

SENATE BILL NO. 199

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY SENATOR MCGUIRE

Introduced: 2/24/14

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act providing a tax credit to an employer for expenses related to child care for an**
2 **employee; and relating to the child care facility revolving loan fund."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 43.98 is amended by adding a new section to article 3 to read:

5 **Sec. 43.98.035. Employer's child care expenditure tax credit.** (a) An
6 employer may apply a tax credit against a tax due under this title for expenditures
7 related to child care for an employee as provided in this section. For each calendar
8 year, the credit under this section may not exceed the lesser of \$2,500 for each
9 employee for whom the employer makes an eligible child care expenditure or 50
10 percent of the eligible child care expenditure made by the employer for each employee
11 for whom the expenditure is made.

12 (b) The credit under this section may not reduce an employer's tax liability for
13 a tax imposed under this title to below zero for any tax year. An unused credit or
14 portion of a credit not used under this section for a calendar year may be carried

1 forward and applied in a subsequent calendar year.

2 (c) An eligible child care expenditure is an expenditure by the employer that is
3 related to

4 (1) child care for the child of an employee for the cost of

5 (A) child care that is provided by a person other than the
6 employer or employee;

7 (B) child care that is provided by a person designated by an
8 employee who is not the employer or an employee of the employer;

9 (C) a voucher for child care provided to an employee for the
10 child of the employee;

11 (2) a contract for providing child care resources and referral services
12 for an employee with a child.

13 (d) At the time an employer claims a credit under this section, the employer
14 shall provide a written statement

15 (1) identifying each employee for whom an eligible child care
16 expenditure is made;

17 (2) identifying each person receiving from the employer a payment
18 that the employer claims as an eligible child care expenditure;

19 (3) stating the amount of eligible child care expenditures the employer
20 paid for each employee for whom an eligible child care expenditure is made;

21 (4) containing other information required by the department.

22 (e) The department may adopt regulations necessary to administer the credit
23 provided by this section.

24 * **Sec. 2.** AS 44.33.255(a) is amended to read:

25 (a) A loan to a child care facility under AS 44.33.240 - 44.33.275 may not
26 exceed **\$100,000** [~~\$50,000~~].

27 * **Sec. 3.** AS 44.33.260 is amended by adding a new subsection to read:

28 (b) a child care facility may use the proceeds of a loan received under
29 AS 44.33.240 - 44.33.275

30 (1) to modify a publicly or privately owned building for the purpose of
31 providing child care;

- 1 (2) to modify an existing child care facility;
- 2 (3) to construct a new child care facility;
- 3 (4) for other purposes related to a child care facility identified in a
- 4 regulation adopted by the department.