

# ASSEMBLY WOMEN AND CHILDREN COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 1469**

with committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 9, 2022

The Assembly Women and Children Committee reports favorably Assembly Bill No. 1469, with committee amendments.

As amended by the committee, this bill allows a gross income tax credit for staff members employed by a licensed child care provider who directly supervises children and for registered family day care providers who, as applicable, have been employed by a child care provider or worked as a registered family day care provider for a continuous six month period during the taxable year.

The credit amount varies depending on the staff member's or registered family day care provider's income: (1) for incomes of less than \$25,000, the amount of the credit will be equal to \$1,000 for providing child care services to children 30 months of age or older, and \$1,500 for providing child care services to children from birth to the age of 30 months; (2) for incomes between \$25,000 and \$35,000, the amount of the credit will be equal to \$750 for providing child care services to children 30 months of age or older, and \$1,000 for providing child care services to children from birth to the age of 30 months; and (3) for incomes between \$35,001 and \$45,000, the amount of the credit will be equal to \$500 for providing child care services to children 30 months of age or older, and \$750 for providing child care services to children from birth to the age of 30 months.

For staff members working for a child care provider who directly supervise children and for registered family day care providers who provide child care services to children from birth to the age of 30 months, the tax credit will only apply if the staff member or family day care provider spends at least 50 percent of the staff member's or family day care provider's employment time providing such services.

For staff members and registered family day care providers with less than \$45,000 of gross income, the credit is refundable: if the staff member or provider has no tax liability to against which the credit may be applied, the staff member or provider will receive the remaining credit amount from the State in cash. For a staff member or provider with an income of \$45,000, any remaining credit may

be carried forward to the next taxable year, but may not be carried forward beyond that.

The credit allowed by this bill cannot be taken into account as income or receipts for the purposes of determining the eligibility of a taxpayer for benefits or assistance or for the purposes of determining the amount or extent of benefits or assistance under any State benefits or assistance program, including programs financed in whole or in part with federal funds.

This bill was pre-filed for introduction for 2022-2023 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amendments require registered family day care providers to work for a continuous six month period in order to receive the tax credit, instead of a minimum of 1,260 hours for a six month period as originally provided in the bill.

The committee amendments make various technical changes concerning grammar and formatting.