

LEGISLATIVE DIGEST

[Business and Tax Regulations Code - Extending Sunset Date of Credit from Early Care and Education Commercial Rents Tax for Qualifying Child Care Facilities]

Ordinance amending the Business and Tax Regulations Code to extend for five years, until December 31, 2028, the credit against the Early Care and Education Commercial Rents Tax for qualifying child care facilities.

Existing Law

Existing law provides a credit against the Early Care and Education Commercial Rents Tax (“Commercial Rents Tax”) for businesses that lease or provide commercial space in the City for certain licensed child care facilities that provide care to infants, toddlers, and/or preschool-age children. The amount of the credit is based on the total number of infants, toddlers, and preschool-age children for which the child care facility is licensed to provide care, as follows:

Number of Infants, Toddlers, and Preschool-Age Children	Amount of Credit
1 to 49	\$7,200
50 to 99	\$16,000
100 or more	\$36,000

The credit is allowed on an annual basis and is neither refundable nor allowed to be carried forward to a subsequent tax year. The credit will expire on December 31, 2023.

Amendments to Current Law

This ordinance would extend the credit for qualified child care facilities for five years, through December 31, 2028.