

Existing law establishes school readiness tax credits in order to promote quality child care for children five years of age or less. Existing law requires the Dept. of Children and Family Services (DCFS) to determine the eligibility of child care facilities, child care providers, child care directors, and staff for receipt of tax credits.

New law deletes references to DCFS and adds a definition for "department" which shall mean the state agency designated as the lead agency of the Child Care Development Fund and responsible for determining the eligibility for the tax credits associated with the fund.

New law adds definitions for "Tiered Kindergarten Readiness Improvement System", "the Early Childhood Care and Education Network", and "eligible early childhood learning centers".

Existing law provides for an individual income tax credit for child care expenses based on the quality rating of the child care facility which the child attends. The amount of the credit varies depending on the quality rating of the child care facility.

Existing law provides for a refundable income or corporation franchise tax credit for child care providers. The amount of the credit shall be equal to an amount based upon the average monthly number of children who either participate in the Child Care Assistance Program or who are foster children in the custody of DCFS, and who are attending a child care facility or facilities operated by the child care provider, multiplied by an amount which shall be based upon the quality rating of each child care facility operated by the child care provider.

Existing law provides for a refundable individual income tax credit for eligible child care directors and eligible child care staff. The amount of the credit varies based upon the qualifications of the provider.

Existing law provides for a refundable income tax or corporation franchise tax credit for eligible business child care expenses supported by a business. The amount of the credit shall be based on a percentage of eligible business child care expenses depending upon the quality rating of the child care facility to which the expenses are related or the quality rating of the child care facility the child attends. Existing law provides for an additional refundable income or corporation franchise tax for the payment by a business of fees and grants to child care resource and referral agencies not to exceed \$5,000 per tax year.

New law requires the department, in collaboration with the State Board of Elementary and Secondary Education (BESE), to make recommendations for legislation no later than Jan. 1, 2015, to align the tax credits provided for in existing law with the Early Childhood Care and Education Network, which promotes kindergarten readiness in eligible early childhood learning centers and which evaluates eligible centers utilizing the letter grade system adopted through rules promulgated by BESE for determining the success of an eligible center.

Effective July 1, 2013.

(Amends R.S. 47:6102, 6103(A)(1) and (2), and 6109(A); Adds R.S. 47:6103(C))