Wisconsin Department of Administration
Division of Executive Budget and Finance

Fiscal Estimate - 2025 Session

[X] Original [ ] Updated [ ] Corrected [ ] Supplemental

LRB Number **25-3839/1**	Introduction Number **SB-0376**

Description
a tax credit for employer-provided child care

Fiscal Effect

State:

- [ ] No State Fiscal Effect
- [ ] Indeterminate
  - [ ] Increase Existing Appropriations
  - [ ] Decrease Existing Appropriations
  - [ ] Create New Appropriations
  - [ ] Increase Existing Revenues
  - [X] Decrease Existing Revenues
  - [X] Increase Costs - May be possible to absorb within agency's budget
    - [X] Yes [ ] No
  - [ ] Decrease Costs

Local:

- [ ] No Local Government Costs
- [ ] Indeterminate
  1. [ ] Increase Costs
     - [ ] Permissive [ ] Mandatory
  2. [ ] Decrease Costs
     - [ ] Permissive [ ] Mandatory
  3. [ ] Increase Revenue
     - [ ] Permissive [ ] Mandatory
  4. [ ] Decrease Revenue
     - [ ] Permissive [ ] Mandatory
  5. Types of Local Government Units Affected
     - [ ] Towns [ ] Village [ ] Cities
     - [ ] Counties [ ] Others
     - [ ] School Districts [ ] WTCS Districts

Fund Sources Affected

[X] GPR [ ] FED [ ] PRO [ ] PRS [ ] SEG [ ] SEGS

Affected Ch. 20 Appropriations

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DOR 7/24/2025

LRB Number 25-3839/1	Introduction Number SB-0376	Estimate Type Original
Description a tax credit for employer-provided child care		

Assumptions Used in Arriving at Fiscal Estimate

The bill allows a taxpayer who is eligible to claim the federal employer-provided child care credit to claim a nonrefundable state income and franchise tax credit equal to the amount the taxpayer may claim for the federal employer-provided child care credit. Under current federal law, a person may claim a federal employer-provided child care credit of up to 25 percent of qualified child care expenditures associated with acquiring or constructing a child care facility and 10 percent of qualified child care resource and referral expenditures, up to a maximum credit of $150,000. Federal law provides that if a child care facility for which a federal employer-provided child care credit is claimed ceases to operate within 10 years, the person who claimed the credit must pay back a specified portion of the credit based on the duration that the taxpayer operated the facility. Under the bill, if a claimant must repay a portion of the federal employer-provided child care credit to the federal government, the claimant must also repay to the Department of Revenue an amount equal to the amount repaid to the federal government.

Fiscal Effect

The IRS's SOI tax statistics for the most current year available, 2021, indicates that 176 claimants claimed $15 million in employer-provided child care credits. Assigning a share of that total to Wisconsin based off of Wisconsin's share of the economy yields a minimal decrease in revenue.

Long-Range Fiscal Implications

Wisconsin Department of Administration
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Fiscal Estimate Worksheet - 2025 Session

Detailed Estimate of Annual Fiscal Effect

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

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Description
a tax credit for employer-provided child care

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

II. Annualized Costs:	**Annualized Fiscal Impact on funds from:**	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	$	$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	$	$
B. State Costs by Source of Funds		
GPR		
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, ets.)

	Increased Rev	Decreased Rev
GPR Taxes	$	$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	$	$

NET ANNUALIZED FISCAL IMPACT

	State	Local
NET CHANGE IN COSTS	$	$
NET CHANGE IN REVENUE	$See text	$

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