HOUSE DOCKET, NO. 3361 FILED ON: 1/17/2025

HOUSE . . . . . No. 3265

The Commonwealth of Massachusetts

PRESENTED BY:

Andres X. Vargas and Alice Hanlon Peisch

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 to establish an employer-provided childcare tax credit pilot program.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Andres X. Vargas	*3rd Essex*	*1/17/2025*
Alice Hanlon Peisch	*14th Norfolk*	*1/17/2025*
Sal N. DiDomenico	*Middlesex and Suffolk*	*1/31/2025*

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HOUSE . . . . . No. 3265

By Representatives Vargas of Haverhill and Peisch of Wellesley, a petition (accompanied by bill, House, No. 3265) of Andres X. Vargas, Alice Hanlon Peisch and Sal N. DiDomenico for legislation to establish an employer-provided childcare tax credit pilot program. Revenue.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act to establish an employer-provided childcare tax credit pilot program.

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

SECTION 1. Chapter 62 of the General Laws is hereby amended by inserting after section 6N the following section:-

Section 6O. (a) For the purposes of this section, the following terms shall, unless the context clearly requires otherwise, have the following meanings:

"Child care service", a child care center, family child care home, group care facility or school-aged child care program, as defined in section 1A of chapter 15D, that is licensed by the department of early education and care pursuant to said chapter 15D.

"Qualifying employer", a corporate entity that has its principal place of business in the commonwealth.

(b) A qualifying employer that is not a corporation subject to the excise under chapter 63 shall be allowed a credit against the tax liability imposed by this chapter equal to 25 per cent of

the money it expended for child care services for its employees in a taxable year, with a maximum credit of $750,000 per qualifying employer in any 1 taxable year.

SECTION 2. Section 6O of said chapter 62 is hereby repealed.

SECTION 3. Chapter 63 of the General Laws is hereby amended by inserting after section 31N the following section:-

Section 31O. (a) For the purposes of this section, the following terms shall, unless the context clearly requires otherwise, have the following meanings:

"Child care service", a child care center, family child care home, group care facility or school-aged child care program, as defined in section 1A of chapter 15D, that is licensed by the department of early education and care pursuant to said chapter 15D.

"Qualifying business corporation", a corporate entity that has its principal place of business in the commonwealth..

(b) A qualifying corporation engaged in business in the commonwealth shall be allowed a credit against its excise due under this chapter in an amount equal to 25 per cent of the money it expended for child care services for its employees in a taxable year, with a maximum credit of $750,000 per business corporation in any 1 taxable year.

(c) The executive office of economic development shall create a plan to establish a technical assistance infrastructure to promote and support access by qualifying corporations, including but not limited to those with fewer than 1,000 employees, to the employer-provided childcare tax credit pilot program, and submit those in a report to the house committee on ways

and means, senate committee on ways and means, and the joint committee on economic development and emerging technologies no later than November 1, 2025.

(d) The executive office of economic development, in partnership with the Department of Revenue, shall annually conduct a study of the employer-provided childcare tax credit pilot program, including: (i) industry sector, geographic region, number of employees, for-profit or nonprofit corporation status, and workforce impact for participating corporations; (ii) opportunities to improve and enhance impact; and, (iii) potential uptake and cost projections to inform program operations and potential expansion. Study findings shall be submitted no later than January 15 of the first year after enactment of this section and no later than November 15 of any year thereafter to the house committee on ways and means, senate committee on ways and means, and joint committee on economic development and emerging technologies.

(e) The employer-provided childcare tax credit pilot shall receive funding up to $10,000,000 and renewed or adjusted subjected to appropriation.

SECTION 4. Section 31O of said chapter 63 of the General Laws is hereby repealed.

SECTION 5. Sections 2 and 4 shall take effect on June 30, 2027