

June 6, 2023

Representative Mark J. Cusack, House Chair
Joint Committee on Revenue
State House, Room 34
Boston, MA 02133

Senator Susan Moran, Senate Chair
Joint Committee on Revenue
State House, Room 506
Boston, MA 02133

Dear Chairs,

On behalf of the Greater Boston Chamber of Commerce and our 1,200 members, I write to support H.2779, *An Act providing tax credits to certain employers that provide affordable, on-site child-care for employees*, introduced by Representative DuBois. This tax credit, which would closely align the state with the federal Employer-Provided Child Care Credit, will further encourage the use of on-site childcare and improve access to affordable care.

This proposal would create an employer tax credit equal to 25 percent of qualified childcare expenditures, with a maximum credit of \$150,000 per year, for employers that provide on-site childcare services. This tax credit has macroeconomic benefits: affordable, on-site childcare can allow parents to be in the workforce and grow the region's supply of available workers.

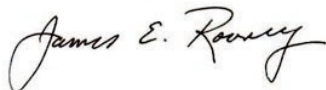
Trends show access to child care facilities has not improved in Massachusetts in recent years. Since 2019, the number of licensed child care centers has remained relatively flat, dropping from 2,093 centers in 2019 to 2,084 in 2022. The number of licensed family child care homes has decreased from 5,255 centers in 2019 to 4,872 centers in 2022.¹ Overall, parents have less child care options than they did pre-pandemic. Difficulty finding adequate, high quality child care prevents worker participation in the labor market, particularly for women, at a time when employers are struggling to hire skilled workers across many industries.

Implementing an on-site child care tax credit is part of the solution for increasing child care options for working parents. Massachusetts has among the highest cost in the United States for child care with a cost of over \$24,000 in 2022 for an infant in center-based care.² This is up from \$20,880 in 2019.³ An on-site child care tax credit can incentivize employers to offer child care solutions for their workforce in order to recruit and retain talent while expanding access and affordability for all residents.

On-site employer child care services is one tool that offers employees convenient solution to their child care needs that matches with their work location. H.2779 would help employers add this benefit to their portfolio and we strongly urge the Committee to advance this piece of legislation.

Thank you for your consideration of this testimony and please contact me if you have any questions.

Sincerely,



James E. Rooney
President and CEO

Cc: Members of the Joint Committee on Revenue

¹ Child Care Aware of America, *2022 Child Care Supply: State Trends: Massachusetts*. <https://www.childcareaware.org/catalyzing-growth-using-data-to-change-child-care-2022/#LandscapeAnalysis>

² Child Care Aware of America, *2022 Child Care Affordability Analysis, 2022 Ranking of Least Affordable Center-Based Infant Care*. https://info.childcareaware.org/hubfs/2022_CC_Afford_Analysis.pdf

³ Child Care Aware of America, *The U.S. and the High Price of Child Care: 2019*, <https://www.childcareaware.org/our-issues/research/the-us-and-the-high-price-of-child-care-2019/>