

# FISCAL NOTE

June 12, 2023

<b>Bill No:</b>	HB 1259	<b>Printer's No:</b>	1369	<b>Sponsor:</b>	Davis, Tina
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## COST / (SAVINGS)

Fund (s)	2022-23	2023-24
General Fund	\$0	\$97.5 million

**SUMMARY:** This bill amends the Tax Reform Code, in Pennsylvania Child and Dependent Care Enhancement Tax Credit Program, further providing for credit for child and dependent care employment-related expenses.

**ANALYSIS:** HB 1259 increases the credit for child and dependent care employment-related expenses.

Expense Cap Changes					
	2023	2024	2025	2026	2027
Percentage of expenses	30 percent	35 percent	40 percent	45 percent	50 percent
One qualifying individual	\$3,000	\$3,500	\$4,000	\$4,500	\$5,000
Two+ qualifying individuals	\$6,000	\$7,000	\$8,000	\$9,000	\$10,000

**FISCAL IMPACT:** HB 1259 carries a fiscal impact of \$97.5 million in Fiscal Year 2023-24 and \$179.6 million in FY 2024-25 in reduced Personal Income Tax revenue. Estimates are based on 287,711 returns impacted by the credit and expense exclusion in tax year 2019.

	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Fiscal Impact	\$0	\$97.5 million	\$179.6 million	\$232.4 million	\$290.7 million	\$354.6 million