

HB 1268 -- CHILD CARE DESERT TAX CREDIT

SPONSOR: Bangert

Beginning January 1, 2021, this bill establishes a tax credit for individuals who operate a child care facility in a child care desert. A child care desert is a ZIP code that has at least 30 children five years of age or younger and where the child care demand exceeds the child care capacity.

In areas where child care demand is at least three times greater than the child care capacity, a taxpayer can claim a tax credit equal to 25% of income from providing child care. In areas where child care demand is at least two times greater but less than three times than the child care capacity, a taxpayer can claim a tax credit equal to 15% of income from providing child care. In areas where child care demand is at least one time but less than two times the child care capacity, a taxpayer can claim a tax credit equal to 5% of income from providing child care.

A taxpayer cannot claim a tax credit for more than \$50,000 per year. The tax credit is nonrefundable and cannot be transferred, sold, or assigned.

The total amount of child care desert tax credits cannot exceed \$2 million per year.

The Department of Health and Senior Services must annually determine which areas are identified as a child care desert and notify the facilities of their qualification for a child care desert tax credit.

This bill sunsets on December 31, six years after the effective date.

This bill is the same as HB 57 (2019).