

## HB 2440 STAFF MEASURE SUMMARY

### House Committee On Human Services

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**Action Date:** 04/05/21

**Action:** Do pass and be referred to Revenue by prior reference

**Vote:** 7-0-0-0

**Yeas:** 7 - Leif, Noble, Owens, Ruiz, Sanchez, Schouten, Williams

**Fiscal:** No fiscal impact

**Revenue:** Revenue impact issued

**Prepared By:** Iva Sokolovska, LPRO Analyst

**Meeting Dates:** 3/8, 4/5

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#### WHAT THE MEASURE DOES:

Extends sunset for tax credit for working family dependent care for taxpayers attending school, working, or looking for work to January 1, 2028.

#### ISSUES DISCUSSED:

- Working Family Household and Dependent Care credit builds on an existing federal credit, pursuant to section 129 of the Internal Revenue Code of the tax year

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

The Working Family Household and Dependent Care Credit (WFHDC) is a tax credit that helps low- to moderate-income working families pay for the care of their dependents while they're attending school, working, or looking for work. This credit is refundable, meaning the portion of the credit that is larger than the tax liability can be refunded. The WFHDC was created in 2015 by combining two tax credits, the Child & Dependent Care credit and the Working Family Child Care credit, in order to simplify the process for taxpayers qualifying for both credits and to extend more benefit to lower-income taxpayers through a single refundable credit.

House Bill 2440 continues the Working Family Household and Dependent Care Credit until January 1, 2028.