

**HOUSE . . . . . No. 2449**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Michelle M. DuBois***

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act providing tax credits to certain employers that provide affordable, on-site child-care for employees.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>	<i>1/18/2019</i>
<i>Michael D. Brady</i>	<i>Second Plymouth and Bristol</i>	<i>2/1/2019</i>
<i>Nika C. Elugardo</i>	<i>15th Suffolk</i>	<i>1/30/2019</i>
<i>José F. Tosado</i>	<i>9th Hampden</i>	<i>2/1/2019</i>

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By Ms. DuBois of Brockton, a petition (accompanied by bill, House, No. 2449) of Michelle M. DuBois and others relative to providing tax credits to certain employers that provide on-site child-care for employees. Revenue.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 3624 OF 2017-2018.]

**The Commonwealth of Massachusetts**

\_\_\_\_\_  
**In the One Hundred and Ninety-First General Court  
(2019-2020)**  
\_\_\_\_\_

An Act providing tax credits to certain employers that provide affordable, on-site child-care for employees.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 Chapter 63 of the General Laws is hereby amended by inserting after section 38FF the  
2 following section:-

3 Section 38GG. (a) There is hereby established a child care program tax credit. A  
4 business corporation organized under the laws of the commonwealth that implements a child  
5 care program in accordance with this section, by providing an affordable, on-site qualified child  
6 care center licensed by the department of early education and care for use by its employees shall  
7 be allowed a credit against its excise due under this chapter equal to 25 per cent of the qualified  
8 childcare expenditures associated with implementing the program, with a maximum credit of  
9 \$150,000 per business corporation in any 1 taxable year.

10 (b)The department of early education and care, hereinafter the department, shall  
11 determine the criteria for eligibility for the credit, such criteria to be set forth in regulations  
12 promulgated pursuant to this section. The regulations shall require proof of the business  
13 corporation’s existing, on-site qualified child care center for use by its employees. The  
14 department shall set criteria for qualification as affordable child care for purposes of this section,  
15 in consideration of the standard daily rates of child care in the commonwealth; provided that  
16 such criteria shall include restrictions on the costs a business corporation may charge an  
17 employee for participation in the child care program, in consideration of the salary of the  
18 employee and said criteria for affordability. The department shall issue a certification of  
19 eligibility to the taxpayer after the taxpayer submits documentation as required by the  
20 department.

21 (c) For purposes of this section, “qualified child care expenditures” shall include any  
22 amount paid or incurred by the taxpayer:

23 (i) to acquire, construct, rehabilitate, or expand property:

24 (A) to be used as part of a qualified child care center;

25 (B) with respect to which a deduction for depreciation or amortization in lieu of  
26 depreciation is allowable; and

27 (C) which does not constitute part of the principal residence of the taxpayer or any  
28 employee of the taxpayer;

29 (ii) for the operating costs of a qualified child care center, including costs related to the  
30 training and compensation of employees and to the providing of increased compensation to  
31 employees with higher levels of child care training, or

32 (iii) under a contract with a qualified child care center to provide on-site child care  
33 services to employees of the taxpayer.

34 The term “qualified child care expenditure” shall not include expenses in excess of the  
35 fair market value of such care.

36 (d) For purposes of this section, a “qualified child care center” means a facility:

37 (i) the principal use of which is to provide child care for the taxpayer’s employees; and

38 (ii) that is licensed as a child care center, and otherwise meets the requirements of all  
39 applicable laws and regulations of the state and municipality in which it is located.

40 (e) A facility shall not be treated as a qualified child care center with respect to a taxpayer  
41 unless:

42 (i) enrollment in the child care center is open to all employees of the taxpayer during the  
43 taxable year;

44 (ii) the use of such facility, or the eligibility to use such facility, does not discriminate in  
45 favor of employees of the taxpayer who are highly compensated employees; and

46 (iii) if the facility is the principal trade or business of the taxpayer, at least 30 per cent of  
47 the enrollees of such facility are dependents of employees of the taxpayer.

48 (f) In order to qualify as affordable child care pursuant to this section, the business  
49 corporation shall not charge participating employees more than the allowable cost for such child  
50 care as determined by the department pursuant to subsection (b).

51 (g) The credit allowed hereunder for any taxable year shall not reduce the excise to less  
52 than the amount due under subsection (b) of section 39, section 67 or any other applicable  
53 section. The limitation provided under section 32C shall also apply to any credit allowed  
54 hereunder.

55 (h) Child care program tax credits allowed to a business corporation under this section  
56 shall be allowed for the taxable year in which the program is implemented. A taxpayer allowed a  
57 credit under this section for a taxable year may carry over and apply against the taxpayer's tax  
58 liability in any of the succeeding 5 taxable years, the portion, as reduced from year to year, of  
59 those credits which exceed the tax for the taxable year.