



# House Bill 190 Child Care Business Tax Credit

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# The Problem

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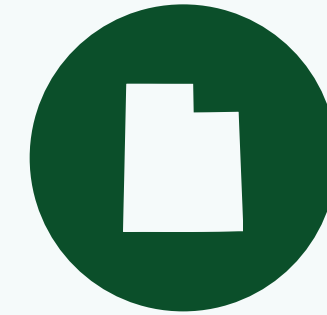
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**74%** of Utah parents w/ children under 6 say they need two incomes to cover household expenses.



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Utah families and employers lose **\$1.36B** annually when child care is unaffordable or unavailable.



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Licensed providers meet only 36% of child care demand, leaving **77%** of Utahns in child care deserts.

# The Solution

- Amend Utah's Employer Child Care Tax Credit to align with the newly enhanced federal Employer-Provided Child Care Tax Credit (HR1, Section 45F, Internal Revenue Code)
- By stacking state and federal credits, large employers can receive a tax credit of up to 50% and small businesses up to 80% for all qualified child care expenses paid on behalf of an employee.

	Federal Tax Credit	Proposed UT Tax Credit	Total Available Credit For UT Employers
<b>Small Employers</b> <i>5-year avg. gross receipts below \$31M</i>	50%	30%	<b>80%</b>
<b>Large Employers</b>	40%	10%	<b>50%</b>

# The Solution Continued

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## Qualified Expenditures:

- Construction/operating costs for employer-owned child care facilities
- Contracting with a qualified child care facility to provide care, including licensed residential care
- Contracting with an intermediary that partners with one or more qualified child care facilities

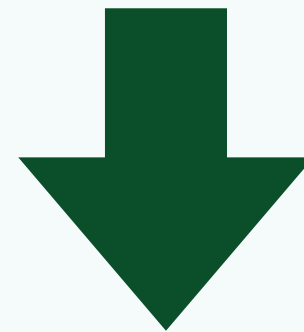


**Funding Needed: \$2.9 million ongoing**

# The Potential Impact

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Over **60% of St. George employers** and over **70% of Salt Lake City employers** said they would contribute to child care if a government match was available.



If just 5% of Utah employers participate, an estimated **110,610 working parents** could receive child care support.

# STORIES FROM ACROSS THE STATE

