
HOUSE BILL 1716

State of Washington

68th Legislature

2023 Regular Session

By Representatives Rule, Corry, Stokesbary, Reeves, Chapman, Jacobsen, and Eslick

Read first time 02/01/23. Referred to Committee on Finance.

1 AN ACT Relating to supporting employers providing child care
2 assistance to employees by establishing a business and occupation tax
3 credit for businesses and requiring the department of revenue to
4 provide a report to the legislature; adding a new section to chapter
5 82.04 RCW; creating a new section; and providing an expiration date.

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

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

9 (1) Beginning January 1, 2026, a business is allowed a credit
10 against the tax imposed in this chapter equal to all costs related to
11 providing child care assistance to employees.

12 (2) By January 1, 2025, the department is required to provide the
13 legislature a report that includes the following:

14 (a) The number of businesses in the state that provide child care
15 assistance to their employees;

16 (b) The estimated cost of the credit under this section to the
17 state once implemented; and

18 (c) An implementation plan for the administration of the credit
19 under this section, including the creation of necessary physical or
20 electronic forms for eligible businesses claiming the credit.

1 (3) For purposes of this section, "child care assistance" means
2 the portion of the employee's salary or wage that is provided by the
3 employer to the employee to be used to offset the employee's expenses
4 related to child care, including tuition.

5 (4) This section expires January 1, 2034.

6 NEW SECTION. **Sec. 2.** (1) This section is the tax preference
7 performance statement for the tax preference contained in section 1,
8 chapter . . ., Laws of 2023 (section 1 of this act). This performance
9 statement is only intended to be used for subsequent evaluation of
10 the tax preference. It is not intended to create a private right of
11 action by any party or to be used to determine eligibility for
12 preferential tax treatment.

13 (2) The legislature categorizes this tax preference as one
14 intended to provide tax relief for certain businesses or individuals,
15 as indicated in RCW 82.32.808(2)(e).

16 (3) It is the legislature's specific public policy objective to
17 provide reduced tax liability for businesses that provide child care
18 assistance for employees.

19 (4) If a review finds that the tax preference increases the
20 number of businesses in the state that provide child care assistance
21 for employees by 15 percent, then the legislature intends to extend
22 the expiration date of this tax preference.

23 (5) In order to obtain the data necessary to perform the review
24 in subsection (4) of this section, the joint legislative audit and
25 review committee may refer to any data collected by the state.

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