

Kansas' Employer Child Care Tax Credit

Strengthening Kansas' child care system and workforce.

Employers routinely identify child care as a major barrier to hiring and retention. Now, with the revised Child Day Care Assistance Tax Credit (K.S.A. 79-32,190), employers can better use the program, as it's been simplified and enhanced to be more useful. It increases the size of the credit, streamlines and clarifies eligible expense categories, and broadens the credit so employers can invest in child care solutions that benefit all Kansas families — not only their employees.

These updates allow employers to strengthen local child care supply, support workforce participation and contribute to a more stable state economy.



BENEFITS FOR BUSINESSES



75% TAX CREDIT

GET MORE VALUE WITH A STRONGER INCENTIVE

Under the revised program, businesses will receive:

75% credit for employer expenses related to child care for employees, including:

- Paying for care
- Establishing or expanding child care programs
- Paying for child care referral services
- Collaborative investments with other employers

For contributions to third-party entities that expand child care availability for the community:

- 75% credit if the recipient serves families using child care assistance
- 50% credit if not



\$100,000 CAP

ENJOY A HIGHER CAP WITH A 3-YEAR CARRY FORWARD

The maximum credit has been increased from \$30,000-\$45,000 (depending on category) to a single cap of \$100,000 per taxpayer per year.

The tax credit is not refundable, but it contains a three-year carry forward, allowing employers to apply unused tax credits from a current tax year to future tax years. This reduces future liability when credits exceed the current year's tax limit.



GREATER USES

EXPLORE MORE WAYS TO USE AND BENEFIT FROM THE PROGRAM

The revised program encourages employers to contribute to child care solutions that benefit all families — not just their employees. This includes contributions to third-party entities that support the following:

- Establishing or expanding child care programs
- Purchasing learning materials or play equipment
- Compensating professional development for child care staff
- Providing tuition assistance for families in need
- Providing referral services that connect families to child care

A stronger child care system strengthens the entire Kansas economy. This legislation helps employers be part of the solution — simply, effectively and at a scale that meets the needs of today's workforce.