



A Guide for Employers: Florida's Child Care Tax Credit



Florida Business Alliance
for Early Learning Project

FLORIDA
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Foundation

Florida's New Child Care Tax Credit: A Win-Win for Businesses and Employees



In the 2024 legislative session, the Florida legislature passed HB 7073, “Taxation,” including a provision on the Child Care Tax Credit, originally sponsored by Representative Fiona McFarland, Florida House District 73, and Senator Erin Grall, Florida Senate District 29.

Starting during the 2024 taxable year, Florida’s child care tax credit provides businesses with the potential for significant tax savings while supporting employees’ childcare needs. This move aims to alleviate the financial burden of childcare through employer-supported care, enabling more parents to participate fully in the workforce. This tax credit offers a huge opportunity to support the workforce of today and tomorrow. According to the Florida Chamber Foundation’s Untapped Potential in FL research, **childcare issues are the #1 reason why parents leave their jobs.**

This guide explains how your business can benefit and support Florida’s economy by expanding access to quality child care. The Florida Department of Revenue began accepting applications on October 1, 2024, on a first-come, first-served basis.

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Three Ways Employers Can Use Florida's Child Care Tax Credit

1

Startup costs for childcare facilities

- Claim a tax credit of up to 50% of the startup costs for operating an eligible child care facility licensed by the Department of Children and Families and facilities exempt from licensure for employees.
- The maximum credit varies by the size of the business:
 - For businesses with 1-19 employees, the maximum credit is \$250,000.
 - For businesses with 20-250 employees, the maximum credit is \$500,000.
 - For businesses with more than 250 employees, the maximum credit is \$1 million.

2

Monthly childcare enrollment credit

- Claim a tax credit of \$300 per month for each eligible employee's child or grandchild, when the grandparent is the caregiver, enrolled in an employer-operated child care facility licensed by the Department of Children and Families or facility exempt from licensure.
- The maximum credit amount is also based on the size of the business:
 - For businesses with 1-19 employees, the maximum credit is \$50,000.
 - For businesses with 20-250 employees, the maximum credit is \$500,000.
 - For businesses with more than 250 employees, the maximum credit is \$1,000,000.

3

Direct payments for child care

- Businesses making payments directly to an eligible child care facility for the benefit of an employee's child(ren) or grandchild(ren), when the grandparent is the caregiver, can claim a tax credit of 100% of these payments, up to \$3,600 per child per tax year.
- The maximum credit amount follows the same structure:
 - For businesses with 1-19 employees, the maximum credit is \$50,000.
 - For businesses with 20-250 employees, the maximum credit is \$500,000.
 - For businesses with more than 250 employees, the maximum credit is \$1 million.

Which taxes will the credit apply to?

- Corporate Income Tax
- Insurance Premium Tax
- Gas and Oil Production Tax
- Excise Tax on Liquor, Wine, and Malt Beverages
- Use Tax Due Under a Direct Pay Permit

Additional Details on the Child Care Tax Credit

- Only those businesses and organizations that have a tax liability under the five mentioned state taxes eligible for the Child Care Tax Credit program are eligible to utilize the tax credit.
- Employers may operate on-site childcare, choose to jointly operate a childcare center with other taxpaying employers, or partner with a nonprofit to operate a childcare center.
- An employer's contribution may go directly to the childcare provider or pay for a portion or all of the child care costs at a facility of the employee's choosing, or employers may contract with an **early learning coalition** to process payments on their behalf.
- The Florida Legislature appropriated \$5 million for the program during the state Fiscal Years 2024-2025, 2025-2026, and 2026-2027.

Quick Links for More Information

FL Dept. of Revenue Page on
Child Care Tax Credit:



<http://flchm.co/CCTaxCreditApp>

Watch the Webinar Replay
with FL Dept. of Revenue:



<http://flchm.co/TaxCreditWebinar>

Starting Your Application

Step-by-Step Guide to Starting Your Application

Step 1: Assess Employee Child Care Needs:

- Utilize our example “Survey to Assess Employee Childcare Needs” contained within this guide (pages 8 and 9) to determine what solution might be best for your employees and the number of employees who would participate in a program that supported their child care needs.

Step 2: Connect with Your Early Learning Coalition or Preferred Providers in the Area:

- Whether you are planning to construct an on-site child care facility or make payments directly to a child care center in your area, reaching out to your local early learning coalition would be a good place to start conversations about potential partnerships.
- You can also leverage Florida’s Department of Children and Families public search tool to find child care providers in your area with programmatic and contact information for each.

The screenshot displays the Florida Department of Children and Families public search tool. At the top, a search bar contains the zip code "32043". Below the search bar, a table lists child care providers. To the left of the table is a "Refine Results" sidebar with filters for City, County, Provider Type, License Status, Program, and Service. To the right of the table is a map showing the location of the providers in Green Cove Springs, FL.

Provider Information	Distance	Programs	Services
Boys and Girls Club of Northeast Florida - Clay High School 2025 State Road 16 W, Green Cove Springs FL, 32043	2.9 miles		
YMCA Before & After School at Charles E. Bennet 1 S Oakridge Ave, Green Cove Springs FL, 32043	3.4 miles	A, B, C	
Clay County School District - Charles E. Bennett Elementary School 1 South Oakridge Avenue, Green Cove Springs FL, 32043	3.5 miles	V, K	
Hickory Grove Early Learning Center 310 S Oakridge Ave, Green Cove Springs FL, 32043	3.6 miles	V, K, A, B, C	
YMCA of Florida's First Coast - Spring Park Elementary 3530 County Road 315, Green Cove Springs FL, 32043	3.7 miles	A, B, C	
All Kids Learning Center 1215 Idlewild Ave, Green Cove Springs FL, 32043	4 miles	V, K, A, B, C	
Episcopal Children's Services Green Cove Springs Head Start / EHS 1107 Martin Luther King Jr Blvd, Green Cove Springs FL, 32043	4.4 miles	V, K	
Bannerman Learning Center 608 Mill St, Green Cove Springs FL, 32043	4.4 miles		
Little Hands At Work, Llc		V, K, A	

- In addition, companies like KinderCare have experience running on- and near-site care for businesses like yours.

Step-by-Step Guide Continued...

Step 3: Information/Items to Gather Before Starting Application:

- Federal Employer Identification Number (FEIN)
- Average number of employees employed during the taxable or fiscal year for which you are applying, if applicable
- The name and FEIN of the parent company, if you file your Florida corporate income/franchise tax return on a consolidated basis

For more information and specific attachments required for establishing a child care facility (start up costs), operating an eligible child care facility, or making payments to an eligible child care facility visit the Florida Department of Revenue's page and click the dropdown "Applying for a Tax Credit Allocation": <https://floridarevenue.com/taxes/taxesfees/Pages/childcare.aspx>.

Step 4: Submitting Your Application:

- For the quickest way to apply, use the online Multi-Tax Credit Application, where you will create an online account, complete and submit the application, receive a confirmation number with date and time stamp upon submission, and view the status of your application. View other ways to apply [here](#).
- If the taxpayer is required to file and pay electronically, then you must apply online.
- If two or more taxpayers jointly establish and operate an eligible child care facility, or work a nonprofit taxpayer to do so, the taxpayers must file a joint application or the nonprofit can file an application. Joint applications must be submitted in [hardcopy format via Form DR-556000](#).
- The Department of Revenue will send notification of approval or denial for your allocation. NOTE: An approved credit allocation application does not authorize the credit to be claimed! You still must incur the costs in one of the three eligible ways, in the name and for the benefit of an employee before claiming the credit on a tax return.

For more information on claiming a credit or specifics on how this credit applies to your specific tax liability, please visit the Florida Department of Revenue's page and click the appropriate dropdown: <https://floridarevenue.com/taxes/taxesfees/Pages/childcare.aspx>.

Survey for Employers to Assess Employee Child Care Needs

Sample: Survey to Assess Employee Child Care Needs

Thank you for taking the time to participate in this survey. We are conducting this survey to better understand the child care needs of our employees and explore potential childcare support options to create a more family-friendly work environment. Your feedback is valuable, and all responses will be kept confidential.

Survey Questions

1. Do you have children who require child care?
 - a. Yes
 - b. No
2. How many children do you have in the following age groups? (Select all that apply)
 - a. Infant (0-18 months)
 - b. Toddler (18 months-3 years)
 - c. Preschool (3-5 years)
 - d. School age (6-12 years)
3. What type of child care arrangement do you currently use for your children? (Select all that apply)
 - a. Family member provides care
 - b. Non-licensed home care
 - c. Licensed home care
 - d. Private or Public-school Based child care center
 - e. Before/after school program
 - f. Nanny or sitter
 - g. Other (please specify)
4. How satisfied are you with your current child care arrangement?
 - a. Very satisfied
 - b. Satisfied
 - c. Neutral
 - d. Unsatisfied
 - e. Very unsatisfied

5. What are the main challenges you face regarding child care? (Select all that apply)
- a. Cost
 - b. Availability
 - c. Quality of care
 - d. Hours of operation
 - e. Location
 - f. Transportation
 - g. Other (please specify)
6. Would you be interested in on-site child care provided by your employer if it were available?
- a. Yes
 - b. No
7. How much would you be willing to pay per week for on-site child care?
- a. \$0-\$250
 - b. \$251-\$500
 - c. \$501-\$750
 - d. \$750-999
 - e. \$1000+
8. What additional services would you like to see in a child care program? (Select all that apply)
- a. Meals and snacks
 - b. Diapering supplies
 - c. Transportation
 - d. Extended hours
 - e. Care during school holidays and breaks
 - f. Sick child care
 - g. Other (please specify)
9. Do your child care responsibilities impact your ability to work regular hours or attend work regularly?
- a. Yes, often
 - b. Yes, sometimes
 - c. No
10. Would you be interested in participating in a follow-up discussion or focus group about child care needs?
- a. Yes (If yes, please provide your name and email)
 - b. No

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