
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2267 Session of
2020

INTRODUCED BY CEPHAS, A. DAVIS, HARKINS, SOLOMON, FREEMAN,
ULLMAN, SCHLOSSBERG, MURT, KINSEY, KOSIEROWSKI, BURGOS,
STURLA, ZABEL, YOUNGBLOOD, HANBIDGE, KENYATTA, HILL-EVANS,
McCLINTON, DAWKINS, BULLOCK AND ROEBUCK, FEBRUARY 4, 2020

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 4, 2020

AN ACT

1 Providing for child care tax deferment.

2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Childcare
6 Advance Act.

7 Section 2. Definitions.

8 The following words and phrases when used in this act shall
9 have the meanings given to them in this section unless the
10 context clearly indicates otherwise:

11 "Department." The Department of Revenue of the Commonwealth.

12 Section 3. Deferred tax liability.

13 (a) General rule.--A taxpayer who, in a taxable year, has
14 employment-related expenses for child care for a dependent under
15 five years of age may defer payment of the taxpayer's income tax
16 liability for that taxable year by the amount of those expenses

1 but not to exceed \$2,000.

2 (b) Deferred tax liability.--

3 (1) Except as provided under paragraph (2), a taxpayer
4 who defers tax liability under subsection (a) shall be liable
5 once the taxpayer is no longer taking the deferral for the
6 full amount previously deferred divided into equal payments
7 over 10 years.

8 (2) In any future years in which the taxpayer takes the
9 deferral, the taxpayer is liable only for one-tenth of each
10 deferral taken five or more years prior until each of those
11 deferrals is repaid.

12 (3) A taxpayer shall not be liable for amounts
13 previously repaid.

14 (4) Repayment shall be made without interest.

15 (c) Notice.--At the end of each tax year, the department
16 shall notify each taxpayer who has deferred tax liability under
17 subsection (a) of the total amount of the deferred liability,
18 the tax year in which repayment shall begin and an estimate of
19 the amount for which the taxpayer shall be liable each year once
20 eligibility expires.

21 (d) Repayment.--Nothing in this section may prevent a
22 taxpayer from repaying accumulated liability earlier than the
23 schedule under subsection (b) or taking less than the total
24 amount allowable under subsection (a) in any tax year.

25 (e) Tax reciprocity.--A taxpayer that moves to a
26 jurisdiction that does not maintain tax reciprocity with this
27 Commonwealth shall be liable for the entire amount of deferred
28 tax liability for the tax year in which the change of residence
29 occurs and shall be directed to repay the liability through a
30 payment plan approved by the department.

1 (f) Repayment.--The department shall provide for the
2 repayment of deferrals under this section to be made through
3 payroll withholding and shall address repayment in cases of
4 divorce.

5 Section 4. Effective date.

6 This act shall take effect in 60 days.