



General Assembly

February Session, 2020

***Raised Bill No. 282***

LCO No. 1659



Referred to Committee on COMMITTEE ON CHILDREN

Introduced by:  
(KID)

***AN ACT ESTABLISHING A TAX CREDIT FOR EMPLOYERS THAT  
MAKE PAYMENTS TOWARD CHILD CARE COSTS OF EMPLOYEES.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2020, and applicable to income years*  
2 *commencing on or after January 1, 2021*) (a) As used in this section:

3 (1) "Eligible child care cost" means the expense incurred by a qualified  
4 employee for child care services provided by a child care center or group  
5 child care home, as such terms are described in section 19a-77 of the  
6 general statutes; and

7 (2) "Qualified employee" means any person who works and resides  
8 in the state.

9 (b) (1) For income years commencing on or after January 1, 2021, an  
10 employer that makes a payment to or on behalf of a qualified employee  
11 for an eligible child care cost of such qualified employee may claim a  
12 credit against the tax imposed under chapter 207 or 208 of the general  
13 statutes. Such credit shall be equal to fifty per cent of the amount of the  
14 payment made during the income year by such employer for an eligible

15 child care cost and shall not exceed two thousand five hundred dollars  
16 for each qualified employee for whom such employer makes such  
17 payment. An employer claiming a credit under this section shall not  
18 claim any other credit against the employer's tax liability under any  
19 provision of the general statutes for the same payment of an eligible  
20 child care cost.

21 (2) An employer may claim the credit under subdivision (1) of this  
22 subsection for a payment made during the part of the income year that  
23 the qualified employee worked and resided in the state, provided a  
24 qualified employee who worked and resided in the state for any part of  
25 a month shall be deemed to have worked and resided in the state for the  
26 entire month.

27 (c) An employer that claims the credit under subsection (b) of this  
28 section shall provide any documentation required by the Commissioner  
29 of Revenue Services in a form and manner prescribed by the  
30 commissioner.

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| This act shall take effect as follows and shall amend the following sections: |  |             |
| Section 1   | <i>July 1, 2020, and applicable to income years commencing on or after January 1, 2021</i> | New section |

**Statement of Purpose:**

To provide a tax credit to employers that make payments for the child care costs of employees who reside in the state.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*