
HOUSE BILL 1922

State of Washington

56th Legislature

1999 Regular Session

By Representatives Eickmeyer, Tokuda, D. Sommers, Dickerson, Rockefeller, Stensen, Wolfe, Lovick, Conway, Ogden, Lantz, McIntire, Santos, Kenney, Kessler, Edmonds and Morris

Read first time 02/10/1999. Referred to Committee on Children & Family Services.

1 AN ACT Relating to tax credits for employer-provided child care
2 benefits; adding a new section to chapter 82.04 RCW; and creating a new
3 section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that there is a
6 shortage of available quality child care because of a growing number of
7 working persons who need child care assistance. The legislature
8 further finds that the lack of affordable quality day care causes
9 problems for both employees and employers. The legislature further
10 finds that employer assistance with quality child care has advantages
11 for the employee through access to higher quality more stable child
12 care and parental choice and for the employer through lower
13 absenteeism, lower job turnover, and more productivity.

14 It is the intent of the legislature to provide tax credits to small
15 businesses, located in distressed areas, that provide employee child
16 care benefits to their employees.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
18 to read as follows:

1 (1) There may be deducted against the tax imposed by this chapter,
2 the value of state-approved, employer-provided child care benefits to
3 employees, for a small business that is located within an eligible
4 area.

5 (2) The credit allowed under this section is equal to one hundred
6 percent of the state-approved, employer-provided child care benefit to
7 the employee. The total credits allowed to all small businesses
8 claiming tax credits under this section may not exceed two million
9 dollars per biennium.

10 (3) Before claiming the credit under this section, a business must
11 obtain approval of the proposed child care benefit from the department
12 of social and health services. The employer's request for approval
13 must include a description of the child care benefit provided to the
14 employee and the cost of the proposed child care benefit to the
15 employer and employee, if applicable.

16 (4) As used in this section:

17 (a) "Child care benefit" means: (i) An employer-provided voucher
18 that can be used to pay part or all of the cost of day care or before-
19 and-after-school care in a state-approved and licensed facility; (ii)
20 the cost of construction of an employer-provided day care or before-
21 and-after-school care facility; or (iii) the cost of operation and
22 maintenance of an employer-provided day care or before-and-after-school
23 care facility;

24 (b) "Eligible area" has the same meaning as in RCW 82.62.010; and

25 (c) "Small business" means an entity subject to taxation under this
26 chapter and that has less than one hundred full-time employees. The
27 term "small business" also includes a consortium of two or more small
28 businesses.

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