



House Bill 190 Child Care Business Tax Credit

SPONSORS: REP JASON THOMPSON
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The Problem

FAMILIES

74% of Utah families need two incomes, & parents struggle to secure affordable, reliable child care.

THE ECONOMY

The Utah economy loses ~\$1.36B annually due to childcare issues.



BUSINESSES

Absences & employee turnover due to childcare cost Utah employers ~\$1.1B per year.

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
Small Employers <i>5-year avg. gross receipts below \$31M</i>	50%	30%	80%
Large Employers	40%	10%	50%

The Solution Continued

Qualified Expenditures:

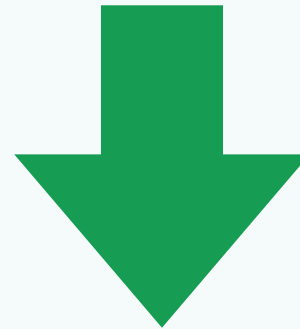
- Construction/operating costs for employer-owned child care facilities
- Contracting with a qualified child care facility to provide care
- Contracting with an intermediary that partners with one or more qualified child care facilities



Funding Needed: \$2.9 million ongoing

The Potential Impact

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.

AN EVEN BETTER UTAH FOR FAMILIES.

