



# 130th MAINE LEGISLATURE

LD 1678

LR 718(02)

## An Act To Support Child Care Providers and School Readiness through Tax Credits

### Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$325,669	\$28,003,198	\$28,251,106
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$325,669	\$690,698	\$607,056
<b>Revenue</b>				
General Fund	\$0	\$0	(\$27,312,500)	(\$27,644,050)
Other Special Revenue Funds	\$0	\$0	(\$1,437,500)	(\$1,454,950)

### Fiscal Detail and Notes

The bill includes General Fund appropriations to the Department of Health and Human Services of \$325,669 in fiscal year 2022-23 for 3 Management Analyst II positions and one Social Services Manager I position to capture data, verify provider eligibility in the Child Care Subsidy Program, determine provider eligibility based on foster care status, provide technical assistance for providers and to update an existing contract to expand the credential repository to include quality standards for infants, toddlers and school age kids.

The bill provides tax credits to child care providers, educators, administrators and other professional support staff and amends the current income tax credit for child care expenses and will result in a reduction in General Fund revenue of \$27,312,500 in fiscal year 2023-24 and \$27,644,050 in fiscal year 2024-25. It will also result in a reduction in Local Government Fund revenue of \$1,437,500 in fiscal year 2023-24 and \$1,454,950 in fiscal year 2024-25.

The Department of Administrative and Financial Services will require a General Fund appropriation of \$200,000 in fiscal year 2023-24 and \$102,720 in fiscal year 2024-25 for one Tax Examiner II position, computer programming and related administrative costs to revise income tax filings and schedules, provide taxpayer assistance and audit affected returns. Any additional costs to the Office of Program Evaluation and Government Accountability are expected to be minor and can be absorbed within existing budgeted resources.