



House Bill 190 – Child Care Tax Credit
Sectional Analysis (34-GH1029\A)

Sections 1 and 2: Removes and reinstates tax incentives for employer-supported child care programs.

Section 3: Increases the total amount of tax credits from \$3,000,000 to \$10,000,000.

Section 4 and 5: Removes and reinstates taxpayer credit for expenditures made to operate a child care facility for the children of the taxpayer's employees, contributions to a nonprofit corporation child care facility attended by one or more children of the taxpayer's employees, and payments to an employee of the taxpayer made by the taxpayer for the purpose of offsetting the employee's child care costs incurred in state.

Section 6: Increases tax payer credit limit from \$3,000,000 to \$10,000,000.

Section 7 and 8: Aligns tax incentives for employer-supported child care programs for producers of oil or gas.

Section 9: Increases tax credit limit from \$3,000,000 to \$10,000,000 for producers of oil or gas.

Section 10 and 11: Aligns tax incentives for employer-supported child care programs for property owners.

Section 12: Increases tax credit limit from \$3,000,000 to \$10,000,000 for property owners.

Section 13 and 14: Aligns tax incentives for employer-supported child care programs for persons engaged in the business of mining.

Section 15: Increases tax credit limit from \$3,000,000 to \$10,000,000 for persons engaged in the business of mining.

Section 16 and 17: Aligns tax incentives for employer-supported child care programs for persons engaged in a fisheries business.

Section 18: Increases tax credit limit from \$3,000,000 to \$10,000,000 for persons engaged in a fisheries business.

Section 19 and 20: Aligns tax incentives for employer-supported child care programs for persons engaged in a floating fisheries business.

Section 21: Increases tax credit limit from \$3,000,000 to \$10,000,000 for persons engaged in a floating fisheries business.

Section 22, 23, 24, 25: Updates terminology from “day care” to “child care.”

Section 26 and 27: Updates terminology from “day care” to “child care.” Removes requirement to expand family child care assistance eligibility up to 105 percent and removes the establishment of a program to partner with private sector entities to create incentives for employer to develop on-site or near site child care.

Section 28, 29, 30, 31, 32, 33: Updates terminology from “day care” to “child care.”

Section 33: Adds new language to establish an option for a family to be exempt from income eligibility requirements.

Section 34 and 35: Updates terminology from “day care” to “child care.” Removes requirement to limit child care contributions to seven percent of the family monthly income.

Section 36 and 37: Updates terminology from “day care” to “child care.”

Section 38: Adds a new subsection that allows for use of a market rate study or cost of care study, or both, to establish subsidy rates.

Section 39: Updates terminology from “day care” to “child care.” Removes requirement for Child Care Grant providers to be designated as a quality child care facility.

Section 40: Updates terminology from “day care” to “child care.”

Section 41: Updates terminology from “day care” to “child care.” Removes the requirement for Child Care Grant providers to give priority to children from low-income families when filling available child care spaces in the facility and addresses this in section 42.

Section 42: Removes the 15 percent or one child requirement and establishes priority for all children participating in childcare assistance under AS 47.25.001-47.25.095 when filling

available childcare spaces in the facility. Removes the “pay for care based on attendance” language, aligning with new federal requirements for payment based on enrollment.

Section 43 and 44: Amends requirement for the department to, in consultation with “interested child care providers,” to consultation with a “child care resource and referral agency in the state” and parents, to adopt necessary regulations.

Section 45: Adds a new subsection to provide for, subject to appropriations, grants to the highest performing and highest quality child care facilities in the state. Adds a new subsection to preclude child care facilities receiving a grant from denying a child acceptance to the facility based on disability or socioeconomic status.

Section 46 and 47: Amends the definition of “child care facility.”

Section 48 and 49: Amends the definition of “child care.”

Section 50: Repeals certain statutes that are revised with this legislation.

Section 51: Directs the Department of Health to amend and submit the state plan for the federal Child Care and Development Fund (CCDF) to ensure compliance with Section 38 of the Act.

Section 52: Specifies conditional effect of Section 38 if the U.S. Department of Health and Human Services approves the corresponding state plan amendment, or determines approval is not needed, on or before January 1, 2027.

Section 53: Establishes Section 38 effective date as the day after federal approval is granted.

Section 54: Declares that all provisions, except as provided in section 53, take effect immediately under AS 01.10.070(c).