

FAMILY FRIENDLY WORKPLACE

SUPPORT
CHILD
CARE

INCREASE
WORK
PRODUCTIVITY

SAVE ON
PAYROLL
TAXES



Kansas Child Day Care Assistance Tax Credit

The State of Kansas incentivizes businesses to help cover the cost of child care.

BUSINESS BENEFITS

- Improves recruitment and retention
- Improves work performance
- Improves health



kac.org/taxcredit

KIDS ARE GOOD BUSINESS

FAMILY FRIENDLY WORKPLACE

INFORMATION FOR EMPLOYERS

KANSAS
POWER
of the Positive



KANSAS CHILD DAY CARE ASSISTANCE TAX CREDIT

The Child Day Care Assistance Tax Credit is designed to encourage businesses to purchase or provide child care services for their employees' children. A business which provides this service is entitled to a credit against their income tax liability. To claim the credit, a business must complete Schedule K-56, which is filed with the income tax return.

QUALIFIED EXPENSES FOR THE CHILD DAY CARE ASSISTANCE TAX CREDIT

- Paying for child care services for employees' children
- Providing a facility and equipment for child care services for employees' children
- Assisting in locating child care services for employees' children

One option to consider is using a Dependent Care Flexible Spending Account. Did you know your company is allowed to make contributions too? Here is an example of the savings your company realizes when the employee and your company both contribute to the employee's Dependent Care FSA:

- The State of Kansas covers 30% of your company's contribution
- Your company avoids 7.65% payroll taxes on the employee's contribution

IMPROVE WORK PRODUCTIVITY

According to the Economic Policy Institute, child care is unaffordable for the typical Kansas family.¹ A federal work life study reports that working parents have difficulty paying for child care even when their income level doesn't qualify them for a subsidy program. The study also shows that when workplaces help employees with dependent care, employees report:

- Increased desire to stay
- Improved morale
- Improved performance
- Helped to better manage stress²
- Improved health

“Expanding opportunities for Kansans to gain employment by removing barriers is a win-win...”

Greater Kansas City
Chamber of Commerce

CHILD CARE MATTERS

Of Kansas parents with children age 5 and younger, 12.6% had to quit a job, not take a job, or greatly change their job because of problems with child care.³

KIDS ARE GOOD BUSINESS

Employees that have taken the Kansas Kids Are Good Business survey rated as extremely important:

- The ability to bring my children to onsite child care
- Having subsidized child care costs as part of the employee benefits package
- Employer provided flexible spending accounts that allow tax free income to be spent on child care

Is it important to your employees? You can ask them using the Kids Are Good Business Survey at familyfriendlyks.org.

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SOURCES

¹ Economic Policy Institute, The Cost of Child Care in Kansas

² U.S. Office of Personnel Management, Federal Work-Life Survey Governmentwide Report, March 2018

³ 2019-2020 National Survey of Children's Health (NSCH)