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S.F. No. 934 – Child care professional supply and retention credit (as proposed to be amended by the A-1 amendment)

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This bill provides an income tax credit for child care professionals based on their level of child care professional qualification. Effective beginning in tax year 2021.

Section 1. Child care professional supply and retention credit.

Subd. 1. Credit allowed. Allows a tax credit for child care professionals based on their career lattice step qualification. The credit may only be claimed for employment at one child care facility in a taxable year and is adjusted annually for inflation. The credit equals:

Child development associate:	\$1,000
Associate's degree:	\$2,500
Bachelor's degree or higher:	\$3,000

Subd. 2. Definitions. Defines terms applicable to the credit.

“Career lattice step” means the qualification level assigned to a child care professional under a system operated by DHS.

“Child care facility” means a licensed child care center or licensed family child care provider with a quality rating of at least one star for at least six months of the taxable year.

“Child care professional” means an individual who has obtained a career lattice step of at least six and who has been employed by a child care facility for at least six months of the taxable year.

“Quality rating” means the rating awarded to a child care facility by DHS.

Subd. 3. Allocation for nonresidents and part-year residents. Requires allocation of the credit as provided under current law.

Subds. 4 and 5. Credit refundable; appropriation. Provides that the credit is refundable and appropriates a sufficient amount from the general fund to pay refunds.