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## **Governor Wolf Highlights New State Child Care Tax Credit to Support Working Families**

**York, PA** – Governor Tom Wolf today visited the Early Learning Center at Crispus Attucks in York to highlight his new state child tax credit program, modeled after the federal program, to support Pennsylvania’s working families and ensure unbarred access to high-quality early childhood education.

“Cost should never be a barrier for parents looking for an educational, safe, supportive, and fun environment for their children while they’re at work each day,” said Gov. Wolf. “With cost as a barrier our workforce suffers and the success of Pennsylvanians is stifled. I wanted to create this state-level child care tax credit to support our hard working families, our workforce, our children, and our combined success in this commonwealth.”

In his capstone budget, Gov. Wolf secured \$25 million for the Child and Dependent Care Enhancement Program. Modeled after the federal child care tax credit program, this state-level child care tax credit program benefits working families with children in daycare who already qualify for the federal program. It’s estimated that nearly 221,000 Pennsylvania families will benefit from this refundable tax credit. The state child care tax credit is for 30% of the federally approved expense.

Pennsylvanians paying for child care services will be able to claim the credit when filing state taxes starting in 2023. Families could be eligible for:

- \$180 (one child) or \$360 (two or more children) for households earning above \$43,000, or
- \$315 (one child) or \$630 (two or more children) for households earning less than \$43,000.

“Pennsylvania families deserve our help now more than ever. With the cost-of-living at an all-time high and with the extraordinary surplus in our Rainy Day Fund, now is the time to be investing in our families,” said Rep. Carol Hill-Evans. “In addition to financially supporting families and allowing parents to return to work, this will give a boost to the childcare sector, which is still recovering from the pandemic. Right now, over 90% of childcare centers are facing worker shortages. With more families able to afford childcare, these centers will be closer to pre-pandemic attendance levels.”

With the average cost of childcare in Pennsylvania being nearly \$12,000 annually, according to the Economic Policy Institute, it’s a growing burden for working families also struggling with rising inflation and gas prices.

“Quality childcare is the most needed, most expensive services for hardworking families,” said CEO of Crispus Attucks, Bobby Simpson. “This new tax credit will go a long way in helping families acquire good-quality childcare, it will be a tremendous help to our local families.”

Gov. Wolf is committed to meeting the needs of Pennsylvanians and ensuring their future success. In his final budget he [secured a historic \\$1.8 billion increase for education](#) funding, including a \$79 million increase for early learning through Pre-K Counts and Head Start. In addition to the state child care tax credit, the governor also prioritized the following direct resources and supports for Pennsylvanians:

- \$140 million in [direct property tax relief](#).
- \$375 million for safe and affordable housing by creating new units, repairing existing units, and funding home repairs.
- \$90 million to stabilize the child care workforce through recruitment and retention payments.
- \$1 million for [a Hunger Free Campus Initiative](#) that will provide grants to higher education institutions to create or expand food pantries and further address college food insecurity.
- \$100 million for adult mental health services, and the creation of a dedicated Behavioral Health Commission to make recommendations for allocating the funds.
- \$100 million for student mental health support to ensure Pennsylvania’s youth have all the resources they need to overcome challenges and succeed through Ready to Learn Block Grants.

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