EMPLOYER CHILD CARE CONTRIBUTION TAX CREDIT PROGRAM
APPLICATION INSTRUCTIONS

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Section I - Introduction

The Commonwealth of Pennsylvania, via the Pennsylvania Department of Revenue (referred to as the "Department"), oversees the Employer Child Care Contribution Tax Credit program, commonly known as the "Child Care Contribution tax credit program." This program was established under Act 56 of 2024, which revised Article XIX-K of the Tax Reform Code of 1971. The program enables employers to receive tax credits that can be applied against their state tax obligations when they provide contributions toward an employee's eligible child-care costs.

The program enables employers to receive tax credits that can be applied against their state tax obligations when they provide contributions toward an employee's eligible child-care costs. The Credit is equal to 30% of the contribution to Child Care Providers, with a contribution limit of $500.00 per employee per year. If $500.00 is contributed per employee, a $150.00 per employee credit may be awarded.

Section II - Program Eligibility

Employers who provide contributions toward an employee's eligible child-care costs may qualify for a tax credit amounting to 30% of the employer's contributions. This credit is limited to a maximum of $500 contribution per employee annually.

To be eligible to participate in the Child Care Contribution tax credit program, the employer must meet the following criteria:

1. Must be an entity subject to Pennsylvania Personal Income Tax, Corporate Net Income Tax, Bank Shares Tax, Title Insurance Company Shares Tax, Insurance Premiums Tax, or Mutual Thrifts Tax.

2. Must employ at least 1 employee and collect and remit Pennsylvania Employer Withholding Tax.

3. Must be able to provide evidence that the matching contribution was offered to all employees, so that each employee has equal opportunity to receive a matching contribution from the employer.

4. The employer must keep copies of the agreements to opt in or opt out of the contribution program offered by the employer for purposes of obtaining tax credits under the Child Care Contribution tax credit program.

5. Must be able to provide evidence of contributions during the tax year to Child Care Provider Organizations on an individual employee basis for those employees who have chosen to participate in the employer-sponsored benefit. Contributions may only be evaluated for tax credits for Child Care Provider Organizations, registered under the Department of Human Services (DHS), that hold an active certification with good standing through the Bureau of Certification Services. The current list of qualified organizations can be found at:
   - www.compass.dhs.pa.gov/providersearch/#/childcareprovidersearch.

- Evidence must include bank transmittals or other evidence showing each contribution to each Child Care Provider Organization.
- Evidence must include Official documentation from each Child Care Provider Organization validating receipt of the contributions.

6. Must be in state tax compliance as determined by the Department of Revenue.

    - State Tax Compliance requires the applicant, shareholders, members and partners of the applicant to have filed all required state tax reports and returns for all applicable taxable years and paid any balance of state tax due as determined at settlement or assessment by the Department of Revenue, unless the tax due is under appeal at the time the finding was made by the Department of Revenue

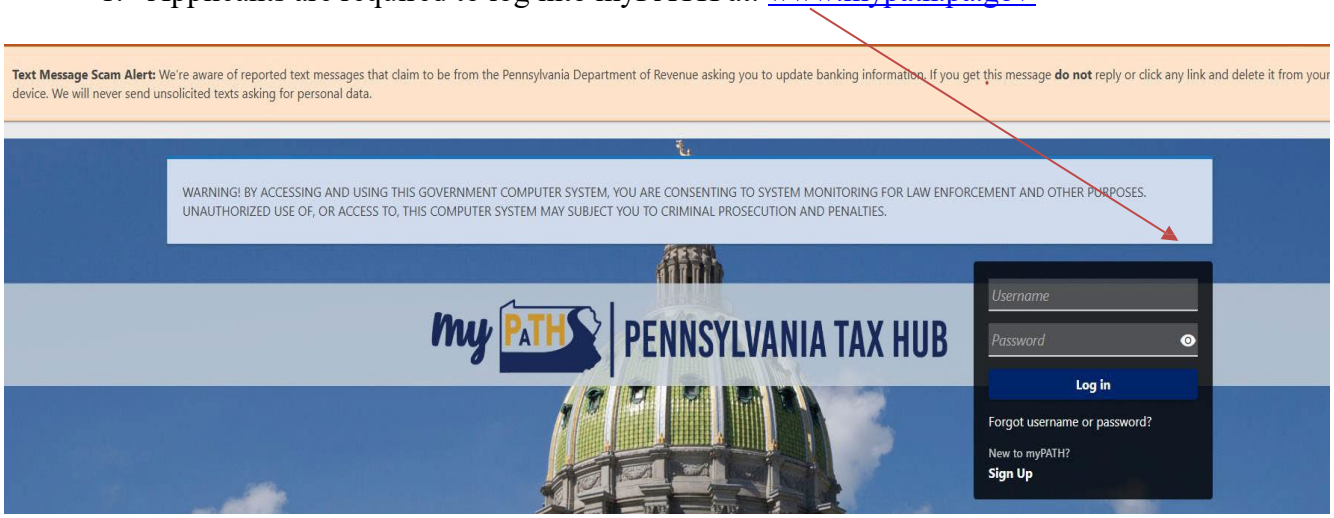
Section III – Application Deadline

Application Deadline

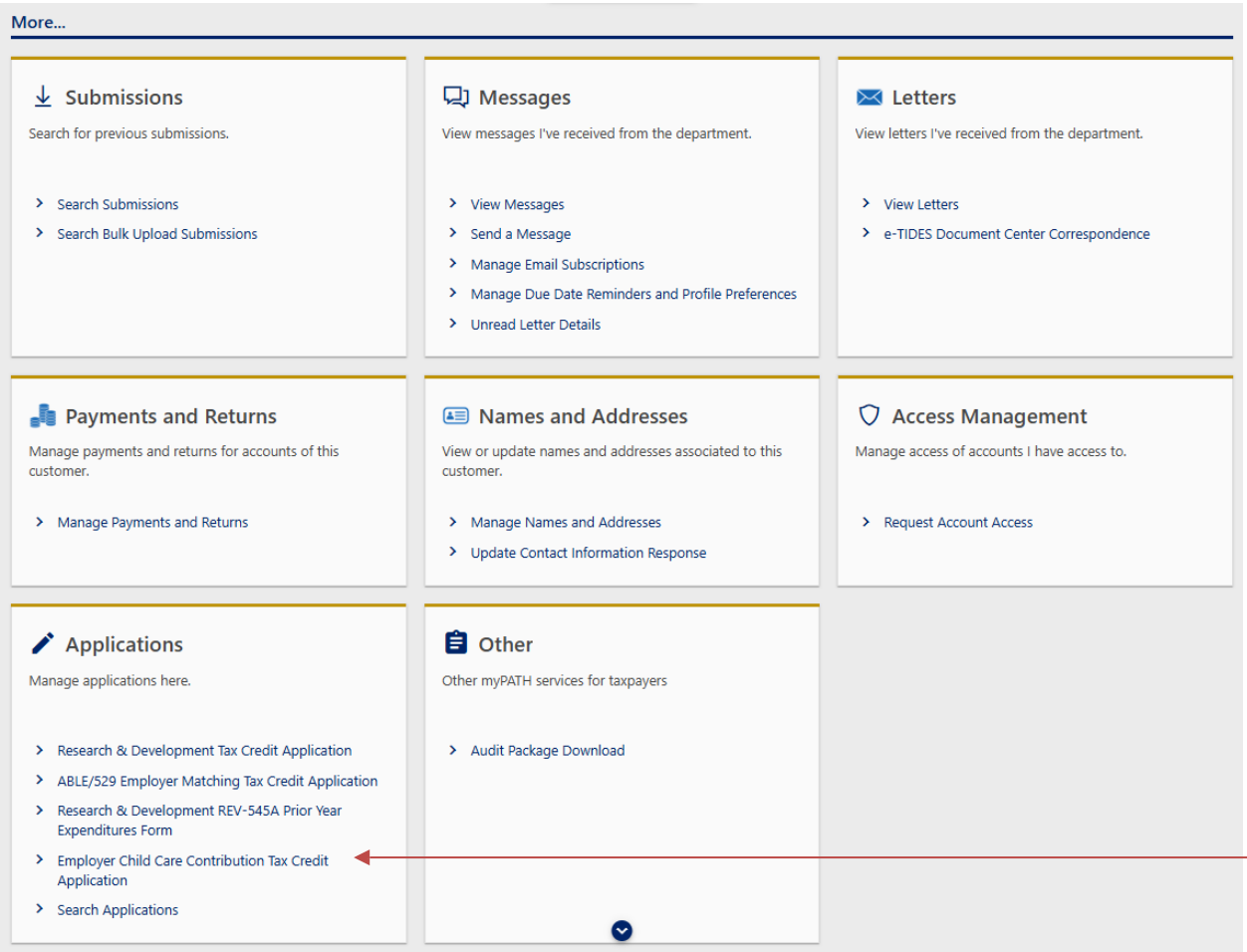
A complete application must be submitted to the Department of Revenue by January 31, 2026, to qualify for a 2025 tax credit under the Child Care Contribution tax credit program.

Section IV - Accessing the Application

1. Applicants are required to log into myPATH at: www.mypath.pa.gov



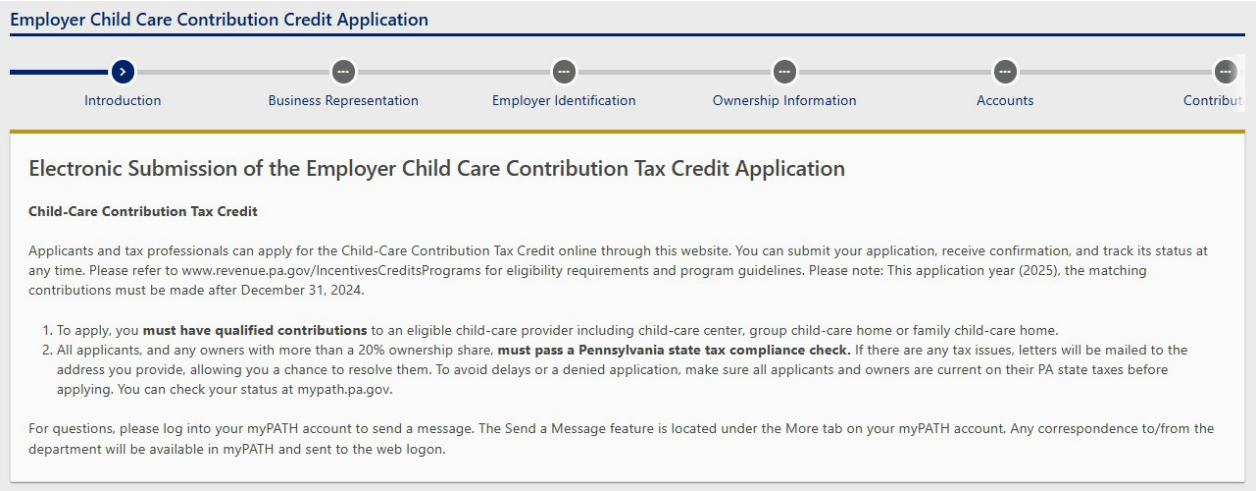
2. Upon entering the user credentials into the login, the applicant must select the link for the Employer Child Care Contribution Tax Credit Application, under the "Applications" Tile.



Section V - Application

1. Introduction Section

When users select the link for the Employer Child Care Contribution Tax Credit Application, they will be directed to the Application Introduction Page.



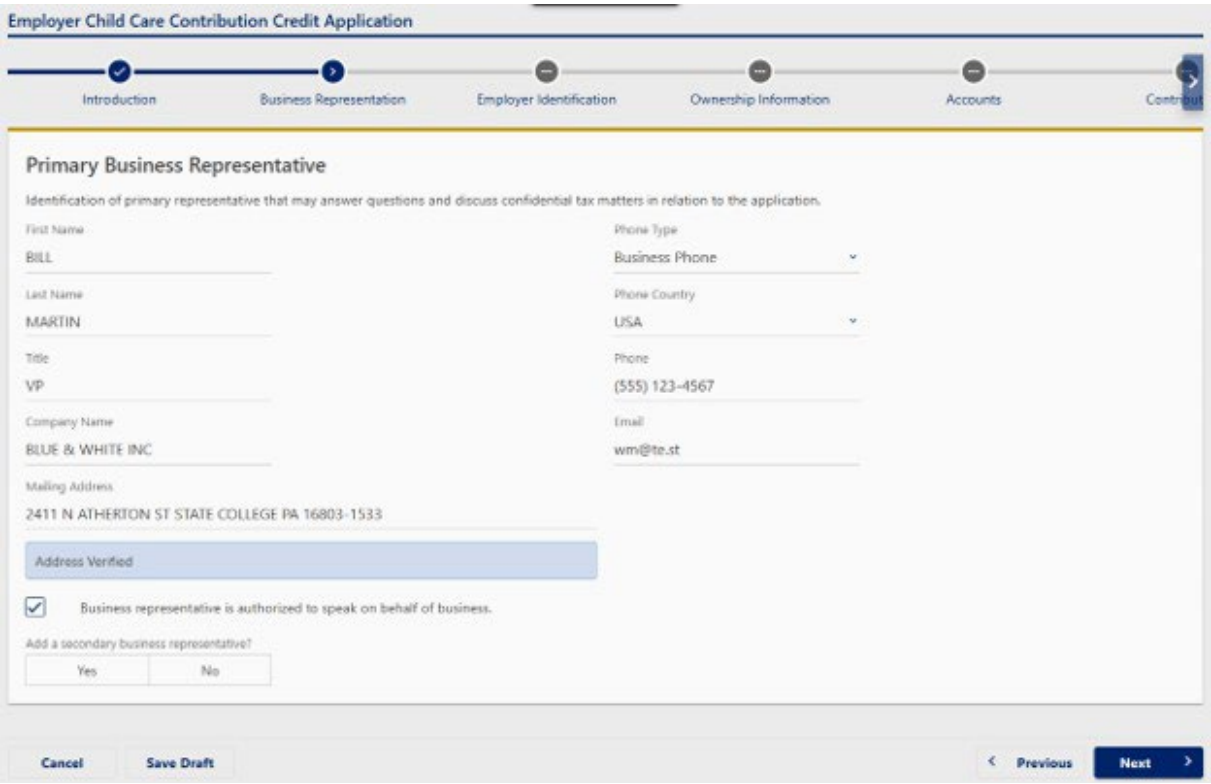
At the top of the page, a horizontal menu displays the introduction and all sections of the application. The application consists of the following nine parts:

- Introduction
- Business Representation
- Employer Identification
- Ownership Information
- Employee and Tuition Account Identification
- Contributions
- Credit Summary
- Contribution Documentation
- Submission Summary

To navigate through the application, users can use the “Previous” and “Next” buttons on each page. Additionally, during the open report submission period, users may save their progress by selecting the “Save Draft” button. This allows them to return and complete the application at a later time.

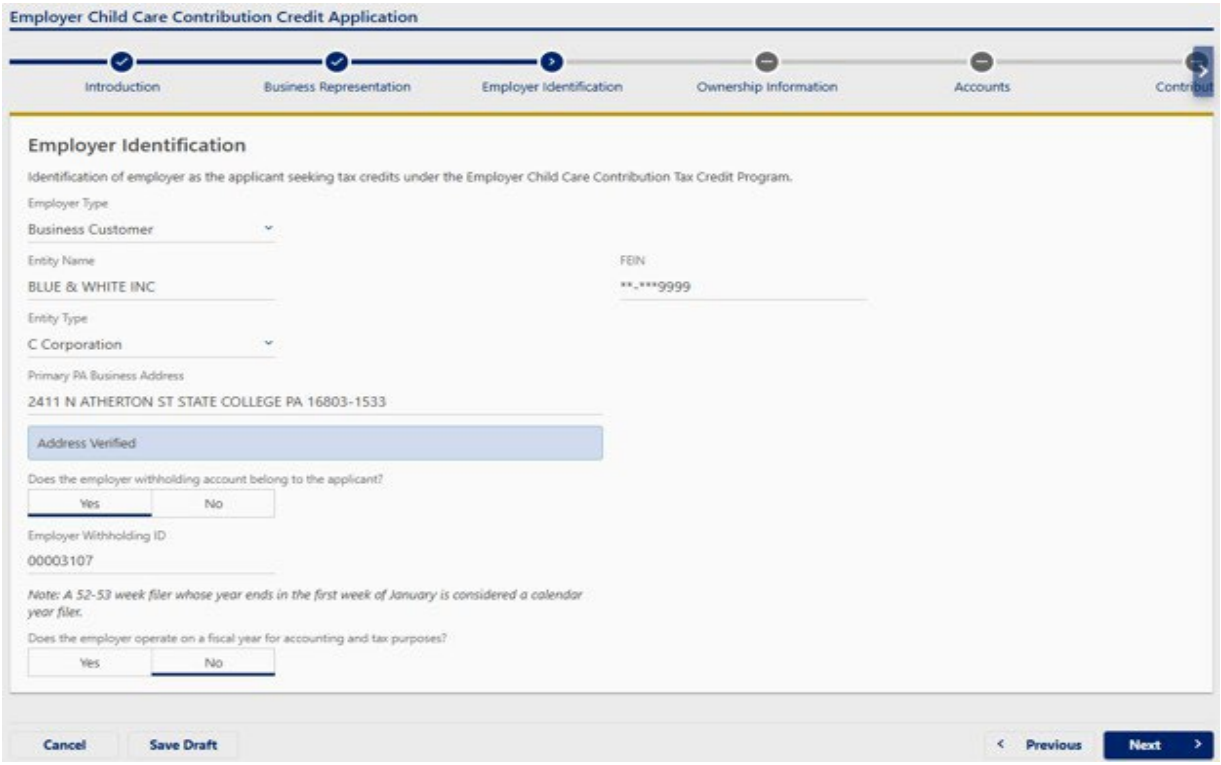
2. Business Representation Section

When users click the “Next” button from the Introduction section, they are directed to the Business Representation section. In this section, applicants must designate a Primary Business Representative—the individual authorized to respond to questions and discuss confidential tax matters related to the application with the Department of Revenue.



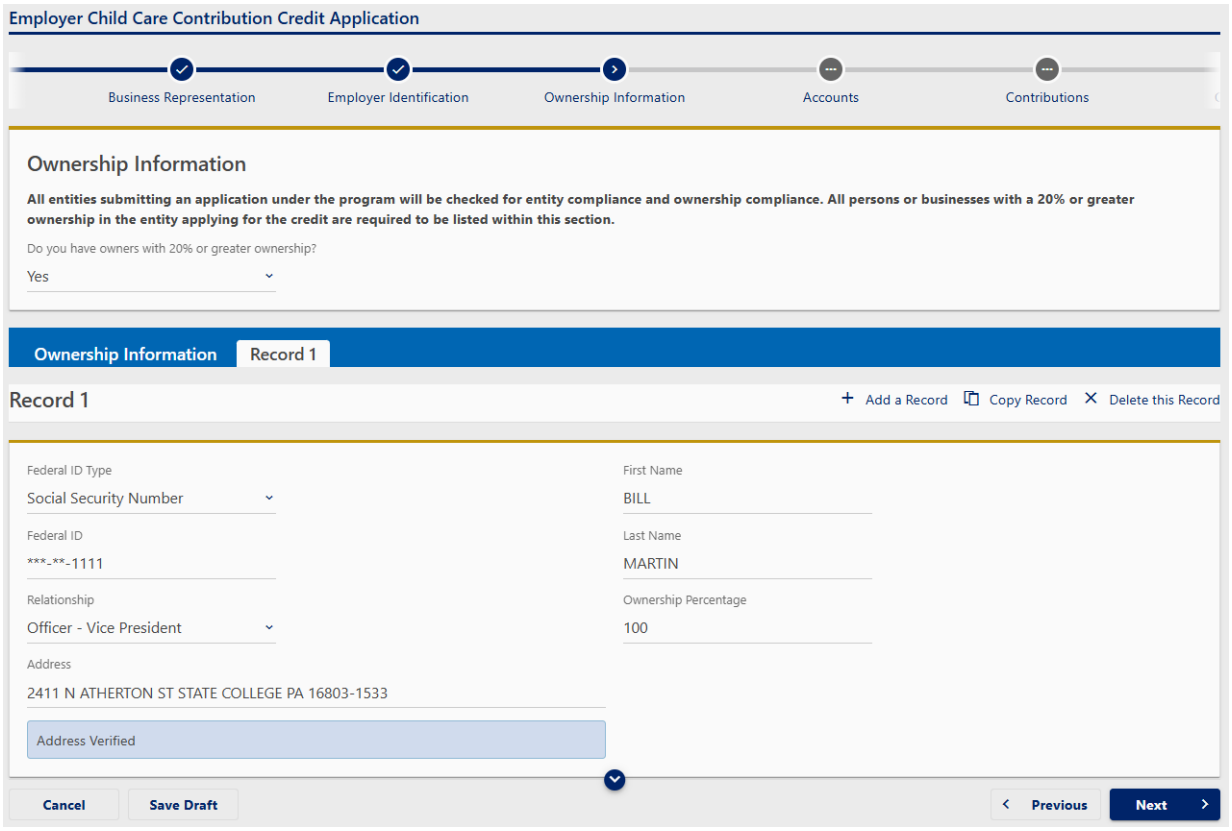
3. Employer Identification Section

When users click the “Next” button from the Business Representation section, they are directed to the Employer Identification section. In this section, applicants must identify the employer seeking tax credits under the program.



4. Ownership Information Section

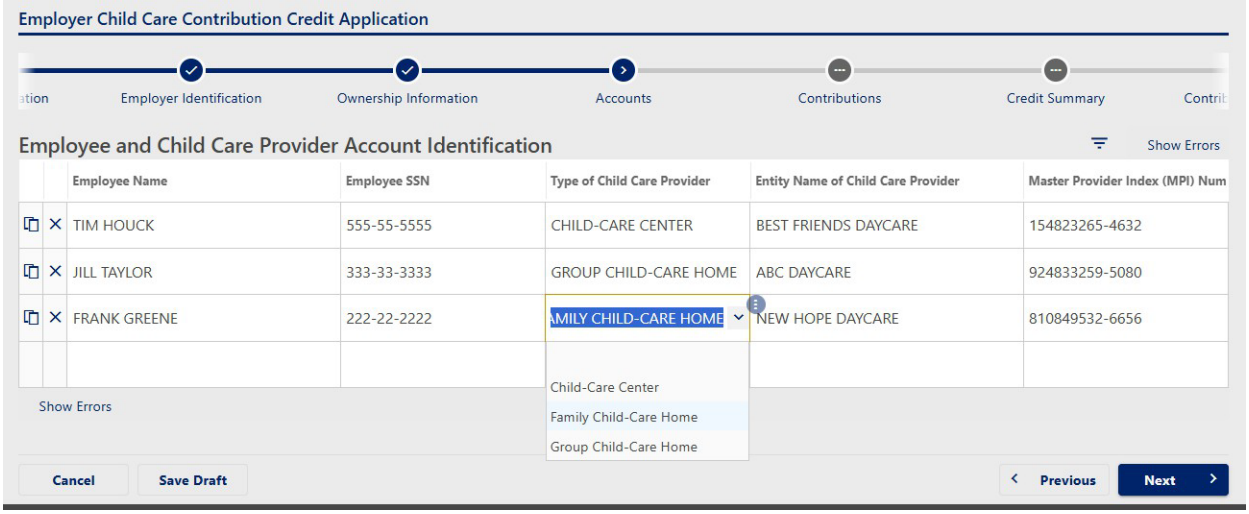
When users click the “Next” button from the Employer Identification section, they are taken to the Ownership Information section. This section notifies applicants that all entities submitting an application will undergo a review for both entity-level and ownership-level tax compliance. Applicants are required to identify all individuals or entities that hold 20% or more ownership in the business applying for the tax credit.



5. Employee and Child Care Provider Account Identification Section

When users click the "Next" button from the Ownership Information section, they are directed to the Employee and Child Care Provider Account Identification section. In this section, applicants must provide detailed information for each participating employee, including:

- Personally Identifiable Information (PII)
- Type of Child Care Provider
- Entity Name of Child Care Provider
- Master Provider Index Number (MPI)

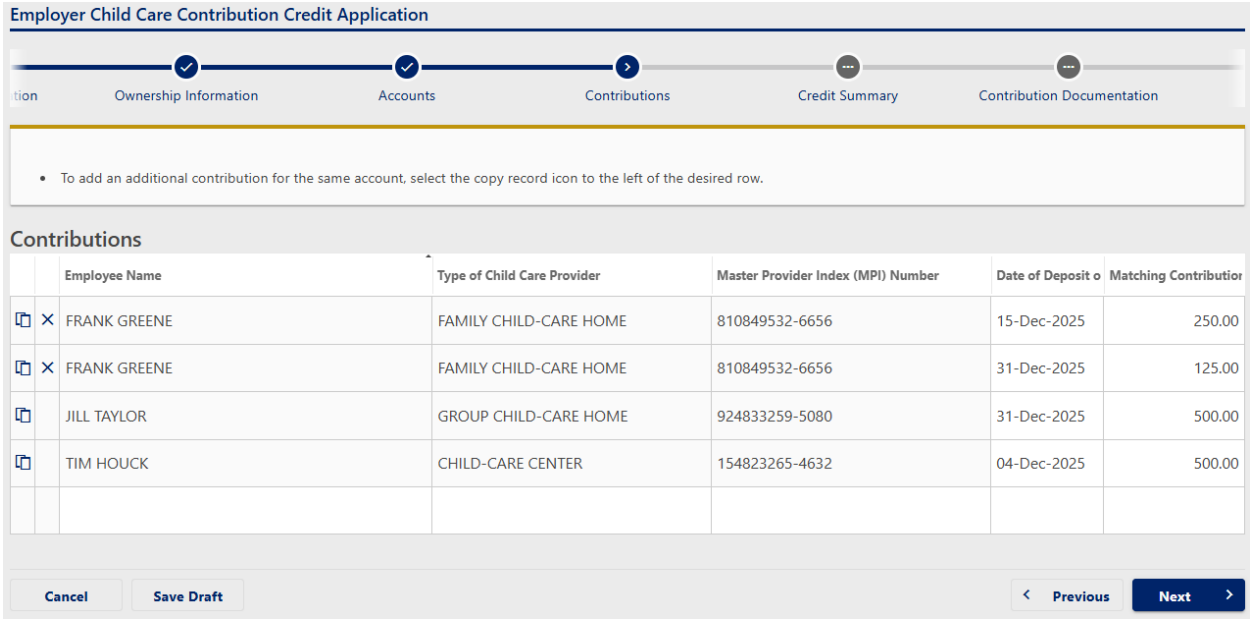


Failure to provide complete information in this section will result in the rejection of the tax credit for the listed employee.

6. Contributions Section

When users click the “Next” button from the Employee and Child Care Provider Account Identification section, they are directed to the Contributions section. In this section, applicants must provide detailed information for each participating employee, including:

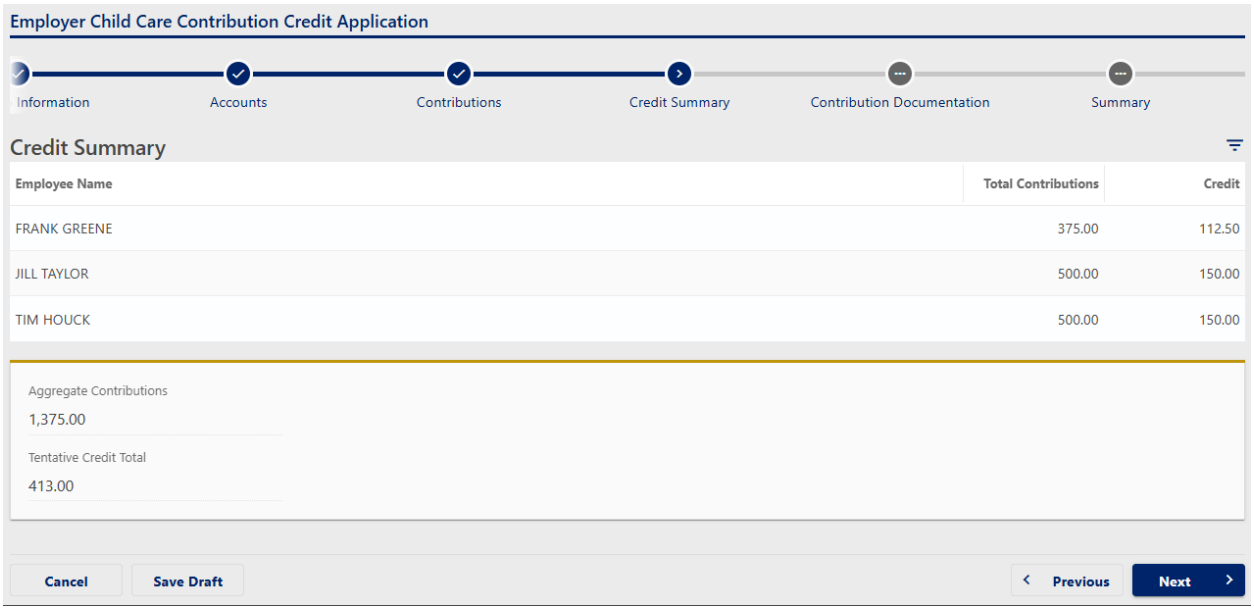
- Employee Name
- Type of Child Care Provider
- Master Provider Index Number (MPI)
- Date of Deposit
- Matching Contribution made by the Employer



7. Credit Summary Section

When users click the “Next” button from the Contributions section, they are directed to the Credit Summary section. This page displays a breakdown of total contributions made for each employee, along with the corresponding anticipated tax credit.

In addition, the section provides a summary of the aggregate contributions and the tentative total tax credit being requested across all employees.



8. Contribution Documentation Section

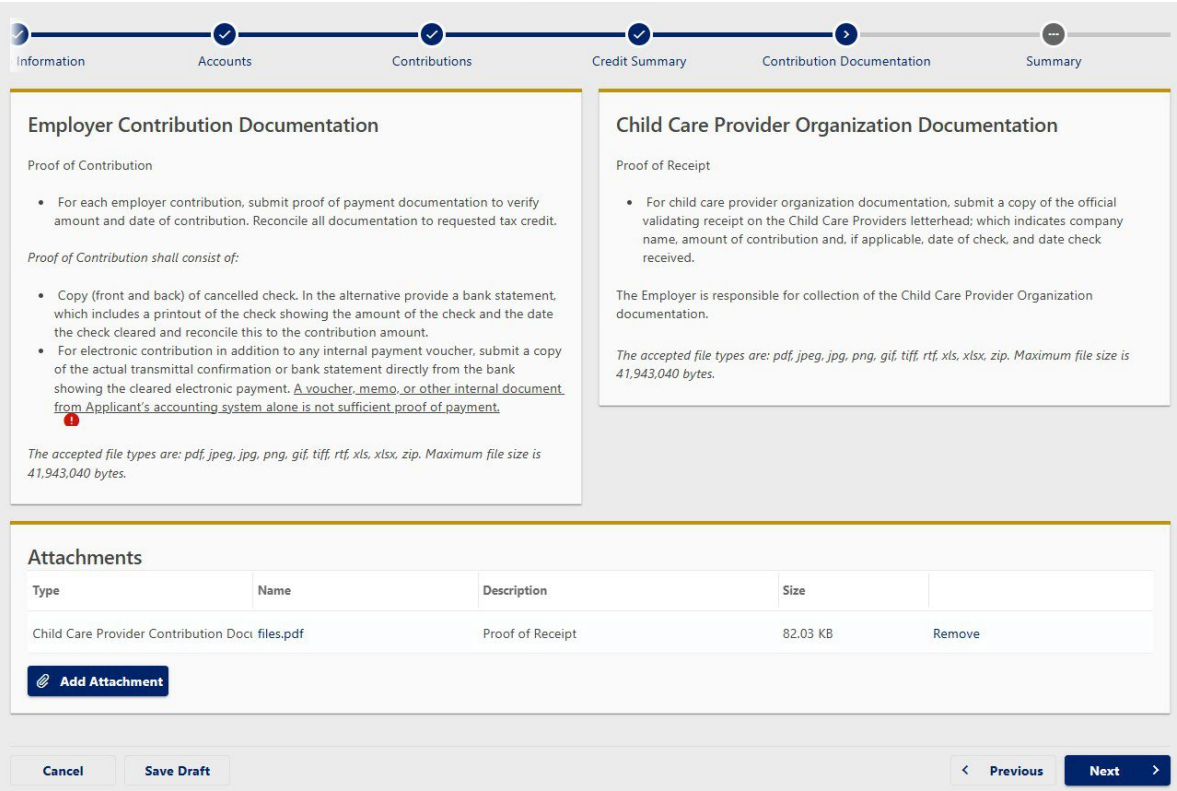
When users click the “Next” button from the Credit Summary section, they are directed to the Contribution Documentation section. In this section, applicants are required to upload supporting documentation for both employer and child care provider organization.

Employer Contribution Documentation
For each employer contribution, applicants must submit proof of payment to verify the amount and date of the contribution. This documentation must reconcile with the total contributions and tax credits requested. Acceptable forms of documentation include:

- Copies of cancelled checks
- Bank statements
- Internal payment vouchers
- Transmittal confirmations

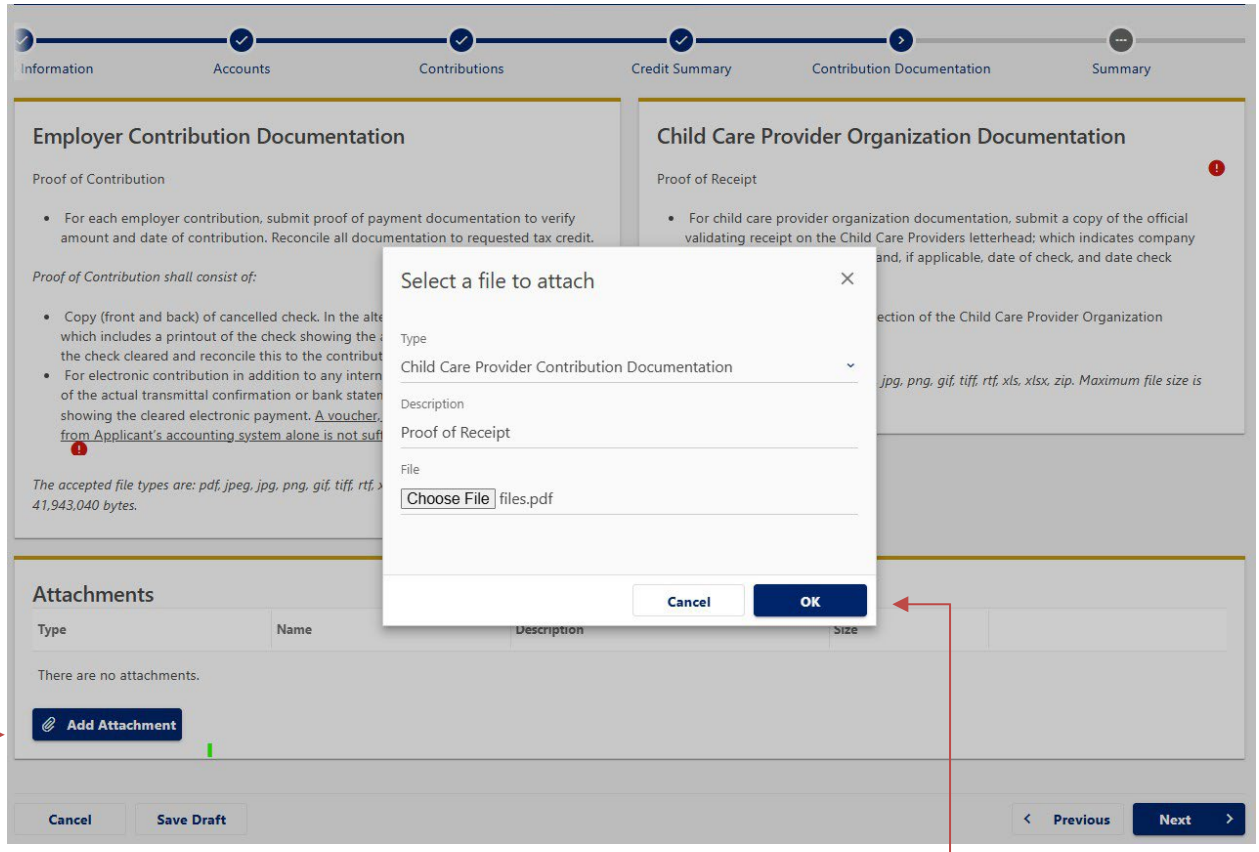
Child Care Provider Organization Documentation
Documentation must be obtained directly from the child care provider organization. Applicants must submit an official receipt on the provider’s letterhead. The receipt must clearly include:

- The name of the child care provider
- The amount of the contribution
- The date of the check (if applicable)
- The date the check was received



File Upload Requirements and Instructions
All documentation must be submitted in one of the accepted file formats listed within the section. Each file must not exceed the maximum size limit of 41,943,040 bytes (approximately 40 MB).

To upload documentation, users should click the "Add Attachment" button.



Upon selection, a pop-up window will appear prompting the user to:

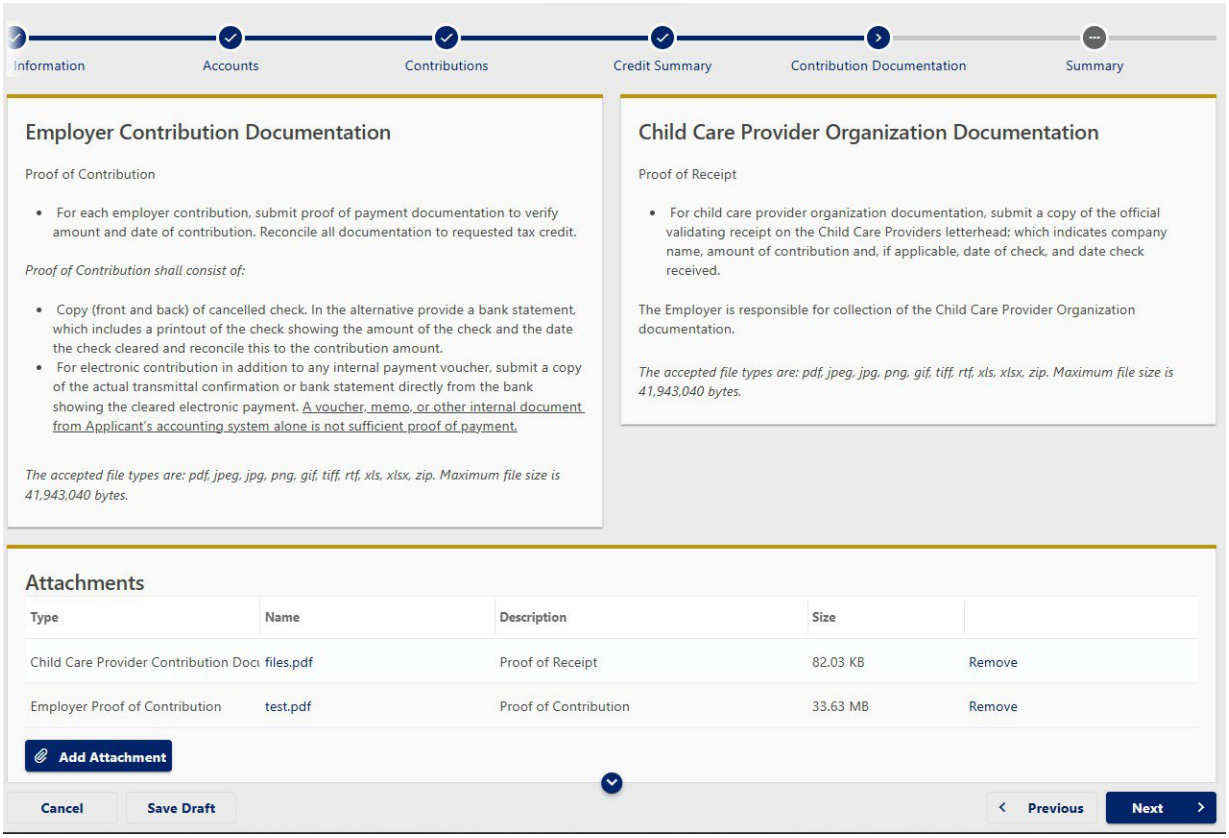
Select the file type:

Employee Proof of Contribution
Employer Proof of Contribution
Provide a brief description of the file.

Choose the file from their computer to upload and select the "ok" button.

The "Add Attachment" button must be used for each individual document submitted.

All successfully uploaded attachments will be displayed in the Attachments window.

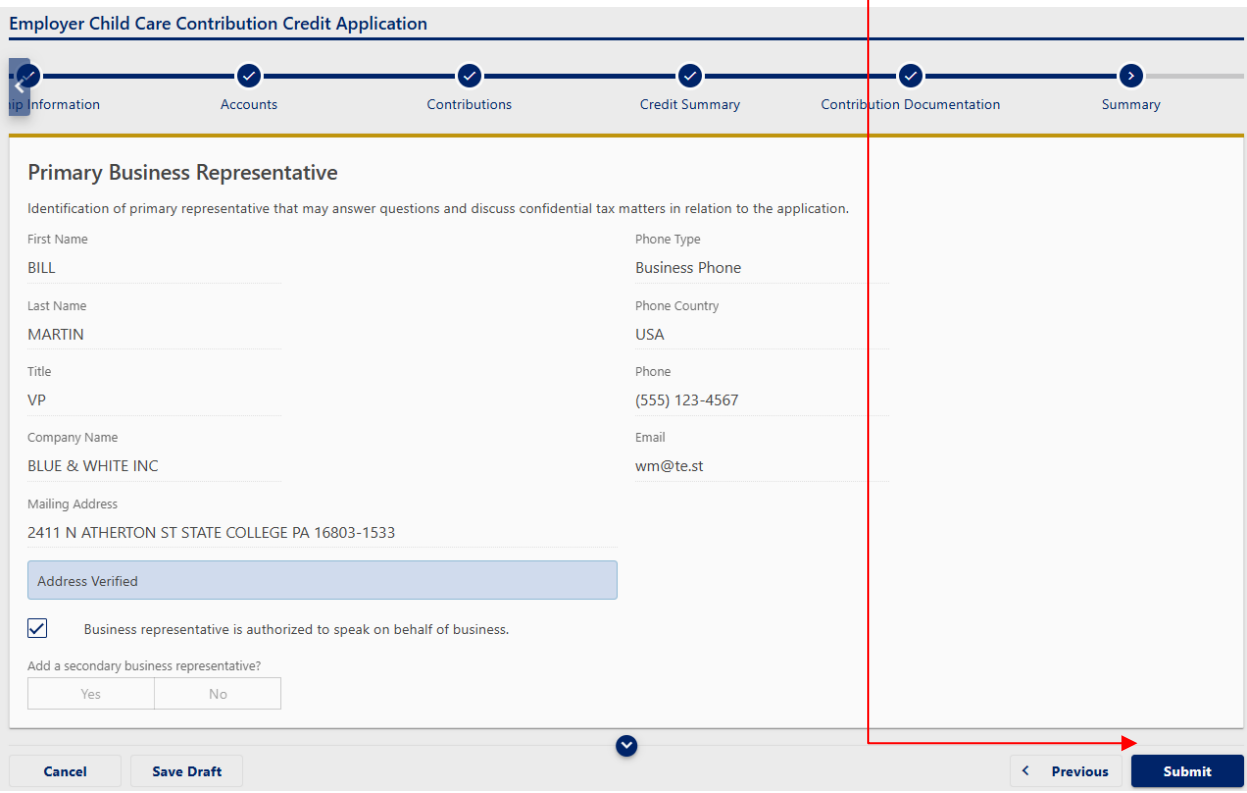


9. Submission Summary

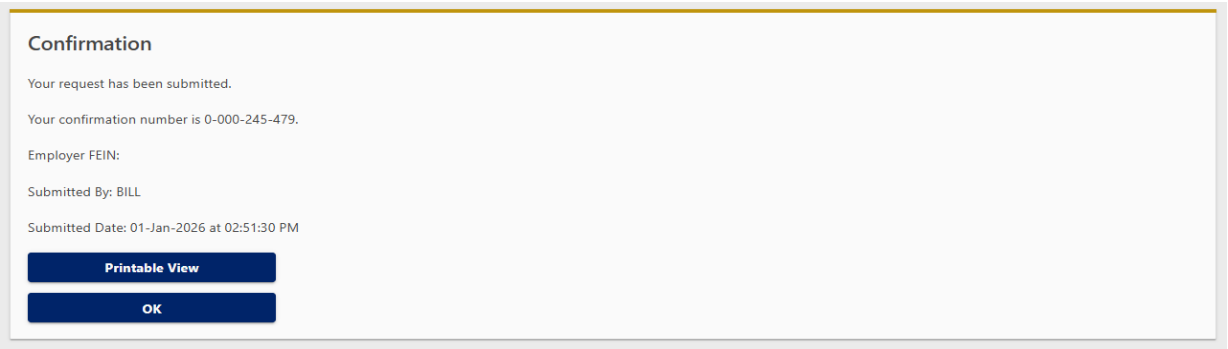
When users click the “Next” button from the Contribution Documentation section, they are directed to the Submission Summary section. This final section provides applicants with a comprehensive summary of all previously completed sections of the application.

Applicants may review the information for accuracy and, if needed, return to any section to make changes or updates before submitting the application to the Department.

To submit the application, applicants will select the “Submit” button

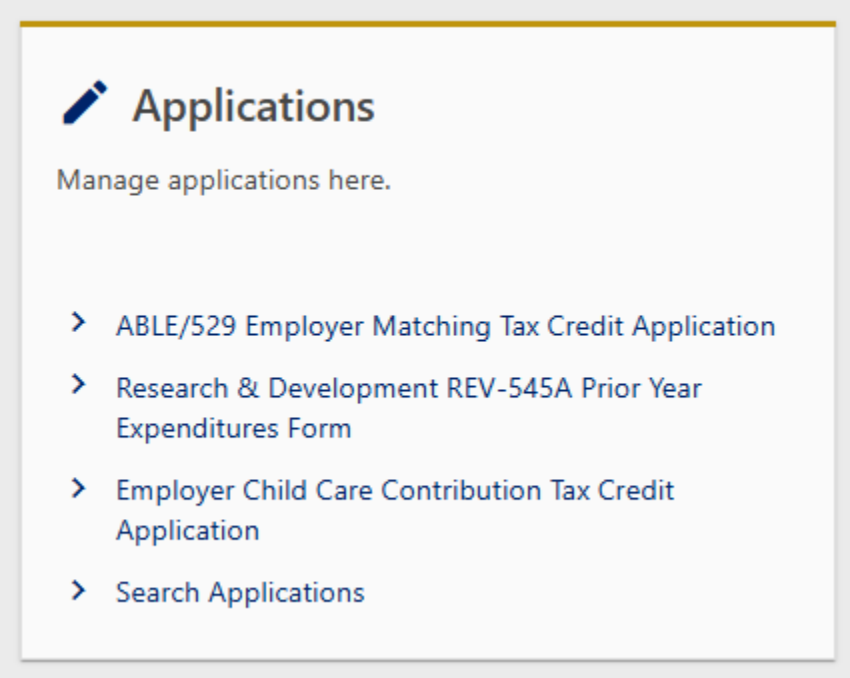


Upon submission, the applicant will receive a confirmation number and will have the option to print the application or save it as a PDF for their records.



Section VI Application Monitoring

To review the status of the application, applicants are required to log into myPATH at: www.mypath.pa.gov and visit the Applications Tile.



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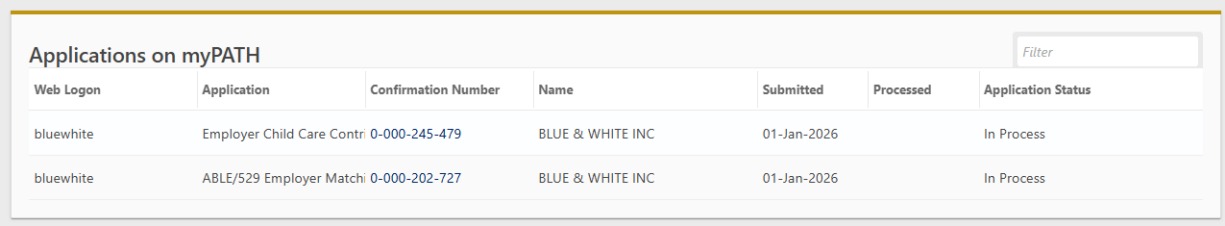
Upon selection of the Employer Child Care Contribution Tax Credit Application, users will be provided a window with the status of the application.