

One Hundred Eighth Legislature - First Session - 2023

Introducer's Statement of Intent

LB318

Chairperson: Senator Lou Ann Linehan

Committee: Revenue

Date of Hearing: February 08, 2023

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB318 establishes the Child Care Tax Credit. A refundable tax credit ranging from \$1,000 to \$5,000 per child for child care expenses would be available based on household income.

LB318 creates a tiered nonrefundable tax credit available for taxpayers making a qualifying contribution to promote or enhance quality early childhood education, equal to either fifty percent or seventy-five percent of the taxpayer's qualifying contribution made during the taxable year. A fifty percent nonrefundable tax credit would apply to any qualifying contribution and a seventy-five percent nonrefundable tax credit would apply to an eligible program that participates in the child care subsidy program or is located in an opportunity zone.

LB318 reauthorizes and makes changes to the School Readiness Tax Credit. A refundable tax credit ranging from \$1,200 to \$3,200 available for child care employees that have worked for an eligible child care program for at least six months and are classified in the Nebraska Early Childhood Professional Record System. A nonrefundable tax credit ranging from \$750 to \$1,500 would be available for child care providers which serve children who participate in the child care subsidy program

Principal Introducer: _____

Senator Eliot Bostar