

HB 187

Employer Tax Credit For Child Care

Sponsored by Representative Harrison

This bill will create a state income tax credit for any employer providing or subsidizing child care for its employees during their working hours. Care facilities must be licensed by the state and the credit will be equal to 50% of the qualified child care expenses. There will be a cap of \$50,000 per business. This state tax credit will have a sunset clause after five years.

- By partnering with private industry, the state would encourage investment into the child care sector that has reached market failure.
 - 16 states have established some form of an employer tax credit, which typically allows an employer to claim a tax credit for a percentage of the cost of an employee child care benefit.
- Businesses are struggling to retain and attract quality employees.
 - A tax incentive for those that subsidize child care costs will allow them to be competitive and retain working parents that would otherwise leave the workforce due to the high cost of care.
- Utah is currently the last state in the nation for accessibility of child care. ◦ Access to child care will be a driving force in sustaining Utah's economic growth.

Utah is experiencing a skilled workforce shortage. Child care is unaffordable and inaccessible and the child care sector has reached market failure. Creating this targeted tax incentive will help Utah businesses fill workforce gaps, help families who are struggling to pay high costs of care, and help child care providers with needed investment from businesses to increase quality.

Supporters:

- **Maxine Turner**, Board of Director, U.S. Chamber of Commerce; Former Chair of Small Business Council for U.S. Chamber; Small Business Owner
- **Salt Lake Chamber of Commerce**
- **South Valley Chamber of Commerce**
- **Silicon Slopes Commons**
- **Pat Jones**, Salt Lake Chamber of Commerce; Women's Leadership Institute
- **Alex Shootman**, President and CEO of Workfront
- **Steve Daly**, Executive Chairman of Ivanti; Silicon Slopes Public Policy Organizing Committee

HB 89

Workforce Development Incentives Amendments

Sponsored by Representative Harrison

This bill allows GOED to consider whether a company provides a working parent benefit to their workforce in awarding EDTIF incentives. It is not a mandatory component, but is something GOED could consider.

Such working parent benefits may include:

- Onsite or near site child care
- Child care subsidies
- Flexible work schedules
- Paid family leave
- Matched Flexible Spending Account for child care
- Partnership with a local child care provider to secure placement for children of employees

This bill encourages more private sector partners to offer some type of quality child care policy to their employees. This list of qualifying options is broad and flexible, providing discretion and flexibility to the private sector in return for supporting their workforce.

Supporters:

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Maxine Turner Letter of Support



CATERING & SPECIAL EVENTS

CUISINEUNLIMITED.COM

To: Utah State Legislature – Rev & Tax Committee

From: Maxine Turner, Founder
Cuisine Unlimited Catering & Special Events

Date: February 21, 2020

Subject: HB0187

As one of the fastest growing states in the country, the biggest challenge facing our small businesses is access to an educated workforce. As the former chair of the Small Business Council for the U.S. Chamber of Commerce, and a 40-year business owner, I experience every day the challenge of finding qualified people to hire for our growing company.

As we look for solutions, we turn to the importance of childcare and how it can play a vital roll in increasing our opportunities to hire people who desire to return to the workforce but face the dilemma of affordable and well-qualified childcare for their children. That is the **Number 1** reason a parent cannot return to the workforce. A tax credit to businesses of all sizes will bring to fruition what is a viable solution.

We ask for your help in growing our companies by providing this tax credit. It will help provide childcare that will attract vitally needed additions to the workforce.

Thank you.

Sincerely,

Maxine Turner, Founder

Rev & Tax Committee Hearing 2/21/2020

We frequently get asked about our desire to have investment incentives by our state government. I have long wanted an investment incentive around childcare.

Our company is in Lehi, which is known as the childcare desert because of the lack of childcare near our offices. We are not large enough as a company to open our own childcare center, but would like to provide benefits to our employees around childcare so that a local childcare could afford to invest in opening a facility or a number of facilities in Lehi that would give our employees the opportunity to have their children in a well-run facility that is near to them while they are at work.

Alex Shootman
CEO and President of Workfront



COMMONS

Support H.B. 89 & H.B. 187

Dear Members of the House Revenue and Taxation Committee,

The Silicon Slopes Commons Public Policy groups support both HB 89 and HB 187 sponsored by Representative Suzanne Harrison.

Silicon Slopes believes opportunity should be accessible to everyone. Our technology companies thrive when diverse talent stays and continues to enrich our ecosystem. We believe that strategic investments within our companies will create an inclusive atmosphere for further inspiration and growth in our community.

We believe that these bills allow us to attract and retain diverse talent, while giving respect to the deeply-seated family values our state holds so dear. By supporting working parents, and the companies that employ them, we are supporting each and every individual on their journey to economic success.

