Employer Child Care Contribution Tax Credit Program

Organization Guidelines for Child Care Providers

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Table of Contents

Table of Contents 2

Section I - Introduction 3

Section II – Child Care Provider Organization 3

A. Eligibility 3

B. Registration 4

C. Documentation 4

Section III -Contact Information 4

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." Tax credits may be awarded to employers that provide contributions to Child Care Provider Organizations, registered under the Department of Human Services (DHS) and 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.

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.

The purpose of these guidelines is to establish the process whereby a Child Care Provider Organization may be included in the program and provide guidance for reporting requirements.

Section II – Child Care Provider Organization

A. Eligibility

An organization that desires to be included in the Employer Child Care Contribution Tax Credit Program must meet the following criteria:

1. The Child Care Provider Organization must meet the definition of Child-Care Center, Group Child-Care Home or Family Child-Care Home.
   a. Child-Care Center as defined under Title 55 PA. Code § 3270.4
      - The premises in which care is provided at any one time for seven or more children unrelated to the operator.
   b. Group Child-Care Home as defined under Title 55 PA. Code § 3280.4
      - The premises in which care is provided at one time for more than 6 but fewer than 16 older school-age level children or more than 6 but fewer than 13 children of another age level who are unrelated to the operator. The term includes a facility located in a residence or other premises
   c. Family Child-Care Home as defined under Title 55 PA. Code § 3290.4
      - A home other than the child's own home, operated for profit or not-for-profit, in which child-care is provided at any one time to four, five or six children unrelated to the operator.

B. Registration

The Child Care Provider Organization must be registered under the Department of Human Services (DHS) and hold an active certification with good standing, through the Bureau of Certification Services.

C. Documentation

The Child Care Provider Organization is required to demonstrate proof of all contributions received each year from employers who have employees with children enrolled in the organization.

- For purposes of the Child Care Contribution tax credit program, a contribution from an employer is cash to offset child care costs for an identified employee of the employer making the contribution.
- The Child Care Provider Organization is required to supply a receipt to the employer which must contain the following information on the Child Care Providers letterhead; company name, amount of contribution and, if applicable, date of check, and date check received. If a company has multiple entities each entity should be receipted separately.

Section III -Contact Information

For additional information on the Employer Child Care Provider tax credit program or information about the application for Child Care Provider Organizations, please contact the Office of Economic Development at 717-772-3896 or ra-rveconomic-dev@pa.gov.