



GOVERNOR JOSH SHAPIRO

FOR IMMEDIATE RELEASE

Wednesday, September 25, 2024

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Governor Shapiro Hosts Ceremonial Bill Signing in Berks County to Highlight New Tax Cuts Supporting Pennsylvania Families and Small Businesses

Governor Josh Shapiro has taken action over the last two years to reduce costs and lower taxes more than four times — easing the burden on families, seniors, and businesses

This year alone, the expanded Child and Dependent Care Tax Credit put \$132 million back into the pockets of over 212,000 Pennsylvania families

The Governor's Property Tax and Rent Rebate Program has already sent a total of \$300 million to more than 500,000 Pennsylvania seniors





Reading, PA – Today, **Governor Josh Shapiro** visited the **Second Street Learning Center**, where he met with children, staff, and business and legislative leaders to host a ceremonial bill signing for the recent tax cuts included in the 2024-25 bipartisan budget, aimed at lowering costs for Pennsylvania families and small businesses. The Center, which cares for children ranging from 6 weeks to 13 years old, is a vital resource in the Reading community, offering essential childcare services to low-income families.

With annual childcare expenses ranging from \$9,000 to \$13,000 – over 15 percent of a median household’s income – many families are feeling the financial strain. According to the **U.S. Chamber of Commerce**, the lack of affordable, reliable childcare costs Pennsylvania’s economy \$3.47 billion each year in lost earnings, productivity, and tax revenue.

Since taking office, **Governor Shapiro** has brought Republicans and Democrats together to save Pennsylvanians money by cutting taxes at least four times. In the [2024-25 budget](#), Governor Shapiro secured a new Employer Child Care Contribution Tax Credit, which is designed to help businesses grow while reducing childcare costs for working families.

That credit builds on the Governor’s expansion of the **Child and Dependent Care Tax Credit**, which he [signed into law last year](#), delivering **\$132 million** in tax credits to over 212,000 Pennsylvania families this year. The state tax credit now matches 100 percent of the federal tax credit, increasing the maximum from \$630 to \$2,100 for families in Pennsylvania.

“I’ve heard firsthand from so many Pennsylvanians who are struggling with high costs right now. From rent to childcare - folks just need a little more help to get by and make ends meet,” said **Governor Shapiro**. “That’s why we’ve cut taxes and lowered costs for Pennsylvanians, including two tax cuts that make childcare more affordable across the Commonwealth. Whether you’re a senior, you’re a family with kids, or you’re a small business owner, I want you to know we’re working hard to cut costs for you and deliver real relief.”

In addition to the tax credits for Pennsylvania families, the new **Employer Childcare Contribution Tax Credit** in the 2024-25 budget will encourage businesses to contribute to their employees’ childcare expenses. Employers can claim a tax credit for up to 30 percent of their total contributions to eligible

childcare costs, with a cap of \$500 per employee – helping businesses save money and driving even more dollars out to help parents with the high cost of childcare. These contributions will also be excluded from the employee's taxable income. The credit will be available for tax years beginning after December 31, 2024.

“Every child and parent in Pennsylvania deserves access to high-quality, affordable childcare,” said **Senator Judy Schwank**. “Thanks to Governor Shapiro’s leadership, we passed a budget that invests in early childhood education and created the Employer Childcare Contribution Tax Credit to encourage businesses to support their employees’ childcare needs.”

"I am proud to support a budget that delivers real, tangible benefits to the people of Berks County," said **Representative Johanny Cepeda-Freytiz**. "By reducing childcare costs, expanding property tax and rent rebates, and investing in our small businesses and workforce, we are creating opportunities for families to thrive and our local economy to grow. This budget is a testament to what can be achieved when we come together across party lines to prioritize the needs of our communities. I look forward to seeing the positive impact it will have on the lives of so many in our district."

The **Second Street Learning Center** is part of Opportunity House in Reading and provides extended hours and critical childcare services, allowing parents the flexibility to accommodate their work schedules. Serving over 350 children, the center offers care for infants, toddlers, preschoolers, and school-age children. The facility is funded by the **Pennsylvania Department of Education (PDE)**, is [Keystone Star 4 accredited](#), and licensed by the **Department of Human Services (DHS)**.

Governor Shapiro toured the childcare center, meeting with staff, families, and community leaders to discuss how the new tax cuts will directly benefit local families and businesses.

“When I started working at Opportunity House in 2004, I was a 21-year-old single mother of two small children who was lost and had little guidance. Right away, I was able to enroll my children in childcare, and have them close to me, and cared for by a wonderful, caring staff who turned into a second family,” said **Jennifer Stepp, Lead Teacher, Second Street Learning Center**. “I had a safe, happy place for my children to be cared for while I worked. And, with the help of amazing coworkers and friends, I obtained my teaching degree — the first in my family to graduate college.”

“By offering quality, affordable childcare, we give parents the ability to seek and maintain permanent, full-time jobs — knowing that children are being cared for in a center that helps them grow emotionally, socially, and developmentally,” said **Modesto Fiume, President of Opportunity House**. “This legislation will have a tremendous impact on lessening the burden for families throughout the Commonwealth, incentivizing employers through a tax credit program, while increasing the childcare tax credit for families is a win-win for our children and their future. Thank you for seeing a path forward to make this happen.”

“I'm excited about this Administration's bipartisan efforts to invest in education, workforce development, economic development, and infrastructure. These changes can have a direct, positive effect on the business community here in Reading,” said **Lucine Sihelnik, President of the Greater Reading Chamber Alliance (GRCA)**. “Governor Shapiro is offering tax credits that will help address the existing gaps in the workforce. I'm proud to speak on behalf of our business community — and GRCA is dedicated to supporting and promoting small businesses, helping to make them successful. I'm confident that the net operating loss deduction and the employer tax credits will support our business community. We're excited for the changes that this Administration is putting forth for our small and Main Street businesses. Thank you, Governor Shapiro, for supporting the necessary tax cuts, for believing in our talented

workforce and their childcare needs, and for your continued support for economic development in Reading and in our great Commonwealth.”

Additional tax cuts and investments in the 2024-25 bipartisan budget include:

- **529 Savings Account Employer Matching Contribution Tax Credit:** This new credit allows businesses to match employee contributions to PA 529 Tuition Savings or PA ABLE accounts, with eligible employers able to claim a tax credit of up to 25 percent of their contributions, capped at \$500 per employee each year.
- **Student Loan Interest Deduction:** Pennsylvania taxpayers can now deduct up to \$2,500 of student loan interest paid on qualified loans from their taxable income, providing significant relief to graduates burdened with student debt.
- **Expansion of Property Tax and Rent Rebate (PTRR) Program:** Last year’s expansion delivered the largest targeted tax cut for seniors in nearly two decades, increasing the maximum rebate from \$650 to \$1,000 and expanding access to nearly 175,000 more Pennsylvanians. In 2024, more than 500,000 seniors and people with disabilities received over \$302 million in rebates. More than 105,000 of those are first-time filers who were newly eligible this year.
- **Support for Small Businesses:** The Net Operating Loss (NOL) deduction limit will increase to 80 percent by tax year 2029, allowing businesses to reduce their taxable income by up to 80 percent of current income, a significant jump from the previous limit of 40 percent. This change will ensure small business owners are keeping more money in their pockets and Pennsylvania is competitive with other states while helping businesses in the Commonwealth grow.

Governor Shapiro’s tax cuts will create real opportunity for Pennsylvanians – allowing businesses to offer more incentives to hire and retain workers, supporting parents with childcare and the cost of higher education, and helping our seniors stay in their homes.

For more information on the **Child and Dependent Care Tax Credit**, visit pa.gov/childcaretaxcredit.

For more information on the **Property Tax/Rent Rebate Program**, visit pa.gov/ptrr.

To learn more about how the 2024-25 budget will create opportunities for Pennsylvanians, visit shapirobudget.pa.gov.

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