
HOUSE BILL 1747

State of Washington

55th Legislature

1997 Regular Session

By Representatives Morris, Van Luven, Kastama, Veloria, Sheldon, Benson, Butler, DeBolt, Dunshee, Conway, Alexander, Quall, Wolfe, Keiser, Hatfield, Doumit, Kessler, Thompson, Scott, Mason, Wood, Blalock, O'Brien, Constantine, Costa, Gombosky, Dunn, Tokuda, Murray, Ogden, Cody and Lantz

Read first time 02/07/97. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to small business stability by providing tax
2 credits for employer-provided child care benefits; adding a new section
3 to chapter 82.04 RCW; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that existing or new
6 small businesses' stability is threatened because of a shortage of
7 affordable licensed early learning and child care. The legislature
8 further finds that small business has a greater challenge in providing
9 higher wages that make early learning and child care affordable. The
10 legislature further finds that small business assistance with quality
11 child care provides advantages for the small business employee through
12 access to higher-quality, more stable child care and parental choice
13 and to the employer through lower absenteeism, lower job turnover, and
14 more productivity.

15 It is the intent of the legislature to provide tax credits to small
16 businesses, located in distressed areas, that provide employee child
17 care benefits to their employees.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
2 to read as follows:

3 (1) There may be deducted against the tax imposed by this chapter,
4 the value of state-approved, employer-provided child care benefits to
5 employees, for a small business that is located within an eligible
6 area.

7 (2) The credit allowed under this section is equal to fifty percent
8 of the state-approved, employer-provided child care benefits to the
9 employee. The total credits allowed to all small businesses claiming
10 tax credits under this section may not exceed one million dollars per
11 fiscal year.

12 (3) Before claiming the credit under this section, the business
13 must obtain approval of the proposed child care benefit from the
14 department of social and health services. The employer's request for
15 approval must include a description of the child care benefit provided
16 to the employee and the cost of the proposed child care benefit to the
17 employer and employee, if applicable.

18 (4) As used in this section:

19 (a) "Child care benefit" means:

20 (i) An employer-provided voucher that can be used to pay part or
21 all of the cost of day care or before-and-after-school care in a state-
22 approved and licensed facility; or

23 (ii) The cost of construction of an employer-provided day care or
24 before-and-after-school care facility; or (iii) the cost of operation
25 and maintenance of an employer-provided day care or before-and-after-
26 school care facility;

27 (b) "Eligible area" has the same meaning as in RCW 82.62.010; and

28 (c) "Small business" means an entity subject to taxation under this
29 chapter and that has less than fifty full-time employees. The term
30 "small business" also includes a consortium of two or more small
31 businesses.

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