
Wisconsin Legislative Council

AMENDMENT MEMO



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2023 Assembly Bill 660

Assembly Amendment 2, Assembly Amendment 1 to Assembly Amendment 2, and Assembly Amendment 3

2023 ASSEMBLY BILL 660

2023 Assembly Bill 660 creates a refundable income tax credit relating to the establishment, operation, and funding of a child care program by a business for the children of its employees, to be calculated as an amount equal to the following:

- Subject to an annual maximum of \$100,000, the sum of:
 - Amounts equal to qualifying capital expenditures incurred by the claimant and the expenses incurred in organizing and administering direct payments to a child care program not operated by the claimant during the first taxable year those expenses are incurred.
 - Amounts equal to the contributions made by the claimant to a nonprofit entity for the purpose of establishing a child care program.
- Subject to an annual maximum of \$3,000 for each child of an employee participating in a child care program, the sum of all of the following:
 - Amounts equal to the expenses incurred by the claimant to operate a child care program.
 - Amounts equal to the payments made by the claimant directly to a child care program in the name of and for the benefit of an employee of the claimant, not exceeding the amount charged to other children of like age and abilities of individuals not employed by the claimant. No credit is allowed under this provision unless the total amount of the claimant's payments is greater than or equal to the total amount of the employee's payments.
 - Amounts equal to the administrative costs associated with payments made by the claimant directly to a child care program, not to exceed one percent of those payments.

ASSEMBLY AMENDMENT 2

Assembly Amendment 2 to Assembly Bill 660 makes the following changes to the bill:

- Revises the income tax credit created by the bill to be nonrefundable.
- Requires that a child care program contemplated by the bill must be located in Wisconsin in order to qualify for the tax credit.
- Delays the credit so as to first apply to tax years beginning after December 31, 2023.

- Clarifies the portion of the credit that may be calculated based on expenses incurred by a claimant to operate a child care program to instead be calculated based on direct operating expenses, excluding qualifying capital expenditures.
- Creates a subtraction from state income for amounts received by an employee from an employer in the form of payments directly to a child care program that qualifies for the credit.
- Revises the portion of the credit that may be calculated based on contributions to a nonprofit entity to instead be calculated based on contributions to a child care center licensed under s. 48.65, Stats. **Assembly Amendment 1 to Assembly Amendment 2** further revises this portion of the credit to also apply to contributions to a child care provider certified under s. 48.651, Stats.

ASSEMBLY AMENDMENT 3

As introduced, Assembly Bill 660 defines “claimant” for purposes of the credit as an employer who “operates” a child care program. Assembly Amendment 3 clarifies the definition of “claimant” to also include an employer who “offers” a child care program, in order to more accurately align the definition with the types of expenditures eligible for calculation of the credit, as described above.

BILL HISTORY

2023 Assembly Bill 660 was introduced by Representative Armstrong, on November 9, 2023. Representative Armstrong offered Assembly Amendment 2 to Assembly Bill 660 on December 20, 2023, offered Assembly Amendment 1 to Assembly Amendment 2 on January 2, 2024, and offered Assembly Amendment 3 on January 3, 2024. On January 4, 2024, the Assembly Committee on Ways and Means recommended adoption of Assembly Amendment 1 to Assembly Amendment 2 on a vote of Ayes, 10; Noes, 0; recommended adoption of Assembly Amendment 2 on a vote of Ayes, 6; Noes, 4; recommended adoption of Assembly Amendment 3 on a vote of Ayes, 10; Noes, 0; and recommended passage of Assembly Bill 660, as amended on a vote of Ayes, 6; Noes, 4.

For a full history of the bill, visit the Legislature’s [bill history page](#).

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