



JAY D. LIVINGSTONE
STATE REPRESENTATIVE
8TH SUFFOLK DISTRICT

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES
STATE HOUSE, BOSTON 02133-1054

Committees:
Vice Chair, Public Service
Consumer Protection and Professional Licensure
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Post Audit and Oversight

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September 7, 2021

Hon. Michael Finn, House Chair
Joint Committee on Children, Families, and Persons with Disabilities
State House, Room 146
Boston, MA 02133

Hon. Adam Gomez, Senate Chair
Joint Committee on Children, Families, and Persons with Disabilities
State House, Room 413-B
Boston, MA 02133

Re: H245 An Act providing relief for the cost of childcare

Dear Chair Finn and Chair Gomez,

I write to you in support of a bill I filed to provide financial relief to families use childcare, H245 *An Act providing relief for the cost of childcare*. I respectfully request that you report this bill out favorably.

Currently, the cost of childcare is astronomical and is one of the biggest barriers preventing parents, and particularly women, from returning to the workforce after the pandemic. We know that even prior to the pandemic parents were often having to decide between earning a living and spending much of their paycheck on childcare or bypassing work to avoid those burdensome costs. The pandemic has only exacerbated that dilemma. Access to affordable and quality childcare is critical to getting people back to work and to continue the Commonwealth's economic recovery from the pandemic.

This bill would also help encourage parents to start sending their children back to childcare and increase enrollment rates that have significantly dropped due to the pandemic. Many childcare centers either closed completely or were unable to operate fully in the last year and a half. We need to encourage parents and families to utilize this industry again.

I propose with H275 to increase the maximum tax deduction for business-related childcare expenses. Currently the maximum deduction is \$4,800 for filers with one dependent and \$9,600 for filers with two dependents or more. I propose to double these to \$9,600 for one dependent and \$19,200 for two dependents or more. This change would provide meaningful relief for all

families who qualify, with the most assistance going to low-income families who need it the most.

I requested an analysis from the Department of Revenue to better understand the revenue impact of my proposal. According to the analysis, this proposal would create at most an additional \$7 - \$8 million in revenue loss per year. DOR made a conservative assumption that the same percentage of people using the maximum deduction now would remain the same. If the percentage was lower, as it should be, the revenue loss will be lower as well. I believe that this is feasible considering the state's strong tax revenue in FY21 and the increased revenue projections that we have for FY22. In the long run this will benefit both individual families and our society and create more equitable opportunities for parents and children alike.

Thank you for your consideration. If I can answer any questions, please do not hesitate to reach out.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jay Livingstone".

Jay Livingstone
State Representative
8th Suffolk District