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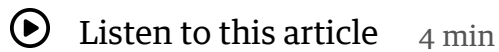
# Florida tax law incentivizes businesses to offer child care benefits



Who's Who in Law 2023

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By [Dina Katgara](#) – , South Florida Business Journal  
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A Florida law went into effect July 1 that will provide businesses with tax incentives to support employees' childcare needs.

House Bill 7073 was approved by Gov. Ron DeSantis in May and will provide employers with \$5 million in annual childcare tax credits to help cover employee's certain child care expenses. Applications will be available this October through the Department of Revenue, according to The Children's Movement of Florida.

"This is huge," said Madeleine Thakur, CEO of the Children's Movement of Florida, a nonprofit that advocates for workplace childcare benefits. "As more companies start to include that benefit, it changes who can see themselves coming to work in your company. Our vision is that this will change the game, whether companies are taking the tax credit or not, in thinking about child care subsidies as a competitive workforce benefit."

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There are two ways a business can take advantage of the credit: it can open its own child care facility or establish a way to subsidize external child care costs for its employees.

A business can directly pay an eligible child care facility in the name of an employee's child or grandchild, or it can contract with a local Early Learning Coalition. It will then receive a credit of \$300 per child on the price of care. The maximum credit is \$3,600 per child per taxable year, according to the legislation.

Establishing an onsite child care center, whether it be retrofitting a room or building a new facility, can make a business eligible for a tax credit of up to 50% the startup cost starting the year it begins operations. After the company establishes a center, it can receive an additional monthly credit of up to \$300 per child.

If a business has 1 to 19 employees, it can receive a maximum of \$1,000,000 to start its own facility. For a business with up to 250 employees, that number goes to \$500,000; if it has over 250 employees, it can receive up to \$250,000.

The application must include a proposal for the facility or partnership that includes how many children it will serve and total operating months.

Andrea Cid, founder and CEO of cosmetic co-packer Miami Growth Machines, is currently reviewing its child care policies. She said this new law is a way to increase competitiveness and retention while supporting current employees.

"HB 7073 is a step in the right direction," Cid said. "As a small business, we don't have the critical mass to offer onsite options, but this law is flexible enough to include smaller businesses and offers direct monthly support for employees."

According to Thakur, House Rep. Fiona McFarland championed this initiative. McFarland, who represents District 73 in Sarasota, was inspired after experiencing difficulty finding child care for her own three children under age 5.

"She really wanted employers to have skin in the game and an incentive to participate," Thakur said. "Companies want to be able to hire from the widest pool of possible applicants, and if parents with young children cannot even consider a role in your company, you are limiting yourself on the talent that you can bring in."

Businesses can apply for these credits to offset these Florida taxes: corporate income tax; excise tax on liquor, wine, and malt beverages; gas and oil production tax; insurance premium tax; and use tax due under a direct pay permit.

More than one taxpaying business can join efforts to create and operate a childcare facility. In this case, they can divide the tax credits at their discretion, according to the legislation.

"You're going to be able to recruit better talent, better companies, higher paying jobs," Thakur said. "It is a game changer for the community, whether you have kids or not."

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# South Florida's Women-Owned Businesses

Total Companywide Revenue Volume 2023

Rank	Prior Rank	Company / Prior (*Not ranked in in year prior) / URL
1	1	Rick Case Automotive Group
2	2	RCC Associates
3	3	Genesis Global Recruiting
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