

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 139 Session of
2007

INTRODUCED BY BISHOP, BLACKWELL, BOYD, BUXTON, CALTAGIRONE,
CARROLL, COHEN, CURRY, DeLUCA, DePASQUALE, FRANKEL, FREEMAN,
GEORGE, GINGRICH, GRUCELA, HENNESSEY, JAMES, KULA, MAHONEY,
MANDERINO, MANN, MELIO, M. O'BRIEN, PALLONE, PARKER, PETRONE,
PRESTON, RUBLEY, SAYLOR, SCAVELLO, STABACK, STERN, TANGRETTI,
J. TAYLOR, WALKO, WATSON, J. WHITE, WILLIAMS, YOUNGBLOOD,
MUNDY, BELFANTI AND REICHLEY, JANUARY 31, 2007

REFERRED TO COMMITTEE ON FINANCE, JANUARY 31, 2007

AN ACT

1 Providing for tax incentives for employers who provide child
2 day-care services for employees.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Employee
7 Child Day Care Tax Incentive Act.

8 Section 2. Definitions.

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

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

13 "Employee." An individual who provides services to another
14 person in return for compensation. The term includes an
15 independent contractor.

1 "Employee child day care." Care for a preschool child of an
2 employee during the working hours of the employee.

3 "Employer." A person who receives services from an
4 individual in return for compensation.

5 "Furnish employee child day care." To do any of the
6 following:

7 (1) Provide for employee child day care. This paragraph
8 is met regardless of whether the care is provided on the
9 premises of the employer.

10 (2) Reimburse an employee for any portion of the cost of
11 employee child day care.

12 Section 3. Tax credit.

13 (a) Eligibility.--An employer who furnishes employee child
14 day care is eligible for a tax credit under subsection (b) in
15 the amount of the employer's cost in furnishing employee child
16 day care.

17 (b) Use.--An employer who is eligible under subsection (a)
18 may utilize the tax credit as follows:

19 (1) If the employer is an individual, the credit is
20 available for the individual against the tax imposed under
21 Article III of the act of March 4, 1971 (P.L.6, No.2), known
22 as the Tax Reform Code of 1971.

23 (2) If the employer is a partnership or unincorporated
24 association, the credit is available on a pro rata basis for
25 each partner or member against the tax imposed under Article
26 III of the Tax Reform Code of 1971.

27 (3) If the employer is not subject to taxation under
28 Article III of the Tax Reform Code of 1971, the credit is
29 available against the applicable tax imposed by the Tax
30 Reform Code of 1971.

1 Section 4. Department.

2 The department shall promulgate regulations to administer
3 this act.

4 Section 5. Applicability.

5 This act shall apply to taxable years beginning after
6 December 31, 2006.

7 Section 6. Effective date.

8 This act shall take effect in 60 days.