

FAMILY FRIENDLY WORKPLACE

SUPPORT
CHILD
CARE

INCREASE
WORK
PRODUCTIVITY

SAVE
ON INCOME
TAXES

Kansas Child Day Care Assistance Tax Credit

The State of Kansas incentivizes corporations to help cover the cost of child care because child care facilitates employment.



BUSINESS BENEFITS

- Improves recruitment and retention
- Improves work performance
- Improves health



ksrevenue.org/prtaxcredits-daycare.html

**KIDS ARE GOOD
BUSINESS**

FAMILY FRIENDLY WORKPLACE

INFORMATION FOR EMPLOYERS

KANSAS
POWER
of the Positive



KANSAS CHILD DAY CARE ASSISTANCE TAX CREDIT

The Child Day Care Assistance Tax Credit is designed to encourage businesses to purchase or provide child care services for their employees' children. A **C Corporation** which provides this service is entitled to a credit against their income tax or privilege tax liability. "Expanding opportunities for Kansans to gain employment by removing barriers is a win-win for the business community and the state's workforce. Increasing the number of available workers in the state will also make Kansas an attractive state to relocate or grow a business. We often hear from employers and employees, alike, that finding quality access to childcare is a significant impediment to entering, reentering or staying in the workforce." Greater Kansas City Chamber of Commerce

QUALIFIED EXPENSES FOR THE CHILD DAY CARE ASSISTANCE TAX CREDIT

- Paying for child care services for employees' children
- Providing a facility and equipment for child care services for employees' children
- Assisting in locating child care services for employees' children

One option to consider is using a Dependent Care Flexible Spending Account. Did you know your company is allowed to make contributions too? Here is an example of the savings your company realizes when the employee and your company both contribute to the employee's Dependent Care FSA:

- The State of Kansas covers 30% of your company's contribution
- Your company avoids 7.65% payroll taxes on the employee's contribution

IMPROVE WORK PRODUCTIVITY

According to the Economic Policy Institute, child care is unaffordable for the typical Kansas family.¹ A federal work life study reports that working parents have difficulty paying for child care even when their income level doesn't qualify them for a subsidy program. The study also shows that when workplaces help employees with dependent care, employees report

- Increased desire to stay
- Improved performance
- Improved health
- Improved morale
- Helped to better manage stress²

"Expanding opportunities for Kansans to gain employment by removing barriers is a win-win..." Greater Kansas City Chamber of Commerce

CHILD CARE MATTERS

Over 19,000 Kansas parents of children age 5 and younger had to quit a job, not take a job, or greatly change their job because of problems with child care.³

KIDS ARE GOOD BUSINESS

Employees that have taken the Kansas Kids Are Good Business survey rated extremely important:

- The ability to bring my children to onsite child care
- Having subsidized child care costs as part of the employee benefits package
- Employer provided flexible spending accounts that allow tax free income to be spent on child care

Is it important to your employees? You can ask them using the Kids Are Good Business Survey at familyfriendlyks.org.

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SOURCES

¹ Economic Policy Institute, The Cost of Child Care in Kansas

² U.S. Office of Personnel Management, Federal Work-Life Survey Governmentwide Report, March 2018

³ 2017-2018 National Survey of Children's Health