The Chamber
LAWRENCE · KANSAS

Written Testimony in Support of HB 2414
House Committee on Taxation
March 23, 2021

Chairman Smith and Members of the Committee,

The Chamber of Lawrence, Kansas expresses its support for House Bill 2414, a bill that would expand eligibility for tax credits to small businesses that help their employees with childcare, an option that is only available to C-corporations and financial institutions at this time. This bill is about economic recovery. This bill does *not* increase the current $3M cap on these tax credits but makes these credits accessible to small businesses that are desperately trying to rebuild their workforce.

Employers have witnessed the significant impact of COVID-19 on their workforce and are wondering how to navigate this new business and talent landscape. One of the aspects of this new landscape is supporting working parents who are attempting to find alternative, affordable, and sustainable childcare solutions when their previous childcare arrangements have changed significantly or are no longer available. The U.S. Chamber of Commerce conducted a series of studies in 2019, which found that state economies were losing billions of dollars annually due to childcare challenges for working parents. Those studies were conducted again in recent months and found that COVID-19 has exacerbated this problem. States that are innovative and intentional about solving childcare challenges for working parents will likely lead the rest of the nation in economic recovery.

Childcare is a two-generation workforce challenge. There is tremendous untapped economic potential if Kansas can step up to solve the childcare challenge. Many employers want to facilitate more access to childcare for their working parents but do not know where to begin. Making childcare tax credits more accessible to small businesses is a step in the right direction.

On behalf of our approximately 800 business members, we urge you to approve House Bill 2414.

Respectfully,

Hugh Carter
Vice President, External Affairs