

**Testimony in Support of Assembly Bill 283**  
*Assembly Committee on Agriculture and Revenue*  
Wednesday, November 5, 2025

Chairman Testin and committee members, thank you for holding this hearing today and allowing me to speak in support of Assembly Bill (AB) 283. I appreciate Senator Marklein's willingness to work with me on this important legislation.

The bipartisan child care investments made in the recently enacted state budget represent significant progress toward addressing the broken child care business model in our state. AB 283 builds upon these investments by expanding the child care expenses that are eligible for the Business Development Tax Credit (BDTC).

Currently, businesses are eligible to claim the BDTC for up to 15% of their investment in creating an employee child care program. But here's the catch: that credit only applies to capital expenses. While this helps large businesses that can afford to build their own on-site child care centers, for most employers it does not. In an effort to increase employer investment in child care, AB 283 broadens the list of child care investments by employers that are eligible for the BDTC, including:

- Expenditures for child care program operations
- Expenditures to reimburse employees for child care expenses
- Expenditures to purchase or reserve child care slots on behalf of employees
- Contributions made by the employer to an employee's dependent care flexible spending account (FSA)
- Any other cost or expense incurred due to a benefit provided by an employer to facilitate the provision or utilization by employees of child care services

In addition, AB 283 allows non-profit organizations to be certified by WEDC as eligible entities for the child care portion of the BDTC.

While this legislation is not a silver bullet, it is another step forward in addressing our state's child care challenges. I ask for your support of AB 283 and thank you again for the opportunity to testify before you today.