repeal all language
- Parts of statute were not repealed when program changed in 2015
- History of program and amount of tax credit
- Office of Child Care use of funds to provide professional development and resources for child care providers

**EFFECT OF AMENDMENT:**

Replaces measure.

**BACKGROUND:**

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

Established in 2003, 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 identifies that the purpose of this tax credit is to help to stabilize child care provider wages, encourage professional development and improve the quality of care children receive. The tax credit sunsets December 21, 2021.

The OCC issues tax credit certificates to taxpayers who make contributions to the OCC. The OCC distributes funds from the contributions in accordance with rules established by the Early Learning Council.

In 2015, House Bill 2171 modified the tax credit by repealing community agencies and the use of tax credit marketers. However, the measure did not fully repeal all unnecessary statutory language, thus House Bill 3066-A removes the remaining language.