

52 Assembly Hearing Slip

(Please print plainly)

Date: 4/25/01
Bill No. AB 160
Subject: _____
Or _____

Name: Spencer Black

Street Address or Route Number: _____

City and Zip Code: 77 AB

Representing: _____

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 4/25/01
Bill No. AB 160
Subject: _____
Or _____

Name: Linda Zwickel

Street Address or Route Number: 441 S. Rosa Rd

City and Zip Code: Madison 53719

Representing: Corporate Playcare

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Assembly Hearing Slip

(Please print plainly)

Date: 4/25
Bill No. AB 160
Subject: _____
Or _____

Name: Tim Leachart

Street Address or Route Number: _____

City and Zip Code: _____

Representing: Wisconsin Child Care Wisconsin and Fed. Cal. from

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Assembly Hearing Slip

(Please print plainly)

Date: 4/25/2001

Bill No. AB 160

Or Subject Child care Tax Credit

Name George Hymanow

Street Address or Route Number 2200 Park Circle

City and Zip Code Verona/Spartanburg Township 53593

Representing 4-C

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Assembly Hearing Slip

(Please print plainly)

Date: 4/25/2001

Bill No. 1100

Or Subject Dependent Care Tax Credit

Name Mary Balula

Street Address or Route Number 2040 Sherman Ave.

City and Zip Code Madison, WI 53704

Representing Wis. Early Childhood Association

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 4/25/01

Bill No. AB 160

Or Subject _____

Name Vic McMurray

Street Address or Route Number 525 Durwin St

City and Zip Code Madison WI 53704

Representing Bridges Family Child Care

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 4/25

Bill No. 160

Or
Subject _____

Name
Leslie McAllister

Street Address or Route Number
2933 Hermina St #2

City and Zip Code
Madison WI 53704

Representing
Coalition of Wisconsin Aging Groups

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 4/25/01

Bill No. 100

Or
Subject _____

Name
Mary Flanner

Street Address or Route Number
Creative Learning Preschool
Sponsor - St. of WPI

City and Zip Code
Madison WI 53708

Representing

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: April 25, 2001

Bill No. AB 160

Or
Subject Dependent Care
Tax Credit

Name
Jill Sackelitz

Street Address or Route Number
16 N. Carroll St. # 600

City and Zip Code
Madison WI 53703

Representing
WI Council on Children & Families, Inc

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input checked="" type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Provided by:
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411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 4/25/01

Bill No. A.B. 160

Or
Subject Income tax children credit

Name Sue Melina Larson

Street Address or Route Number 322 E. Washington Ave.

City and Zip Code Madison, WI

Representing Larson office for Public Policy

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input checked="" type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Assembly Hearing Slip

(Please print plainly)

Date: 4-25-01

Bill No. AB 160

Or
Subject _____

Name Tom Durak

Street Address or Route Number Dept. of Revenue

City and Zip Code _____

Representing _____

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input checked="" type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Phase-in possible?

Child Care costs are deductible

Reduction taken 5/4 ACI

So get deduction AND credit



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

March 7, 2001

TO: Representative Spencer Black
Room 219 North, State Capitol

FROM: Faith Russell, Fiscal Analyst

SUBJECT: Individual Income Tax: State Dependent-Care Credit

At your request, I am providing information on a proposal to provide a state dependent-care credit equal to one-half of the federal dependent-care credit.

Federal Dependent-Care Credit

Federal law provides an income tax credit for a portion of qualifying child or dependent care expenses paid for the purpose of enabling the taxpayer to be gainfully employed. To be eligible, a taxpayer must maintain a household for a dependent under age 13 or a disabled spouse or other dependent individual. Qualifying expenses include amounts paid for household services and for the care of the qualifying individual. Services outside the home qualify if they involve the care of a qualified child or a disabled spouse or dependent who regularly spends at least eight hours a day in the taxpayer's home. The credit is not refundable. It may be used to reduce tax liability to zero, but a refund is not issued if the amount of the credit exceeds tax liability.

The maximum amount of expenses that may be considered for the credit is \$2,400 for one child or dependent and \$4,800 for two or more children or dependents, less any employer dependent care assistance payments. The credit percentage is equal to 30% of expenses if adjusted gross income (AGI) is \$10,000 or less. This percentage rate is reduced by 1% for each \$2,000 in income above \$10,000, until the percentage equals 20% for all taxpayers with AGI over \$28,000. For married couples filing joint returns, the credit is limited to the earned income of the lower-earning spouse. Generally, if one spouse is not working, no credit is allowed. Under these provisions, the maximum credit amount is \$720 (30% of \$2,400) for one child and \$1,440 (30% of \$4,800) for two or more children.

Proposed State Dependent-Care Credit

A proposal to provide a state dependent-care credit equal to 50% of the federal credit is estimated to cost \$20.3 million in 2001-02 and \$20.5 million in 2002-03, for a total of \$40.8 million for the 2001-03 biennium. This estimate assumes that the credit would be available starting with tax year 2001. Under this proposal, the maximum state credit for one dependent would be \$360 and the maximum credit for two or more dependents would be \$720. The estimate is based on returns filed by Wisconsin residents and the 1999 Wisconsin income tax sample.

I hope this information is helpful. Please contact me with any questions you may have.

FR/lah



Tommy G. Thompson
Governor

Cate Zeuske
Secretary of Revenue

**TESTIMONY ON
SENATE BILL 74
TO SENATE COMMITTEE
ON ECONOMIC DEVELOPMENT
April 14, 1999**

Thank you for the opportunity to present information concerning the creation of a state individual income tax credit for expenses related to child or dependent care.

Federal law provides a credit for child and dependent care expenses for up to \$2400 for one child, and \$4800 for two or more children. Depending on the adjusted gross income, the credit can be as much as 30% of child care expenses. As the AGI increases, the percentage applied declines according to a schedule. For AGI above \$28,000, the credit is 20% of eligible expenses.

The maximum federal credit is \$720 for one dependent and \$1440 for two or more dependents. The federal credit may be claimed only if the tax filer and spouse are both working, or if one parent is a full-time student or an individual incapable of caring for himself or herself. In the case of a single parent tax filer, the filer must also be working full time.

The only Wisconsin tax benefit provided for child and dependent care services under current law, is an exclusion from gross income of the amount of employer sponsored child care or dependent care that does not exceed \$5000.

Adoption of SB 74, which would create a nonrefundable credit for child and dependent care expenses equal to 50% of the federal credit, would offset a portion of a taxpayer's costs of earning income. For many tax filers, child care and dependent care is a significant expense they face in earning wages.

The committee should be aware however, that many costs of earning income are currently not deductible. These would include costs of commuting to and from work or meals during the workday. Allowing a credit only for certain expenses incurred by just one segment of the workforce would raise questions of tax fairness. A new credit would not be in line with the objective of tax simplification that is one of the primary goals of the Governor's tax reform proposal.

Distribution by Income Class of Federal Child Care Credit (1998)

Income Class (thousands of \$)	Total Returns in Class (thousands)	% of Total Tax Filers	Returns Claiming Credit (thousands)	% of Returns Claiming Credit	Amount of Credits Claimed (millions of \$)	% of Total Credits	Average Credit per Claimant (\$)	Average Credit for all tax filers(\$)
Below \$10	19,763	14.8%	3	0.02%	<\$0.5	0.02%	NA	NA
\$10 to \$20	25,158	18.8%	346	1.4%	\$102	4.1%	\$295	\$4.05
\$20 to \$30	20,397	15.2%	935	4.6%	389	15.5%	416	19.07
\$30 to \$40	16,189	12.1%	831	5.1%	349	13.9%	420	21.56
\$40 to \$50	12,434	9.3%	718	5.8%	296	11.8%	412	23.81
\$50 to \$75	19,469	14.5%	1,473	7.6%	662	26.4%	449	34.00
\$75 to \$100	10,015	7.5%	804	8.0%	391	15.6%	486	39.04
\$100 to \$200	8,383	6.3%	531	6.3%	267	10.7%	503	31.85
\$200 and over	2,129	1.6%	95	4.5%	49	2.0%	516	23.02
Totals	133,937	100	5,736	4.3%	\$2,505	100	\$437	\$18.70

NA: Not Available

Source: Prepared by the Wisconsin Budget Project using 1998 data and projections from the Joint Committee on Taxation.

Note: A non-refundable dependent care credit in Wisconsin would probably benefit fewer low-income families because Wisconsin has a higher income tax threshold.

Coalition of Wisconsin Aging Groups**Testimony Before the Assembly Committee on Ways and Means****April 25, 2001****By****Leslie A. McAllister**

Since its inception in the late 1970s, the Coalition of Wisconsin Aging Groups (CWAG) has considered a policy's impact on all generations when making our recommendations to legislators and other decision-makers. For the last two biennia CWAG has adopted an Intergenerational Platform, focusing on issues of health care access and quality, education, welfare reform, family support services, and family, neighborhood and community violence that impact people of all ages in Wisconsin. As intergenerational advocates, we join with other advocacy organizations representing children, families and persons with disabilities in support of AB 160. In addition to restoring the childcare credit that has been excluded from Wisconsin's tax code since 1986, this bill would provide necessary support for working people caring for dependent spouses or parents.

Quality care for loved ones is an issue that crosses generations. In addition to the multiple benefits for recipients of quality care, these programs often allow parents and caregivers to pursue employment that would otherwise be impossible. Unfortunately many families cannot afford the care their loved ones need. Failure to find satisfactory care can result in job loss. Parents of young children or children of aging parents then become social service recipients instead of taxpayers. The dependent care tax credit would provide a tax credit for working families so that they can continue to work while meeting the needs of their dependents.

Long-term care is a principal concern for older people and their families in Wisconsin. This proposal will help families with costs such as home-health care, attendant care and adult day care. With the Family Care Program, Wisconsin has made strides to make the long-term care system more responsive to the needs of families. Unfortunately, the budget proposed by Governor McCallum does not allow for this valuable program to expand beyond the five pilot counties, nor does it address the needs of citizens waiting for services in the other counties. A tax credit for dependent care would be particularly helpful for families in the sixty-seven counties that do not participate in Family Care. This dependent care tax credit is an important piece in the long-term care puzzle which will enable more families to help their elderly loved ones remain as independent as possible and where they want to be: at home.

We support the dependent care tax credit proposal because it is intergenerational and pro-family, supporting the needs of working families who are trying to provide the best support and care for their loved ones. We urge you to vote in favor of AB 160.

Ways & Means Committee
Preliminary Report on Referred Legislation
March 14, 2001

Bill: **AB 160**
Author: **Rep. Black**
Date Referred: **03-01-2001**
Public Hearing: **N/A**
Executive Session: **N/A**

Relating Clause: **creating a nonrefundable individual income tax credit for certain expenses related to child or dependent care.**

Comments from Department of Revenue-

The proposal looks fine from both a technical and conceptual aspect, but the question is if there is money available for the proposal (SGH - 3/13/01). *40 mill over biennium*

Comments from the Author-

Author's reasoning for introducing legislation:
Seems to be a good idea!

Author's intent:
To create a non-refundable income tax credit for childcare costs. This credit would be identical to the existing federal credit except the credit would be available only up to 50% of the federal credit. Wisconsin used to have this credit, but the credit was eliminated in 1986

Does the Author want the legislation moved forward?

Yes No

If no, do we have this in writing?

Yes No

Is the legislation in its final form?

Yes No

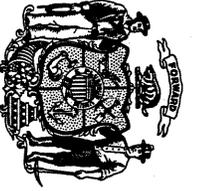
If major changes are required, the author shall prepare and introduce the necessary amendments.

Notes-
comments.

*No tax paid
til approx
\$18k +*

*Fed credit is
Based
on earned
income*

Spencer Black
State Representative
77th Assembly District



Date: March 7, 2009

TO: Andrew - Rep N. Lehmann

FROM: Susan office

RE: AB 160.

- In response to your recent request.
- I thought you might be interested in the enclosed materials.

Here is some material

Capitol Office
Post Office Box 8952
Madison, WI 53708
(608) 266-7521
09
AB 160.

Susan



WECA

*Wisconsin
Early
Childhood
Association*

2040 Sherman Ave.
Madison, WI 53704
Tel 608.240.9880
Tel 800.783.9322
Fax 608.240.9890

To: Assembly Ways and Means Committee
From: Mary Babula, Wisconsin Early Childhood Association Program Director
Re: AB 160—Dependent Care Tax Credit
April 25, 2001

I am here on behalf of the 4000 members of Wisconsin Early Childhood Association who provide child care and education services to children throughout Wisconsin.

It is a reality in Wisconsin today that a majority of parents of young children work outside of the home, either part time or full time. We need those parents as workers to fill our jobs. And most young families need two incomes to support their families. That makes child care an essential part of most families lives.

Child care is an expensive service to provide. It is highly staff intensive, since young children require close supervision in small groups in order to keep them safe while supporting their development and learning. However, most child care is under-priced. The caregivers, or the staff, subsidize the fees parents pay, by accepting lower wages and benefits than they should earn for the important job they do. This will change, and programs will be required to pay higher wages and benefits to attract and retain staff, in this highly competitive economic climate. That will raise the cost of child care even higher.

Currently, most child care services are private, and most parents pay the full fees charged by the child care program to operate. A tax credit to help parents afford child care is the only help most families get to pay for child care. Low income parents can receive a subsidy from Wisconsin Shares. A few employers provide a child care benefit, such as a cafeteria plan with child care available as a pre-tax benefit.

I must also point out that child care is not only care but also education, since children are learning from birth. Regulated child care in Wisconsin must provide an educational program while caring for the children. As citizens, we have determined that it is important to support education for all children in Wisconsin beginning at age 5, and we do that by publicly supporting education for children from kindergarten through high school, and by publicly supporting our University and Technical College Systems. The only level of education we don't provide general public support for is the education, combined with care, for children under age 5. We tend to say that is the parent's responsibility.

However, if we need parents to be working, then it is our responsibility to help them find and pay for safe, affordable child care while they work. If these children get off to a good start they will enter schools ready to learn, and graduate ready to become productive citizens. If they don't get a good start, we will pay for expensive remedial services later, and suffer the impact of their inability to be useful adult members of society.

We urge you to support AB 160. This provision will be another step toward helping families in Wisconsin afford good child care for their children while they work, support our economy and pay taxes.

Thank you.



WISCONSIN
women's
network

122 STATE STREET

MADISON, WISCONSIN 53703

(608) 255-9809

To the Assembly Ways and Means Committee:

The purpose of this letter is to voice support of AB 160, the bill introduced by Representative Black creating a nonrefundable tax credit for child care expenses.

The mission of the Wisconsin Women's Network Child Care Task Force continues to be: achieve quality child care for all families who need it , at a price they can afford. This bill is another step in assisting families in the provision of quality care for their young children. Among the priorities we set for 2001 is to "continue to support legislation to provide child care tax credits" and we are please to support this bill.

Thank you,

Catherine M. Kearm
Co-chair of the Wisconsin Women's Network Child Care Task Force
4432 S. 61
Greenfield, WI 53220
414 321-9861
cmwk@wi.rr.com



"Parents and PlayCare: A Partnership"

TESTIMONY ON BEHALF OF CORPORATE PLAYCARE CENTER

Presented by
Linda Zwicker, Executive Director

IN SUPPORT OF AB 160

April 25, 2001

Accredited by the City of Madison and the National Academy of Early Childhood Programs

Corporate PlayCare Center

11 Science Court ♦ Madison, WI 53711

Tel 608.238.6700 ♦ Fax 608.238.9363 ♦ playcare@execpc.com

Good morning. My name is Linda Zwicker and I am executive director of Corporate PlayCare Center. PlayCare is an independent, non-profit organization founded in 1990 that serves over 100 families and about 110 children. PlayCare is licensed for 128 children, and our operating capacity is 116. We provide care for children starting at 6 weeks old and up to age 5, with a summer program to age 12. We have a total of thirty-three teachers and one employee supported through Goodwill Industries.

The Center is accredited by the National Academy of Early Childhood Programs as administered by the NAEYC. We are also accredited by the City of Madison.

I am pleased to provide comments this morning on the issue before this committee – to restore the Child and Dependent Care Tax Credit through AB 160.

Corporate PlayCare Center supports the restoration of a childcare tax credit. Universal access to consistent, reliable quality care is the underpinning of what we believe is a moral and social responsibility of our community. Every child should have the right to the opportunity of a solid early childhood education regardless of economic means. We support any initiative that would make it just a little easier for parents to make that choice.

The federal tax credit of \$5,000 has not adjusted at least over the past decade, and perhaps since its inception. The cost of living appreciates an average of just under 3% annually and yet there has been no corresponding adjustment in the tax credit. It is as if time stands still while expenses continue to rise.

Annual tuition at PlayCare ranges from \$8,832 for a four-year old to \$11,208 for an infant. While the federal tax credit provides some relief, it isn't enough. The years a child is in preschool or daycare are actually the most financially vulnerable time in a family's life. Simple math tells you a parent can spend more for four years of childcare tuition than they might possibly spend on a college education, and without the benefit of eighteen years to plan and save. There are no federal or state student loans available for preschool as there are when sending your child to college. There are no scholarships of any significance and yet the educational investment made in the first five years of a child's life will reap rewards for a lifetime. You can see why it is imperative that a childcare tax credit be implemented immediately.

Centers operate on a thin margin – every enrollment is critical to our financial viability.

Individual centers have limited, strained financial resources and many are operating on a thin margin. Every day enrollments are weighed and expenses are measured. Fees imposed by regulatory agencies are not negotiable, service must be maintained and a competitive wage/benefit package for our staff is vital to our success. PlayCare is looking in every corner to leverage even meager savings to keep our operation flowing.

We have worked hard to diversify our revenue, but the fact remains the bulk of our income is tuition.

It is expensive to operate a preschool. Salaries and benefits account for 72% of our total operating expense. This year we will pay almost \$4,800 a month in property tax and our health insurance increased 17.5%.

You can see how fragile operations are – losing one infant enrollment can cost our center over \$11,000, a hit we can't afford to take even for one month. My biggest competitor is not another center, but is the family checkbook.

Attracting and retaining teachers is key to providing a consistent environment for children.

Those of us within the childcare community understand the costs associated with providing a quality early childhood education. The bulk of our expense is salaries and benefits for our employees. Except for the service provided, we conduct ourselves as any small business – we have the same challenges as many other companies in the Madison area. We have to be a competitive employer with a diverse benefits package. At PlayCare we offer health insurance, dental, short-term disability, 403-B, a cafeteria plan and generous vacation and sick benefits. Attracting and retaining teachers is a battle – the pool of qualified candidates is shrinking because it is not a high paying profession.

Our operating philosophy is to support working families, and we do that by providing a quality early childhood experience. But we can't do it alone. It is hard for our families to reconcile the investment of daycare when there is no relief or assistance from the state.

In summary, quality care for our children should not be a privilege dictated by economics, but a universal right. We strongly support the adoption of a childcare tax credit by the State of Wisconsin.

I would be happy to answer any questions.

Thank you.

Wisconsin Tax Credit Testimony

April 25, 2001

George Hagenauer
 4-C
 5 Odana Ct.
 Madison Wi 53719
 608-271-9181, info@4-C.org

The most critical child care issue at this point is increasing the amount of revenue child care programs receive while reducing the costs to families using care. The core problem facing most programs is the difference between what parents can afford to pay and the cost of providing child care. As such what programs need is an increase in their ongoing revenue stream through regular wage or rate subsidies or an increase in parents' ability to pay tuition.

Returning the state child care tax credit would help parents pay the increased cost of care. The chart below using 4-C survey data indicates that child care costs have been increasing at rates greater than the consumer price index for the past 5 years. The averages do not tell the whole story as Dane County infant care often is over \$200 a week and the highest weekly rate reported was \$380!

Average Weekly Child Care Rates 1995-2000						Year 2000		
	1995	1996	1997	1998	1999	%Change 1995-2000	Annual Cost	
Infant/Toddlers								
Dane Center	\$135	\$142	\$147	\$155	\$164	\$176	30%	\$9,152
Dane Family	\$117	\$124	\$128	\$136	\$142	\$153	31%	\$7,956
Jefferson Family	\$81			\$105		\$115	42%	\$5,980
Preschoolers								
Dane Center	\$109	\$115	\$120	\$127	\$132	\$145	33%	\$7,540
Dane Family	\$106	\$115	\$119	\$125	\$128	\$140	32%	\$7,280
Jefferson Family	\$75.50			\$95		\$107	42%	\$5,564

About half of the 4000 parents who call 4-C each year are low income families using the state subsidy to pay for child care. The other half are families who have to pay the cost of care totally out of their family incomes. The majority of these families earn between \$25,000 and \$50,000 a year usually paying Dane County rates for their care. For them child care costs usually amount to 15-30% of their annual income even if they have only one child. It is quite common for families like the attached letter from Jennifer Herring from Milwaukee to be paying 25% of their income for child care.

On the child care provider side, the high rates are still not high enough. Most child care teachers in our region earn from between \$7.50 and \$10 a hour. If they were single mothers with children they would be eligible for the Wisconsin Shares child care subsidy. The attached letter from Family Child Care provider Donna Ochoa talks of a common occurrence- she works a 50+ hour work week and after expenses clears about \$150 or \$3 an hour.

For counties like Jefferson with lower rates, child care, while cheaper, may not be available. Jefferson County has lost 25% of its regulated child care slots during the past 5 years in spite of a 42% increase in rates. Wisconsin has been experiencing a major crisis in its child care economy. The state child care tax credit is one strategy we need to try in our quest to address and ultimately solve this problem.

I am the Assistant Director here at 4C-milwaukee but I also have two children in child care so this hits home. I am a single mom getting no child support. I am not eligible for W2 or any sort of assistance. I pay over \$200 a week in child care. 25% of my GROSS pay goes to child care. The federal tax credit is a blessing but not nearly enough. The state version of this bill is also small, but at this point, any help would be appreciated.

Feel free to use these comments during the hearing or call me at 414-562-2650 x155 with any questions.

-Jennifer Herring

4/23/01

To: George Hagenauer

From: Donna Ochoa

I am a child care provider and mother of one. My primary decision to stay at home and help other parents with their child care needs was one of economics. By the time that I paid my child care, and other work related expenses. I was able to contribute about \$150 a week to our household expenses. That was when I was working at least 5 hours of over time a week. My w-2s for 1999, working outside of the home, were just a little over 27,000.

I have another a child in my care who's parents probably won't have the time to respond so I'll pass along their story. This is a family of four. Their children are 19 mo. and 7 mo. The father is working second shift so that they can reduce their child expense and he can spend more time with his children. Currently, I can care for only one their children. The mother is actively looking to change the 7 mo. old's child care provider and has been quoted rates as high as \$213 a week for 4 hours a day. The father told me his wife ends up contributing about \$35 a week to the household, after child care expense. This does not account for her clothing expense. She works in a professional environment and is required to dress accordingly.

A State Child Care Tax Credit is definitely needed, among other issues that need intervention in the early child care crisis.

Child care provider and mother of one,
Donna Ochoa

Halverson, Vicky

From: McMurray, Susan
Sent: Monday, April 02, 2001 4:13 PM
To: Halverson, Vicky
Subject: FW: the April 11 public hearing

Hi Vicky,

I sent this to Andy's email (Andrew.Nolan@legis.state.wi.us) but it was sent back to me! Could you show this to him?
Thanks, Susan

-----Original Message-----

From: Rep.Black
Sent: Monday, April 02, 2001 4:10 PM
To: 'Andrew.Nolan@legis.state.wi.us'
Cc: McMurray, Susan
Subject: the April 11 public hearing

Hi Andy,

Well, I talked to Spence today about the April 11th hearing. He is going on a family vacation from April 7 or so until the end of the following week, and therefore will not be in town for the April 11 hearing.

He asked me to ask you and Mickey if it would be possible to postpone the hearing on AB 160... please?

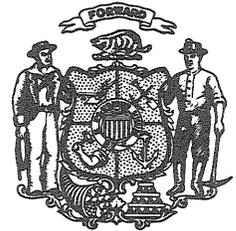
He very much appreciates the courtesy you and Mickey extended by scheduling the bill for a hearing, and hopes you'll schedule AB 160 for a hearing on another date.

Please let me know what you and Mickey decide.

Thanks,

Susan

State Representative Spencer Black



State Capitol
P.O. Box 8952
Madison, WI 53708
(608) 266-7521

March 20, 2001

Rep. Michael Lehman, Chair
Assembly Ways and Means Committee
103 West, State Capitol

Dear Mickey:

I am writing to you in regard to 2001 Assembly Bill 160, which would create a state income tax credit for expenses related to child and dependent care. AB 160 was referred to the Assembly Ways and Means Committee on March 7. I am requesting that AB 160 be given a prompt public hearing in the committee.

I appreciate your attention to this request. Please feel free to contact me if you have any questions. I look forward to your reply.

Sincerely,



Spencer Black
State Representative

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01-0412/1
INTRODUCTION # AB 160
Admin. Rule #

Subject
Create Nonrefundable Individual Income Tax Credit for Child/Dependent Care Expenses

Fiscal Effect

State: No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

<input type="checkbox"/> Increase Existing Appropriation	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be Possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriation	<input checked="" type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriation		

Local: No Local Government Costs

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	Affected Ch. 20 Appropriations 20.566 (1)(a)
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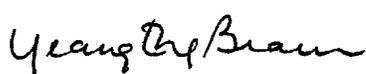
Assumptions Used in Arriving at Fiscal Estimate:

This bill creates a nonrefundable credit for child and dependent care expenses equal to 50% of the federal child and dependent care credit. The maximum credit under this bill is \$360 for filers with one qualifying child or dependent and \$720 for filers with two or more qualifying children or dependents.

According to a simulation using the 1999 Wisconsin Individual Income Tax Model adjusted to reflect current law, this bill would reduce revenues by \$20 million.

The Department would incur one-time administrative costs of \$131,900 in FY02 and \$31,200 in FY03 for data collection, programming and development, adjustment activity, correspondence and supporting expenses, as well as on-going costs of \$236,600 for additional data collection, adjustment activity, supporting expenses and audit correspondence. The bill does not provide funding for these costs.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue Meredith Krejny, (608) 261-8984	Authorized Signature/Telephone No. Yeang-Eng Braun (608) 266-2700 	Date 3/14/01
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FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01-0412/1

Admin. Rule #

INTRODUCTION # AB 160

Subject

Create Nonrefundable Individual Income Tax Credit for Child/Dependent Care Expenses

I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

+131,900 GPR-Exp in FY02; +\$31,200 GPR-Exp in FY03

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringe	\$ 146,600	\$ -
(FTE Position Changes)	(3.2 FTE)	(- FTE)
State Operations-Other Costs	90,000	-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ 236,600	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$ 236,600	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ - 20 million
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ - 20 million

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ +236,600	\$
NET CHANGE IN REVENUES	\$ -20 million	\$

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Meredith Krejny, (608) 261-8984	Yeang-Eng Braun <i>Yeang Eng Braun</i> (608) 266-2700	3/14/01

**TESTIMONY
OF THE
WISCONSIN CHILD CARE AND EDUCATION COALITION
ON
AB 160**

The following organizations which make up the newly created WISCONSIN CHILD CARE AND EDUCATION COALITION support AB 160 because it assists in reducing the overall cost of obtaining quality child care:

Wisconsin Child Care Administrators Association
Wisconsin Child Care Improvement Project
Wisconsin Child Care Union/AFSCME Council 40
Wisconsin Council on Children and Families
Wisconsin Early Childhood Association
Wisconsin Family Child Care Association
Wisconsin School Age Care Alliance
Wisconsin Women's Network Child Care Task Force
Dane County Association for the Education of Young Children
Manitowoc County Early Childhood Association
Milwaukee Association for the Education of Young Children
Sheboygan Area Early Childhood Association
St. Croix Valley Early Childhood Association
Valley Association for the Education of Young Children