

HOUSE BILL REPORT

HB 1922

As Reported By House Committee On:

Children & Family Services

Title: An act relating to tax credits for employer-provided child care benefits.

Brief Description: Allowing tax credits for employer-provided child care.

Sponsors: Representatives Eickmeyer, Tokuda, D. Sommers, Dickerson, Rockefeller, Stensen, Wolfe, Lovick, Conway, Ogden, Lantz, McIntire, Santos, Kenney, Kessler, Edmonds and Morris.

Brief History:

Committee Activity:

Children & Family Services: 2/22/99, 2/25/99 [DP].

Brief Summary of Bill

- Small businesses operating in a distressed area are eligible to receive a tax credit for child care assistance they provide to their employees.

HOUSE COMMITTEE ON CHILDREN & FAMILY SERVICES

Majority Report: Do pass. Signed by 10 members: Representatives D. Sommers, Republican Co-Chair; Tokuda, Democratic Co-Chair; Boldt, Republican Vice Chair; Kagi, Democratic Vice Chair; Campbell; Carrell; Dickerson; Eickmeyer; Kastama and Pflug.

Staff: David Knutson (786-7146).

Background:

High quality child care services are not readily available for working parents. Employers who attempt to support high quality child care for their employees do not currently receive a tax credit for this purpose.

Summary of Bill:

Small businesses operating in distressed areas are eligible to receive a tax credit equal to 100 percent of the state-approved, employer provided child care benefit to the employee. The total value of the credit for all small businesses cannot exceed \$2 million per biennium. The Department of Social and Health Services must provide prior approval of the proposed child care credit.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Small business need encouragement to provide child care assistance for their employees.

Testimony Against: None.

Testified: (In support) Jean Sloan, Child Care Action Council; and Lonnie Johns-Brown, Washington Association for the Education of Young Children;