

HCS HB 2156 -- MOTHERHOOD/FATHERHOOD STAY-AT-HOME TAX CREDIT

SPONSOR: Richard (Grill)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Job Creation and Economic Development by a vote of 10 to 1.

Beginning January 1, 2008, this substitute authorizes the Motherhood/Fatherhood Stay-at-Home tax credit for a married parent who stays at home to provide care for her/his dependent 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 in the year before choosing to become a stay-at-home parent is eligible for the tax credit. The credit will be 25% of the stay-at-home parent's annual salary if the salary is \$35,000 or less, 20% if the annual salary is between \$35,000 and \$70,000, or 15% if the annual salary is between \$70,000 and \$100,000. 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 provisions of the substitute will expire December 31 six years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$2,066,052 in FY 2009, \$2,068,303 in FY 2010, and \$2,070,353 in FY 2011. No impact on Other State Funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that the tax credit will encourage more parents to stay home with their children during these developmentally important months.

Testifying for the bill was Representative Grill.

OPPOSERS: There was no opposition voiced to the committee.