

HB 932 -- TAX CREDIT FOR STAY-AT-HOME PARENTS

SPONSOR: Grill

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Tax Reform by a vote of 9 to 0.

This bill authorizes the Motherhood/Fatherhood Stay-at-home Tax Credit for a parent who stays at home to provide care for a child up to 24 months of age. Any married parent who was gainfully employed before the birth or adoption of a child whose annual salary was less than \$100,000 is eligible for a tax credit equal to 25% of the stay-at-home parent's annual salary in the year before choosing to become a stay-at-home parent. The tax credit cannot be refunded, transferred, sold, or assigned but can be carried forward up to three years. The annual cumulative amount of credits issued may not exceed \$2 million. The Department of Revenue will establish rules to implement the provisions of the bill.

The provisions of the bill will expire on December 31 six years after the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$1,691,278 in FY 2008, \$1,692,248 in FY 2009, and \$1,693,216 in FY 2010. No impact on Other State Funds in FY 2008, FY 2009, and FY 2010.

PROPONENTS: Supporters say that the bill will strengthen the family unit by assisting a parent who stays home with a newborn child. Giving parents a tax credit can lead to more parents having an active role in parenting, which will benefit the family unit and the entire community. Parenthood is a privilege, and raising and educating our children should be one of our top priorities as a society. Allowing fathers to take advantage of this unique opportunity will be very beneficial.

Testifying for the bill were Representative Grill; Monica Viet; Stacie Wilson; and Doug Wilson.

OPPONENTS: There was no opposition voiced to the committee.