
SENATE BILL 6137

State of Washington

54th Legislature

1996 Regular Session

By Senators Kohl, Long, Hargrove, Pelz, Thibaudeau, Rasmussen, Spanel, Snyder, Fraser, Wojahn, Heavey, Bauer, Quigley and McAuliffe

Read first time 01/08/96. Referred to Committee on Human Services & Corrections.

1 AN ACT Relating to economic incentives for employer-sponsored child
2 care benefits; adding a new section to chapter 82.04 RCW; creating a
3 new section; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the state's
6 children, parents, and employers would all benefit by the increased
7 availability of affordable, high-quality, child care services
8 throughout the state. The legislature finds that many employers are
9 inhibited in their ability to hire and retain quality workers who have
10 children in their home due to the high cost of child care. This impact
11 is especially great on small and medium-sized businesses for which it
12 is not feasible, nor affordable, to provide on-site child care
13 facilities. The legislature further finds that an increase in
14 affordable, high-quality child care will result in healthier and safer
15 environments for children, an increase in children's opportunities for
16 greater educational growth and development, and a more stable workplace
17 and increased employee productivity.

1 Based on these findings the legislature intends to modify the
2 state's public policy toward child care by providing economic
3 incentives to employers in order to:

4 (1) Assist their employees in obtaining affordable, high-quality
5 child care services;

6 (2) Promote the growth and development of employment opportunities;

7 (3) Increase the number of people who are able to leave public
8 assistance programs;

9 (4) Provide greater access to healthy and safe environments for
10 children whose parents are employed; and

11 (5) Ensure greater opportunities for educational growth of our
12 children.

13 The economic incentives to employers shall include tax credits for
14 on-site child care facilities and for child-care vouchers issued for
15 their employees' children.

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

18 In computing the tax imposed under this chapter, a credit shall be
19 granted against the amount of the tax otherwise due under this chapter
20 as follows: Equal to twenty-five percent of the amounts expended for
21 capital and operating expenditures made in providing child care in an
22 on-site facility for employees; and equal to fifty percent of the
23 amounts expended for the purchase of child-care services for employees
24 from other child-care providers.

25 This section shall not apply to expenditures: (1) That are
26 reimbursed by the employee or any third party; (2) for services
27 provided out-of-state; or (3) that are made under a salary reduction
28 plan pursuant to the internal revenue code, 26 U.S.C. Sec. 125.

29 The department shall adopt rules to administer this section.

30 NEW SECTION. **Sec. 3.** This act shall take effect January 1, 1997.

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