

HOUSE No. 2968

The Commonwealth of Massachusetts

PRESENTED BY:

Andres X. Vargas

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 incentivize employer-provided childcare.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Andres X. Vargas</i>	<i>3rd Essex</i>	<i>1/9/2023</i>

HOUSE No. 2968

By Representative Vargas of Haverhill, a petition (accompanied by bill, House, No. 2968) of Andres X. Vargas relative to employer-provided childcare tax credits. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act to incentivize employer-provided childcare.

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

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

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

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

8 “Qualifying employer”, a small or medium-sized business entity that has: (i) its principal
9 place of business in the commonwealth; and (ii) fewer than 1,000 employees.

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

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

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 Section 6O of said chapter 62 is hereby repealed.

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

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

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

22 “Qualifying business corporation”, a small or medium-sized business corporation that
23 has: (i) its principal place of business in the commonwealth; and (ii) fewer than 1,000
24 employees.

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

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

30 SECTION 5. Sections 2 and 4 shall take effect on June 30, 2028.