

MEMO



DEC 07 2010

Senate of Pennsylvania

December 6, 2010

TO: ALL SENATORS
FROM: Stewart J. Greenleaf *Stewart*
SUBJECT: Cosponsorship -- Child-Care Tax Credit Act

I am reintroducing **Senate Bill 176**, amending the Tax Reform Code of 1971 (Act 2 of 1971) by adding an article entitled the Child-Care Tax Credit Act. The legislation gives employers a tax credit if they provide a workplace child-care program or provide financial support for an off-site child-care program.

The amount of the tax credit for the business that operates its own nonprofit child-care program will be equal to 100% of the net costs expended for the operation and maintenance of the child-care program. The amount of the tax credit available for a business that contributes to a child-care program not operated by the business will be equal to 100% of the contributions made by the business to the child-care program for children of the employees of the business.

The tax credit will be applied against certain State taxes. The Department of Revenue will promulgate regulations to implement the tax credit.

The tax credit is an incentive for businesses to operate their own nonprofit child-care programs and for businesses to make contributions to child-care programs for the children of their employees.

If you would like to cosponsor this legislation, please contact Pat Snively of my office by e-mailing her at psnively@pasen.gov.