



To Lead, Advocate and Connect as the Voice of Business

Senate Bill 870: Income Tax - Child and Dependent Care Tax Credit - Alterations

Budget and Tax

February 27, 2019

SUPPORT

Senate Bill 870 adds \$20 million to the state's budget for child care tax credits to expand access to the program. This legislation increases the maximum income limits on eligibility for a tax credit against State income tax for certain expenses.

A world-class workforce begins with a world-class education system and child care. The path to that education starts with a solid foundation constructed in the first years of life. Investments in high-quality early childhood education and care support our current workforce (working parents) and strengthen business today while building the workforce we'll depend on tomorrow and for decades to come.

The lack of access to quality and affordable childcare is a significant barrier that limits the supply of talent and, companies that take an active role in helping their employees secure these services generate billions of dollars a year in revenue due to increased workforce participation.

There is \$3 billion in revenue lost annually due to employee absenteeism as the result of childcare breakdowns. Continuing, turnover as a result of lack of childcare costs businesses 20% of an hourly employee's salary and up to 150% of a manager's salary. MCCC members operate in a competitive regional market. Attracting and retaining the best talent is critical to the ongoing growth and success of their enterprise. In a region like Montgomery County, the cost of child care is a huge burden for families with young children.

For these reasons, **we request Senate Bill 870 be given a favorable report.**

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our nearly 500 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.