



GOVERNOR JOSH SHAPIRO

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Governor Shapiro Celebrates New Tax Cuts Supporting Pennsylvania Families and Small Businesses at Bucks County Childcare Center

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/Rent Rebate Program has already sent a total of \$300 million to more than 500,000 Pennsylvania seniors



Chalfont, PA – Today, **Governor Josh Shapiro** visited the **La Petite Academy of Chalfont**, a childcare center in Bucks County, where he met with children, staff, and business and legislative leaders to celebrate the recent tax cuts included in the 2024-25 bipartisan budget, aimed at lowering costs for Pennsylvania families and small businesses.

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 personally heard from many Pennsylvanians about the challenges they're facing with rising costs – from rent to childcare, people need a little extra support to make ends meet," said **Governor Shapiro**. "That's why we've taken steps to reduce taxes and lower costs, including two key tax cuts that make childcare more affordable across the Commonwealth. Whether you're a senior, a family with children, or a small business owner, know that we're working hard to ease your financial burden and provide meaningful 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, capped at \$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.

“Being a father to two daughters, my wife and I have firsthand experience with affording childcare. Balancing the costs of childcare with weekly living costs is why the Child and Dependent Care Tax Credit is crucial, not just for working families, but for the health and well being of our entire community,” said **Representative Brian Munroe**. “I’m committed to making sure that we continue to support the Governor and to support programs that help families save and plan for the future. The financial pressures on working families today are real, and we are prioritizing policies that give them the fighting chance to build a strong and stable future. We need to make sure families aren't just getting by, but that they're getting ahead.”

The **La Petite Academy of Chalfont** offers care for infants, toddlers, preschoolers, and school-age children in a variety of learning and developmental programs, including full-day Kindergarten, before and after school care, and summer camps for children up to 12 years old. **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.

“We are delighted to welcome Governor Shapiro to La Petite Academy, part of the Learning Care Group family. With over 55 years of experience in the industry, Learning Care Group recognizes the challenges that many working families face in finding high-quality, affordable care. We are proud to do our part to ease the financial burden for the families that we serve,” said **Nicole Holahan, Director of La Petite Academy of Chalfont**. “This includes families attending with the support of childcare subsidies, like Child Care Works, through employer-sponsored solutions that help businesses attract and retain their work force while lowering the cost of childcare for their employees, and through off-base military childcare.”

“My children have been going to school at La Petite for the past six years, with our newest addition starting this coming January. While we have been extremely fortunate to find such an amazing school for our children, the ever-increasing cost of childcare has presented its own challenges,” said **Jessica Fox, parent at La Petite Academy of Chalfont**. “My husband and I both work full-time and have still had to make many sacrifices in order for our children to attend La Petite. However, for many families, paying for childcare is completely unrealistic. We are thankful for the tax credits being recognized today by Governor Shapiro, and we hope that it helps ease the burden for other families just like ours.”

“I am honored to be here to celebrate the significant progress Pennsylvania has made under Governor Shapiro’s leadership in supporting our children and working parents.

Childcare is a workforce imperative – it is fundamental to our community stability and economic growth. Inadequate childcare access can force parents – disproportionately women – to reduce their work hours or drop out of the workforce altogether. Offering support to employees in their childcare costs is a powerful workforce attraction and retention tool,” said **Shannon Williams, Senior Vice President of Advocacy, The Chamber of Commerce for Greater Philadelphia**. “By providing employers with a tax credit for contributing toward their employee’s childcare costs, Pennsylvania is giving businesses the flexibility to offer meaningful support to their employees, easing financial burdens placed on working parents, and helping to close the gaps in childcare access across our communities.”

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/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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Election Day Nov. 5, 2024



To vote in the Nov. 5 election, register by Oct. 21, 2024.
Visit vote.pa.gov for trusted election information.