

2025 SENATE FINANCE AND TAXATION

SB 2282

2025 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2282
1/27/2025

Relating to an income tax credit for child care contributions provided by qualified employers; and to provide an effective date.

10:05 a.m. Chairman Weber reconvened the meeting.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

Discussion Topics:

- Childcare costs and employee turnover
- Recipients of the tax credit
- Details regarding allocation of tax credit

10:05 a.m. Senator Hogan, District 21, introduced SB 2282, testified in favor and submitted testimony #31697.

10:13 a.m. Andrea Pfennig, Vice President of Government Affairs, Greater North Dakota Chamber, testified in favor and submitted testimony #31672.

10:17 a.m. Amy Cleary, Director of Public Affairs, GA Group, testified in favor.

10:18 a.m. Bill Bauman, CEO, Missouri Valley Family YMCA, testified in favor and submitted testimony #31540.

10:30 a.m. Matt Peyerl, Associate Director, Office of State Tax Commissioner, testified neutral.

Additional written testimony:

Nathan Schneider, Vice President, Bismarck Mandan Chamber EDC, submitted written testimony in favor #31553.

Cale Dunwoody, Vice President of Public Policy, FMWF Chamber of Commerce, submitted written testimony in favor #31661.

Bruce Murry, Lobbyist, Fraser LTD, submitted written testimony in favor #31676.

10:39 a.m. Chairman Weber closed the hearing.

Chance Anderson, Committee Clerk



FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

January 27, 2025

Re: SB 2282

Chairman Weber and Members of the Senate Finance & Taxation Committee,

My name is Bill Bauman and I serve as CEO of the Missouri Valley Family YMCA here in Bismarck. Thank you for the opportunity to testify in support of Senate Bill 2282 on behalf of the North Dakota Alliance of YMCAs.

Child Care Impacts

The YMCAs are collectively the largest provider of childcare services in the state. Childcare and early education are fundamental to the well-being of our children and the economic stability of our families. According to recent studies, about 78% of families with children under 18 have both parents in the workforce. This underscores the necessity of robust childcare services to support these working parents.

We know that quality childcare provides improved employee satisfaction, reduced absenteeism, and increased productivity. Offering child care-related benefits helps attract and retain talent, which is crucial in a competitive job market. For families, accessible and affordable childcare is essential, allowing parents to participate fully in the workforce. This participation not only enhances family income but also contributes significantly to the broader economy.

Child Care Incentives

The state's historical investment in child care programs and funding last biennium provided through the Department of Health and Human Services have significantly helped families manage child care costs. Additionally, the child care worker benefit program allowing child care workers to receive assistance when they bring their own children to work has been an invaluable resource for the YMCAs in recruiting and retaining staff.

As the legislature evaluates the 2023 child care package, there is a clear opportunity to further involve and incentivize the business community to support local child care offerings, benefiting the state's workforce.

Many of our donor partners have contributed to the YMCA's child care infrastructure, including lease costs, staff support, and operations. Specifically in Bismarck, Sanford Health, CHI St. Alexius, and Basin Electric Power Cooperative, partnered with the YMCA to expanded access to infant, toddler, and preschool care, through the Youth Development Center (YDC) North location—for their employees and the community. We believe those contributions should be recognized, and we

would argue, incentivized by the state to encourage broader participation in similar child care partnerships.

Amendment Request

We would like to request your consideration for an amendment that would expand the scope of the child care contribution credit to include capital contributions made by individuals for the development and support of child care infrastructure.

1. The total credit available with respect to each qualifying employee is equal to thirty percent of the taxpayer's aggregate child care contributions toward:
 - a. Child care costs of qualified employees paid during the taxable year in which the credit is claimed;
 - b. **Costs related to the construction, renovation, or improvement of child care facilities;**
 - c. **Lease or rental payments for properties used as child care centers;**
 - d. **Purchase of equipment or materials essential for the operation of child care facilities; and**
 - e. **Financial contributions reserved for securing individual child care slots in a facility for employees or the community.**
2. The credit must be claimed for the taxable year in which the child care contributions are made.

We believe a tax credit incentive encompassing these components would engage more corporate partners and more employers working to recruit and retain workforce, and build a healthier ecosystem for the child care providers in the state.

Thank you for your consideration as we work together to address an issue with a direct impact on workforce development in North Dakota.

Thank you,

Alliance of North Dakota YMCAs



FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

TODAY. TOMORROW.

TOGETHER.

NORTH DAKOTA ALLIANCE OF YMCAS 2024 COMMUNITY IMPACT REPORT



\$1,736,663 in financial assistance was given to support kids and families from economically disadvantaged backgrounds to participate in North Dakota YMCA programs and activities



3,230 children were enrolled in YMCA licensed childcare centers



29,555 youth participated in out-of-school-time activities at the Y that focus on holistically fostering the physical, social and emotional development of kids

IN ADDITION TO FULL TIME STAFF AT ALL LOCATIONS, YMCAS ARE OFTEN THE FIRST EMPLOYERS OF YOUNG PEOPLE. YMCAS ALSO OFFER OLDER ADULTS OPPORTUNITIES TO SUPPLEMENT THEIR INCOME WHILE BEING PART OF A HEALTHY COMMUNITY.

2,113 individuals are employed by North Dakota YMCAs



\$25,477,591 was paid in wages and benefits by North Dakota YMCAs



WE ARE COMMUNITY

The YMCA makes accessible the support and opportunities that empower people and communities to learn, grow and thrive. There is no other nonprofit quite like the YMCA. That's because in 10,000 neighborhoods across the nation, we have the presence and partnerships to not just promise, but to deliver, lasting personal and social change.



Communities with high rates of volunteerism tend to have greater income equality than similar communities that do not.



When members make a friend they are 50% more likely to stay with the YMCA.

North Dakota YMCA's have over 100 community partnerships, some of which include:



- Foster Families
- Military Families
- Easter Seals
- United Way
- American Red Cross
- AmeriCorps
- Area Churches
- Local Hospitals
- Boys & Girls Club
- Chamber of Commerce
- City Governments
- Schools, Colleges & Universities
- Department of Corrections
- Dakota Boys & Girls Ranch
- Dakota Medica
- Foundation Ministerial Association
- Healthy North Dakota
- Home School Groups



CARING | HONESTY | RESPECT | RESPONSIBILITY



"I love the friendships and coffee at the Y. For many of us that are seniors, it provides a primary social time in our lives."

"Thank you for providing such a wonderful place for fitness and socializing!"

YOUTH DEVELOPMENT | HEALTHY LIVING | SOCIAL RESPONSIBILITY

Alliance of North Dakota YMCAs

Grand Forks YMCA Family Center
215 N 7th St, Grand Forks
gfyymca.org

Missouri Valley Family YMCA
1608 N Washington St, Bismarck
bismarckymca.org

The YMCA of the Northern Sky
400 1st Ave S, & 4243 19th Ave S, Fargo
www.ymcanorthernsky.org

YMCA of Minot North Dakota
3515 16th St SW, Minot
ymcaminot.org



1640 Burnt Boat Drive | Bismarck, North Dakota 58503 | 701-223-5660 | bismarckmandan.com

**Testimony of Nathan Schneider, Vice President
Bismarck Mandan Chamber EDC
In Support of SB 2282
January 27, 2025**

Chairman Weber and members of the Senate Finance and Taxation Committee:

Thank you for the opportunity to provide testimony in support of Senate Bill 2282, which proposes providing an income tax credit to employers for contributions made toward their employees' childcare expenses. My name is Nathan Schneider, and I am Vice President of Economic Development for the Bismarck Mandan Chamber EDC.

This legislation represents a key opportunity to strengthen North Dakota's economic development efforts by addressing one of the most significant barriers to workforce participation: access to affordable, reliable childcare. From an economic development perspective, this bill has the potential to bolster our labor force, support businesses, and enhance the competitiveness of our state as a destination for investment and growth.

Bismarck Mandan and North Dakota continue to struggle with workforce shortages and the Bismarck Mandan Chamber EDC feels that SB 2282 addresses these shortages in the following ways:

1. Workforce Attraction and Retention:

- Businesses across North Dakota are facing workforce shortages, particularly in industries that require consistent, in-person attendance. Childcare challenges often prevent capable workers, particularly parents, from entering or remaining in the labor market.
- By incentivizing employers to assist with childcare expenses, this bill helps expand the available workforce and keeps talented employees in North Dakota.

2. Strengthening Business Competitiveness:

- Employers who offer childcare support gain a competitive edge in attracting top talent, particularly as younger workers increasingly prioritize family-friendly benefits.
- This bill ensures businesses can access financial incentives to offset the costs of providing this critical benefit, making it easier for smaller businesses to remain competitive with larger firms.

3. Enhancing North Dakota's Economic Reputation:

- States that implement innovative policies to support families and businesses alike are better positioned to attract employers and investors.
- SB 2282 would send a strong message that North Dakota is committed to fostering a modern, comprehensive economy where families and businesses can thrive together.

4. Aligning with Broader Economic Goals:

- As childcare costs continue to rise, the inability to address this issue risks undermining other economic development efforts, including workforce training and education initiatives.
- This bill supports broader state goals of enhancing productivity, increasing household financial security, and closing workforce gaps.

In conclusion, SB 2282 is more than a tax credit—it is a strategic investment in North Dakota's economy. By addressing a key barrier to workforce participation, this legislation supports both businesses and families, ensuring that our state remains competitive and innovative. It also represents a practical, win-win solution for families, employers, and the state economy. It reduces the financial burden of childcare, strengthens workforce participation, and encourages businesses to take an active role in supporting employees' wellbeing.

On behalf of our nearly 1,200 members, I respectfully urge the committee to advance this legislation and ensure that North Dakota remains a place where families and businesses alike can thrive. Thank you for your time and consideration.



Letter of Support – SB 2282

Monday, January 27, 2025

Chairman Weber and members of the Senate Tax and Finance Committee,

For the record, my name is Cale Dunwoody, and I have the distinct pleasure of serving as the Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our over 1,700 members, I respectfully offer testimony in support of Senate Bill 2282.

At the FMWF Chamber, our mission is to protect and promote business, inspire individuals, cultivate communities, and influence action. First, I would like to express our gratitude for the 68th Legislative Assembly's leadership in advancing critical investments into childcare and their commitment to addressing affordability through programs like the Working Parent Childcare Relief Program. However, the challenges with accessing affordable and high-quality childcare persist.

North Dakota continues to grapple with the shortage of childcare slots, particularly for infants and toddlers, due to the high costs associated with providing these essential services. Between 2017-2024 the cost of childcare in North Dakota increased 40% at traditional day care centers, and as much as 50% at home day care centers. High prices associated with childcare have made the cost of this care unattainable for many families. The challenges associated with childcare directly impact the availability and stability of our state's workforce.

By implementing an income tax credit for childcare contributions provided by employers, the state incentivizes private business support, and investment in, their employees through financial assistance for childcare. This credit, accompanied by other state childcare programs and initiatives, provides a broad based, long-term solution to address the rising costs of childcare. It is critical that our state continues to identify and support strategic initiatives, such as this tax credit, to address affordability of childcare.

Addressing North Dakota's childcare shortage is a vital part of solving the workforce issue. Passage of this bill offers additional support to employers and working families, showing the state's commitment to investing in our future. We urge the committee to give this bill a DO PASS.

Thank you for your attention to this matter and your commitment to North Dakota.

Sincerely,



Cale Dunwoody
Vice President of Public Policy
Fargo Moorhead West Fargo Chamber of Commerce



GREATER NORTH DAKOTA CHAMBER
SB 2282
Senate Finance & Taxation Committee
Chair Mark Weber
January 25, 2025

Mr. Chairman and members of the Committee, my name is Andrea Pfennig, and I am the Vice President of Government Affairs for the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **support** of Senate Bill 2282.

Labor availability has been identified as the top business concern facing companies in North Dakota. In our 2024 ND Economics and Employer Survey of our membership:

- 70% of respondents indicated they were having trouble hiring employees.
- 69% of respondents indicated that childcare was an issue for their organization.
- 65% of respondents indicated support for a tax incentive to companies that assist with childcare for employees.

The Working Parents Child Care Relief Program, which resulted from the last legislative session was a positive step in addressing childcare issues and worked well for some of our members. However, there were also some challenges with the program.

- The established income thresholds for eligibility excluded some employees.
- Age limitations were a challenge as only ages 0-3 qualify.
- Companies with a large number of employees may find it administratively burdensome.
- The defined contribution amounts limit flexibility. For example, at the inception of the program employers were required to provide \$300/month/employee. Currently there is an additional \$150/month/employee option.

By providing this as an additional option, companies will have more flexibility in developing incentive packages that benefit employees and fit their organization. We would encourage the committee to consider amending the bill to increase the percentage from 30% to 50%.

We feel that this could be a valuable resource in addressing workforce shortages. Thank you for your consideration.



SB 2282 (2025 LEGISLATIVE ASSEMBLY)
SENATE FINANCE AND TAXATION COMMITTEE
HONORABLE MARK WEBER, CHAIRMAN
JANUARY 27, 2025
TESTIMONY OF BRUCE MURRY FOR FRASER, LTD

Good morning, Chairman Weber and members of the Senate Finance and Taxation Committee. I am Bruce Murry, a registered lobbyist for Fraser LTD (Fraser) of Fargo, North Dakota.

Fraser supports children, youth, and adults on their life's journey towards independence through four main programs: independent living, transitional youth services, mental health, and childcare.

All of these services struggle for a sufficient workforce. Many of our direct care, administrative, and professional staff have young children. The funding mechanisms for most of our services are tight, making childcare unaffordable for many of our employees. If the State can make this investment to support working parents, we would genuinely appreciate the additional workforce development tool.

Thank you for the opportunity to submit testimony today, and I'd be happy to answer your questions about Fraser, our workforce, and our services.

SB 2282 Testimony
Senate Finance and Tax Committee
Senator Kathy Hogan
January 27, 2025

Chairman Weber, for the record, my name is Kathy Hogan. I represent District 21 which is central Fargo and a portion of West Fargo. I urge your support of SB 2282.

Childcare is a major driver for economic development throughout our nation. Federal, state and local governments have used a range of strategies to offset costs, to support both families and childcare providers to address this crisis.

Last session, we put together a range of approaches to supporting both families and employers to access affording childcare in HB 1540. To see the overview of the implementation of HB 1540 here is the link to an interim DHHS report from last July.

<https://ndlegis.gov/sites/default/files/committees/68-2023/25.5152.03000appendixg.pdf>

Some progress has been made, but for most childcare providers recruitment and retention of staff is extremely difficult because of limited resources for both salaries and benefits. Most of the very successful childcare providers have some type of external financial support/subsidy other than child care fees.

One piece of that package there was an employer Working Parents Child Care Relief program - Employers Choice program Here is the link <https://www.hhs.nd.gov/nd-working-parents-child-care-relief-program-employers-choice> As of last week, only 50 employers had enrolled. The largest employer is the State of ND. In meeting with various business groups, it was reported that the process was cumbersome and unavailable to organization who crossed stateliness or had employees in both states which on the borders is typical.

Many states have used a variety of approaches to these complex challenges. These resources include a report from the National Conference of State Legislatures, and the two reports form The Conference Board which is a collaborative organization that provides resources on broad systems issues.

Resource Materials.

<https://www.conference-board.org/press/child-care-in-state-economies-part-3>

<https://www.conference-board.org/pdfdownload.cfm?masterProductID=38654>

<https://archive.legmt.gov/content/Committees/Interim/2023-2024/Economic-Affairs/Meetings/March-4-5-2024/4.09-NCSL-Brief-State-Child-Care-Tax-Incentives.pdf>

The Greater North Dakota Association has consistently advocated for more support for families, childcare providers and employers. They suggested that this approach would be helpful to add to the toolbox of approaches. SB 2281 will add another tool to help some businesses and families.

I do not know tax policy. I am sure that you will hear from many more qualified people. I am more than willing to answer any questions. Thank you for considering this proposal.

2025 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2282
2/5/2025

Relating to an income tax credit for child care contributions provided by qualified employers; and to provide an effective date.

9:03 a.m. Chairman Weber opened the hearing.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

Discussion Topics:

- Accessibility and utilization of income tax credit

9:18 a.m. Senator Marcellais moved a Do Pass.

9:18 a.m. Senator Walen seconded the motion.

Senators	Vote
Senator Mark F. Weber	Y
Senator Dean Rummel	Y
Senator Richard Marcellais	Y
Senator Dale Patten	Y
Senator Michelle Powers	Y
Senator Chuck Walen	Y

Motion passed 6-0-0.

Senator Marcellais will carry the bill.

9:18 a.m. Chairman Weber closed the hearing.

Chance Anderson, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2282 ([25.1035.01000](#))

Finance and Taxation Committee (Sen. Weber, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2282 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

2025 HOUSE FINANCE AND TAXATION

SB 2282

2025 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

SB 2282
3/12/2025

Relating to an income tax credit for child care contributions provided by qualified employers; and to provide an effective date.

9:57 a.m. Chairman Headland opened the hearing.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives D. Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, J. Olson, Steiner, Toman

Members Absent: Representative Porter

Discussion Topics:

- Economic development
- Working parents
- Suggested amendments
- Infant care

9:57 a.m. Senator Kathy Hogan, District 21, introduced the bill and submitted testimony #40710.

10:05 a.m. Andrea Pfennig, Vice President, Government Affairs, Greater ND Chamber, testified in favor and submitted testimony #40531.

10:21 a.m. Amy Cleary, Director of Public Affairs, GA Group, introduced Mr. Bauman.

10:21 a.m. Bill Bauman, CEO/President Missouri Valley Family YMCA, YMCA Alliance of ND, testified in favor and submitted testimony #40550.

10:42 a.m. Matt Peyerl, ND Office of State Tax Commissioner, stood for questions.

10:48 a.m. Chairman Headland closed the hearing.

10:53 a.m. Representative Foss offered to get more information on the suggested amendment.

Additional written testimony:

Jeffery Quam, submitted testimony in favor #40816.

Cale Dunwoody, FMWF Chamber of Commerce, submitted testimony in favor #40896.

10:53 a.m. Chairman Headland closed the meeting.

Janae Pinks, Committee Clerk



**GREATER NORTH DAKOTA CHAMBER
SB 2282**

**House Finance & Taxation Committee
Chair Craig Headland
March 11, 2025**

Mr. Chairman and members of the Committee, my name is Andrea Pfennig, and I am the Vice President of Government Affairs for the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **support** of Senate Bill 2282.

Labor availability has been identified as the top business concern facing companies in North Dakota. In our 2024 ND Economics and Employer Survey of our membership:

- 70% of respondents indicated they were having trouble hiring employees.
- 69% of respondents indicated that childcare was an issue for their organization.
- 65% of respondents indicated support for a tax incentive to companies that assist with childcare for employees.

The Working Parents Child Care Relief Program, which resulted from the last legislative session, was a positive step in addressing childcare issues and worked well for some of our members. However, there were also some challenges with the program.

- The established income thresholds for eligibility excluded some employees.
- Age limitations were a challenge as only ages 0-3 qualify.
- Companies with a large number of employees may find it administratively burdensome.
- The defined contribution amounts limit flexibility. For example, at the inception of the program employers were required to provide \$300/month/employee. Currently there is an additional \$150/month/employee option.

By providing this as an additional option, companies will have more flexibility in developing incentive packages that benefit employees and fit their organization. We would respectfully request that the committee amend the bill to increase the percentage from 30% to 50% on line 11 under Section 1.

We feel that this could be a valuable resource in addressing workforce shortages. Thank you for your consideration.





FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

March 12, 2025

Re: SB 2282

Chairman Headland and Members of the House Finance & Taxation Committee,

My name is Bill Bauman and I serve as CEO of the Missouri Valley Family YMCA here in Bismarck. Thank you for the opportunity to testify in support of Senate Bill 2282 on behalf of the North Dakota Alliance of YMCAs.

Child Care Impacts

As North Dakota's largest child care provider, YMCAs serve over 3,200 children in licensed facilities across Bismarck, Grand Forks, and Fargo. Child care is essential to family economic stability and North Dakota's workforce, with 78% of families having both parents working outside the home.

Offering child care-related benefits helps attract and retain talent, which is crucial in a competitive job market. For families, accessible and affordable childcare is essential, allowing parents to participate fully in the workforce. This participation not only enhances family income but also contributes significantly to the broader economy.

Child Care Incentives

Last biennium, the state made historic investments in child care, including support for working families struggling with costs to infrastructure and quality-related grants through the Department of Health and Human Services. Unique programs like the child care worker benefit program have helped YMCAs recruit and retain staff. However, providers still face financial strain, especially in infant and toddler classrooms (ages 0-3), where tuition alone does not cover costs.

As the legislature evaluates the 2023 child care package, there is a clear opportunity to further involve and incentivize the business community to support local child care offerings, benefiting the state's workforce.

Many of our donor partners have contributed to the YMCA's child care infrastructure, including lease costs, staff support, and operations. Specifically in Bismarck, Sanford Health, CHI St. Alexius, and Basin Electric Power Cooperative, partnered with the YMCA to expand access to infant, toddler, and preschool care, through the Youth Development Center (YDC) North location—for their employees and the community.

We believe those contributions should be recognized, and we would argue, incentivized by the state to encourage broader participation in similar child care partnerships.

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 - c. Lease or rental payments for properties used as child care centers;**
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2. The credit must be claimed for the taxable year in which the child care contributions are made.

We believe a tax credit incentive encompassing these components would engage more corporate partners and more employers working to recruit and retain workforce, and build a healthier ecosystem for the child care providers in the state.

Thank you for your consideration as we work together to address an issue with a direct impact on workforce development in North Dakota.

Thank you,

Alliance of North Dakota YMCAs

Bill Bauman
Missouri Valley Family YMCA
Bismarck

Bob McWilliams
Altru Family YMCA
Grand Forks

Nick Gray
Minot Family YMCA / Triangle Y Camp
Minot

Steve Smith
YMCA of the Northern Sky
Fargo

THE HIDDEN FOUNDATION OF OUR ECONOMY

CHILD CARE



Affordable and enriching child care is the hidden foundation of North Dakota's economy.

Without it, parents' ability to work outside of the home is dramatically limited. Preschoolers enter the classroom at an academic disadvantage, which widens the opportunity gap. And without it, elementary students spend out-of-school hours lacking structure, guidance and positive role models.

With your help, we can address these challenges and build future generations of North Dakotans from a solid foundation.

THE CHALLENGE IN NORTH DAKOTA

2nd Highest Labor Force

Participation Rate in the United States,** making it **a struggle to recruit and retain skilled workers**. Workers who are caring for our most precious possessions: our children.

\$354 Million Lost

Amount North Dakota's economy loses annually due to child care challenges.*

Two-Generation Workforce

Childcare is a two-generation workforce issue—crucial for our workforce of today and workforce of tomorrow. Only qualified, caring people help build this next workforce. Not machines, animals or Ai.

Childcare Barrier

New residents to the state can help North Dakota thrive. However, childcare is often the barrier that stands between success and stagnation. Additional funding can help bring workforce solutions.

THE Y FUELS NORTH DAKOTA'S ECONOMY

2,113 Employed

Individuals by North Dakota YMCAs. YMCAs are also often the **first employers of young people and build strong, positive work ethics**.

\$25,477,591 Paid

Wages and benefits paid to employees by North Dakota YMCAs.

THE Y'S IMPACT IN NORTH DAKOTA



3,230 Children

were enrolled in YMCA licensed childcare centers statewide including 124 infants, 198 toddlers, kindergarten readiness, and school age.



29,555 Youth

participated in out-of-school-time activities at the Y that focus on holistically fostering the physical, social and emotional development of kids.



\$1.7 Million Scholarship

helped support kids and families from economically disadvantaged backgrounds participate in North Dakota YMCA programs and activities.



20,000+ Meals

served in rural communities to children 18 and under during the summer. Plus 7,000 meals in Fargo to low income areas during the summer.



A SOUND INVESTMENT

There is no other non-profit like the YMCA. By investing in North Dakota's YMCAs and Child Care, you are helping to secure the future of our economy and workforce. Here's how:

- ▶ Enhanced curriculum in Y programs to meet future ND workforce demand
- ▶ Additional YMCA child care staff to increase capacity
- ▶ More efficient recruitment of employees such as faster and more accurate background checks
- ▶ Upgraded practices, equipment and facilities to ensure safety and health of children and staff

I am very thankful for everything that the YMCA has done for me and Kalani. Because of the Y, I didn't have to choose between rent and childcare. I have no doubt that Kalani will be ready for school thanks to all of the help from the Y.

- Nicole, Kalani's mother

We also provide: • Emergency Child Care for Essential Workers • Youth Sports & Enrichment • Meals & Food Distribution • Senior Wellness & Socializing • New American Support • Water Safety & Swimming Lessons • Adaptive Programming • Cancer Survivor Wellness • And So Much More!

ALLIANCE OF NORTH DAKOTA YMCAs

BISMARCK - Missouri Valley Family YMCA
1608 N Washington St | bismarckymca.org

FARGO - YMCA of the Northern Sky
400 1st Ave S & 4243 19th Ave S
ymcanorthernsky.org

GRAND FORKS - Grand Forks YMCA Family Center
215 N 7th St, Grand Forks | gfyymca.org

MINOT - YMCA of Minot North Dakota
3515 16th St SW | ymcaminot.org



SB 2282 Testimony
House Finance and Tax Committee
Senator Kathy Hogan
March 12, 2025

Chairman Headland, for the record, my name is Kathy Hogan. I represent District 21 which is central Fargo and a portion of West Fargo. I urge your support of SB 2282.

Childcare is a major driver for economic development throughout our nation. Federal, state and local governments have used a range of strategies to offset costs, to support both families and childcare providers to address this crisis.

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<https://ndlegis.gov/sites/default/files/committees/68-2023/25.5152.03000appendixg.pdf>

Some progress has been made, but for most childcare providers recruitment and retention of staff is extremely difficult because of limited resources for both salaries and benefits. Most of the very successful childcare providers have some type of external financial support or subsidy other than childcare fees.

One piece of that package included an employer Working Parents Child Care Relief program - Employers Choice program. Here is the link:

<https://www.hhs.nd.gov/nd-working-parents-childcare-relief-program-employers-choice> In January 2025, only 50 employers had enrolled. The largest employer is the State of ND. In meeting with various business groups, it was reported that the process was cumbersome and unavailable to organizations who crossed stateliness or had employees in both states which on the borders is typical.

Many states have used a variety of approaches to these complex challenges. These resources include a report from the National Conference of State Legislatures, and the two reports from The Conference Board which is a collaborative organization that provides resources on broad systems issues.

Resource Materials

<https://www.conference-board.org/press/child-care-in-state-economies-part-3>
<https://www.conference-board.org/pdfdownload.cfm?masterProductID=38654>
<https://archive.legmt.gov/content/Committees/Interim/2023-2024/EconomicAffairs/Meetings/March-4-5-2024/4.09-NCSL-Brief-State-Child-Care-Tax-Incentives.pdf>

The Greater North Dakota Association has consistently advocated for more support for families, childcare providers and employers. They suggested that this approach would be helpful to add to the toolbox of approaches. SB 2281 will add another tool to help some businesses and families.

I do not know tax policy, but I do know that this will not help every type of employer, but it will help some. I am sure that you will hear from many more qualified people. I am more than willing to answer any questions. Thank you for considering this proposal.

ND SB 2282 TESTIMONY

I support this bill for tax credit support for childcare. We need to help families trying to work as well as raise a family. We certainly have the money.



Letter of Support – SB 2282

Wednesday, March 12, 2025

Chair Headland and members of the House Finance and Tax Committee,

For the record, my name is Cale Dunwoody, and I have the distinct pleasure of serving as the Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our over 1,700 members, I respectfully offer testimony in support of Senate Bill 2282.

At the FMWF Chamber, our mission is to protect and promote business, inspire individuals, cultivate communities, and influence action. First, I would like to express our gratitude for the 68th Legislative Assembly's leadership in advancing critical investments into childcare and their commitment to addressing affordability through programs like the Working Parent Childcare Relief Program. However, the challenges with accessing affordable and high-quality childcare persist.

North Dakota continues to grapple with the shortage of childcare slots, particularly for infants and toddlers, due to the high costs associated with providing these essential services. Between 2017-2024 the cost of childcare in North Dakota increased 40% at traditional day care centers, and as much as 50% at home day care centers. High prices associated with childcare have made the cost of this care unattainable for many families. The challenges associated with childcare directly impact the availability and stability of our state's workforce.

By implementing an income tax credit for childcare contributions provided by employers, the state incentivizes private businesses to invest in their employees through financial assistance for childcare. This credit, accompanied by other state childcare programs and initiatives, provides a broad-based, long-term solution to address the rising costs of childcare. It is critical that our state continues to identify and support strategic initiatives to address the affordability of childcare.

Addressing North Dakota's childcare shortage is a vital part of solving the workforce issue. Passage of this bill offers additional support to employers and working families, showing the state's commitment to investing in our future. We urge the committee to give this bill a DO PASS.

Thank you for your attention to this matter and your commitment to North Dakota.

Sincerely,

Cale Dunwoody
Vice President of Public Policy
Fargo Moorhead West Fargo Chamber of Commerce

2025 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

SB 2282
3/17/2025

Relating to an income tax credit for child care contributions provided by qualified employers; and to provide an effective date.

2:38 p.m. Chairman Headland opened the meeting.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives D. Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, J. Olson, Porter, Steiner, Toman

Discussion Topics:

- Childcare
- Out of state care

2:39 p.m. Representative D. Anderson brought up amendment suggested by the Greater ND Chamber.

2:40 p.m. Representative Dockter moved the amendment for a change on line eleven from thirty percent to fifty percent.

2:41 p.m. Representative J. Olson seconded the motion.

2:43 p.m. Voice vote - motion failed. Roll call vote:

Representatives	Vote
Representative Craig Headland	N
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Jason Dockter	Y
Representative Ty Dressler	Y
Representative Jim Grueneich	Y
Representative Mike Motschenbacher	Y
Representative Dennis Nehring	N
Representative Jeremy Olson	Y
Representative Todd Porter	Y
Representative Vicky Steiner	N
Representative Nathan Toman	N
Representative Austin Foss	Y
Representative Zachary Ista	Y

2:44 p.m. Motion to amend - motion passed 10-4-0.

2:44 p.m. Representative Dockter moved a Do Pass as Amended.

2:44 p.m. Representative Ista seconded the motion.

2:44 p.m. Matt Peyerl, Legal Counsel, ND Tax Department, stood for questions.

2:45 p.m. Representative Dockter withdrew Do Pass as Amended motion.

2:45 p.m. Representative Ista withdrew second.

2:45 p.m. Matt Peyerl suggested an amendment to specify the tax credit could be used in two ways either directly to the employee or directly to the childcare facility, and credit must be given to North Dakota employees only.

2:54 p.m. Amy Clearly, Lobbyist, GA Group, stood for questions.

3:00 p.m. Representative Hagert moved to further amend as explained by the ND Tax Department, testimony #42497.

3:00 p.m. Representative J. Olson seconded the motion.

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Jason Dockter	Y
Representative Ty Dressler	N
Representative Jim Grueneich	Y
Representative Mike Motschenbacher	Y
Representative Dennis Nehring	N
Representative Jeremy Olson	Y
Representative Todd Porter	Y
Representative Vicky Steiner	N
Representative Nathan Toman	Y
Representative Austin Foss	Y
Representative Zachary Ista	Y

3:02 p.m. Motion to amend - passed 11-3-0

3:02 p.m. Representative Dressler moved to further amend by removing green language on lines twenty, twenty-one, and twenty-two regarding the ten-mile radius of affect.

3:02 p.m. Representative Steiner seconded the motion.

Representatives	Vote
Representative Craig Headland	N
Representative Jared Hagert	N
Representative Dick Anderson	N
Representative Jason Dockter	N
Representative Ty Dressler	Y
Representative Jim Grueneich	N
Representative Mike Motschenbacher	N
Representative Dennis Nehring	Y
Representative Jeremy Olson	N
Representative Todd Porter	N
Representative Vicky Steiner	Y
Representative Nathan Toman	Y
Representative Austin Foss	N
Representative Zachary Ista	N

3:07 p.m. Motion to amend - failed 4-10-0.

3:08 p.m. Representative Hagert moved a Do Pass as amended.

3:08 p.m. Representative Dockter seconded the motion.

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Jason Dockter	Y
Representative Ty Dressler	N
Representative Jim Grueneich	Y
Representative Mike Motschenbacher	Y
Representative Dennis Nehring	N
Representative Jeremy Olson	Y
Representative Todd Porter	AB
Representative Vicky Steiner	N
Representative Nathan Toman	N
Representative Austin Foss	Y
Representative Zachary Ista	Y

3:10 p.m. Do Pass as Amended - Motion passed 9-4-1.

3:10 p.m. Representative Dockter will carry the bill.

House Finance and Taxation Committee

SB 2282

3/17/2025

Page 4

3:10 p.m. Chairman Headland closed the meeting.

Janae Pinks, Committee Clerk

CO
3/17/25
10F3

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2282

Introduced by

Senators Hogan, Weber, Wobbema

Representatives Mitskog, O'Brien

1 A BILL for an Act to create and enact a new section to chapter 57-38 and new subdivision to
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax
3 credit for child care contributions provided by qualified employers; and to provide an effective
4 date.

5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

6 **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Child care contribution credit.**

- 9 1. A taxpayer that is a qualified employer is entitled to a credit against the income tax
10 liability under section 57-38-30 or 57-38-30.3 as provided in this section. The total
11 credit available with respect to each qualifying employee is equal to ~~thirty~~fifty percent
12 of the taxpayer's aggregate child care contributions ~~toward child care costs of qualified~~
13 ~~employees~~ paid during the taxable year ~~in which the credit is claimed~~. The credit must
14 be claimed for the taxable year in which the child care contributions are made.
- 15 2. The credit allowed under this section may not exceed the liability for tax under this
16 chapter. Any credit amount exceeding a taxpayer's liability for the taxable year may not
17 be claimed as a carryback or carryforward.
- 18 3. A passthrough entity entitled to the credit under this section must be considered to be
19 the taxpayer for purposes of this section and the amount of the credit allowed must be
20 determined at the passthrough entity level. The amount of the total credit determined

1 at the passthrough entity level must be allowed to the partners, shareholders, or
2 members in proportion to their respective interests in the passthrough entity.

3 4. To receive the tax credit provided under this section, a taxpayer shall claim the credit
4 in the form and manner prescribed by the tax commissioner. The tax commissioner
5 shall prescribe, design, and make available all forms necessary to effectuate this
6 section.

7 5. For purposes of this section:

8 a. "Aggregate child care contributions" means the total amount of child care
9 contributions made by a qualified employer to all qualified employees during the
10 taxable year, limited to the first five hundred dollars in child care contributions per
11 qualifying employee.

12 b. "Child care costs" means costs incurred by an employee for early childhood
13 services rendered by a child care provider, which are incurred to enable the
14 employee to be gainfully employed by an employer.

15 c. "Child care contribution" means a payment made to a child care provider by a
16 qualified employer to subsidize a qualified employee's child care costs and a
17 payment made to a qualified employee for reimbursement of the qualified
18 employee's child care costs.

19 d. "Child care provider" means an early childhood services provider licensed under
20 chapter 50-11.1 or a substantially similar provider that is licensed by another
21 state and provides early childhood services within ten miles of this state.

22 e. "Early childhood services" has the same meaning as in section 50-11.1-02.

23 f. "Qualified employee" means an individual who is a resident of this state and
24 employed by the qualified employer claiming the credit under this section.

25 g. "Qualified employer" means an employer that, in the taxable year for which the
26 employer ~~claimed the credit under this section:~~

27 (1) Made a child care contribution; and

28 (2) Provided an equal opportunity to all employees that have child care costs to
29 receive an equal child care contribution from the employer during the
30 taxable year.

3093

- 1 **SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota
- 2 Century Code is created and enacted as follows:
- 3 Child care contribution credit under section 1 of this Act .
- 4 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
- 5 December 31, 2024.

**REPORT OF STANDING COMMITTEE
SB 2282**

Finance and Taxation Committee (Rep. Headland, Chairman) recommends **AMENDMENTS** ([25.1035.01002](#)) and when so amended, recommends **DO PASS** (9 YEAS, 4 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2282 was placed on the Sixth order on the calendar.

25.1035.01000

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO
SENATE BILL NO. 2282

Introduced by

Senators Hogan, Weber, Wobbema

Representatives Mitskog, O'Brien

1 A BILL for an Act to create and enact a new section to chapter 57-38 and new subdivision to
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax
3 credit for child care contributions provided by qualified employers; and to provide an effective
4 date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is
7 created and enacted as follows:

8 **Child care contribution credit.**

- 9 1. A taxpayer that is a qualified employer is entitled to a credit against the income
10 tax liability under section 57-38-30 or 57-38-30.3 as provided in this section. The
11 total credit available with respect to each qualifying employee is equal to thirty
12 percent of the taxpayer's aggregate child care contributions ~~toward child care~~
13 ~~costs of qualified employees~~ paid during the taxable year ~~in which the credit is~~
14 ~~claimed~~. The credit must be claimed for the taxable year in which the child care
15 contributions are made.
- 16 2. The credit allowed under this section may not exceed the liability for tax under
17 this chapter. Any credit amount exceeding a taxpayer's liability for the taxable
18 year may not be claimed as a carryback or carryforward.
- 19 3. A passthrough entity entitled to the credit under this section must be considered
20 to be the taxpayer for purposes of this section and the amount of the credit
21 allowed must be determined at the passthrough entity level. The amount of the
22 total credit determined at the passthrough entity level must be allowed to the

1 partners, shareholders, or members in proportion to their respective interests in
2 the passthrough entity.

3 4. To receive the tax credit provided under this section, a taxpayer shall claim the
4 credit in the form and manner prescribed by the tax commissioner. The tax
5 commissioner shall prescribe, design, and make available all forms necessary to
6 effectuate this section.

7 5. For purposes of this section:

8 a. "Aggregate child care contributions" means the total amount of child care
9 contributions made by a qualified employer to all qualified employees
10 during the taxable year, limited to the first five hundred dollars in child
11 care contributions per qualifying employee.

12 b. "Child care costs" means costs incurred by an employee for early
13 childhood services rendered by a child care provider, which are incurred
14 to enable the employee to be gainfully employed by an employer.

15 c. "Child care contribution" means a payment made to a child care provider
16 by a qualified employer to subsidize a qualified employee's child care
17 costs and a payment made to a qualified employee for reimbursement of
18 the qualified employee's child care costs.

19 d. "Child care provider" means an early childhood services provider licensed
20 under chapter 50-11.1 or a substantially similar child care provider
21 licensed by any other state and providing services within ten miles of
22 North Dakota.

23 e. "Early childhood services" has the same meaning as in section 50-11.1-
24 02.

25 f. "Qualified employee" means an individual who is a resident of North
26 Dakota and employed by the qualified employer claiming the credit under
27 this section.

28 g. "Qualified employer" means an employer that, in the taxable year for
29 which the employer ~~claimed the credit under this section:~~

30 (1) Made a child care contribution; and

31 (2) Provided an equal opportunity to all employees that have child
32 care costs to receive an equal child care contribution from the
33 employer during the taxable year.

1 **SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North
2 Dakota Century Code is created and enacted as follows:
3 Child care contribution credit under section 1 of this Act.
4 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
5 December 31, 2024.

2025 SENATE FINANCE AND TAXATION

SB 2282

2025 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2282
3/25/2025

Relating to an income tax credit for child care contributions provided by qualified employers; and to provide an effective date.

9:30 a.m. Chairman Weber opened the hearing.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

Discussion Topics:

- Conference committee assignment

9:30 a.m. Chairman Weber opened discussion regarding child care tax credit qualifications.

9:40 a.m. Chairman Weber assigned Vice Chairman Rummel, Senator Marcellais, and Senator Powers to conference committee regarding child care tax credit amount and state restriction lines.

9:41 a.m. Chairman Weber closed the hearing.

Chance Anderson, Committee Clerk

2025 CONFERENCE COMMITTEE

SB 2282

2025 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2282
4/8/2025
Conference
Committee

Relating to an income tax credit for child care contributions provided by qualified employers; and to provide an effective date.
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4:02 p.m. Chairman Rummel called the meeting to order.

Members present: Chairman Rummel, Senator Powers, Senator Marcellais, Representative Foss, Representative Dockter, Representative D. Anderson

Discussion Topics:

- Limitations for child care tax credit

4:03 p.m. Chairman Rummel opened discussion to the committee regarding qualifications for child care income tax credit.

4:04 p.m. Representative Foss led committee discussion on 10 mile limitation to qualify for child care income tax credit and answered committee questions on the House amendments.

4:13 p.m. Representative Dockter agreed that the House would work on some changes to the bill and answered committee questions.

4:22 p.m. Chairman Rummel adjourned the meeting.

Chance Anderson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2282
4/14/2025
Conference committee

Relating to an income tax credit for child care contributions provided by qualified employers; and to provide an effective date.

4:01 p.m. Chairman Rummel called the meeting to order.

Members present: Chairman Rummel, Senator Powers, Senator Marcellais, Representative Foss, Representative Dockter, Representative D. Anderson

Discussion Topics:

- Limitations for childcare tax credit

4:01 p.m. Chairman Rummel opened discussion to the committee regarding qualifications for child care income tax credit.

4:02 p.m. Representative Dockter provided discussion on mile limitations and qualified employee verbiage.

4:09 p.m. Matt Peyerl, Auditor, Office of ND Tax Commissioner, testified neutral.

4:16 p.m. Andrea Pfennig, Vice President of Government Affairs, Greater North Dakota Chamber, testified neutral.

4:30 p.m. Charles Dendy, General Counsel, Office of ND Tax Commissioner, testified neutral.

4:39 p.m. Representative Foss moved Amendment LC#25.1035.01003 In Place Of Amendment LC#25.1035.01002.

4:40 p.m. Senator Powers seconded the motion.

Motion passed 6-0-0.

Chairman Rummel will carry the bill for the senate.

Representative Foss will carry the bill for the house.

Reconsidered on 4/16/25 and 4/17/25.

4:40 p.m. Chairman Rummel adjourned the meeting.

Chance Anderson, Committee Clerk

April 14, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

4/14/25 VC
1 of 3

SENATE BILL NO. 2282

Introduced by

Senators Hogan, Weber, Wobbema

Representatives Mitskog, O'Brien

In place of the amendments (25.1035.01002) adopted by the House, Senate Bill No. 2282 is amended by amendment (25.1035.01003) as follows:

1 A BILL for an Act to create and enact a new section to chapter 57-38 and new subdivision to
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax
3 credit for child care contributions provided by qualified employers; and to provide an effective
4 date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Child care contribution credit.**

- 9 1. A taxpayer that is a qualified employer is entitled to a credit against the income tax
10 liability under section 57-38-30 or 57-38-30.3 as provided in this section. The total
11 credit available with respect to each qualifying employee is equal to ~~thirty~~ fifty percent
12 of the taxpayer's aggregate child care contributions ~~toward child care costs of qualified~~
13 employees paid during the taxable year in which the credit is claimed. The credit must
14 be claimed for the taxable year in which the child care contributions are made.
- 15 2. The credit allowed under this section may not exceed the liability for tax under this
16 chapter. Any credit amount exceeding a taxpayer's liability for the taxable year may not
17 be claimed as a carryback or carryforward.
- 18 3. A passthrough entity entitled to the credit under this section must be considered to be
19 the taxpayer for purposes of this section and the amount of the credit allowed must be
20 determined at the passthrough entity level. The amount of the total credit determined

at the passthrough entity level must be allowed to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.

4. To receive the tax credit provided under this section, a taxpayer shall claim the credit in the form and manner prescribed by the tax commissioner. The tax commissioner shall prescribe, design, and make available all forms necessary to effectuate this section.

5. For purposes of this section:

a. "Aggregate child care contributions" means the total amount of child care contributions made by a qualified employer to all qualified employees during the taxable year, limited to the first five hundred dollars in child care contributions per qualifying employee.

b. "Child care costs" means costs incurred by an employee for early childhood services rendered by a child care provider, which are incurred to enable the employee to be gainfully employed by an employer.

c. "Child care contribution" means a payment made to a child care provider by a qualified employer to subsidize a qualified employee's child care costs and a payment made to a qualified employee for reimbursement of the qualified employee's child care costs.

d. "Child care provider" means an early childhood services provider licensed under chapter 50-11.1 or a substantially similar provider that is licensed by another state and provides early childhood services within ten miles of this state.

e. "Early childhood services" has the same meaning as in section 50-11.1-02.

f. "Qualified employee" means an individual employed by the qualified employer claiming the credit under this section.

g. "Qualified employer" means an employer that, in the taxable year for which the employer ~~claimed the credit under this section:~~

(1) Made a child care contribution; and

(2) Provided an equal opportunity to all employees that have child care costs to receive an equal child care contribution from the employer during the taxable year.

- 1 **SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota
- 2 Century Code is created and enacted as follows:
- 3 Child care contribution credit under section 1 of this Act.
- 4 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
- 5 December 31, 2024.

SB 2282 041425 1640 PM Roll Call Vote

Final Recommendation

SB 2282

Date Submitted: April 14, 2025, 4:40 p.m.

Recommendation: In Place Of

Amendment LC #: 25.1035.01003

Engrossed LC #: N/A

Description:

Motioned By: Foss, Austin

Seconded By: Powers, Michelle

House Carrier: Foss, Austin

Senate Carrier: Rummel, Dean

Emergency Clause: None

Vote Results: 6 - 0 - 0

Sen. Rummel, Dean	Yea
Sen. Powers, Michelle	Yea
Sen. Marcellais, Richard	Yea
Rep. Dockter, Jason	Yea
Rep. Foss, Austin	Yea
Rep. Anderson, Dick	Yea

2025 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2282
4/16/2025
Conference committee

Relating to an income tax credit for child care contributions provided by qualified employers; and to provide an effective date.

3:09 p.m. Chairman Rummel called the meeting to order.

Members present: Chairman Rummel, Senator Powers, Senator Marcellais, Representative Foss, Representative Dockter, Representative Hagert

Discussion Topics:

- Limitations for childcare tax credit

3:09 p.m. Representative Foss presented proposed amendment regarding tax credit amount and submitted testimony in favor #45034.

3:10 p.m. Representative Foss moved a Reconsider.

3:10 p.m. Representative Dockter seconded the motion.

Senators	Vote
Senator Dean Rummel	Y
Senator Michelle Powers	Y
Senator Richard Marcellais	Y
Representative Jason Dockter	Y
Representative Austin Foss	Y
Representative Jared Hagert	Y

Motion passed 6-0-0.

3:11 p.m. Representative Foss moved Amendment LC#25.1035.01004.

3:11 p.m. Senator Marcellais seconded the motion.

Motion passed 6-0-0.

Representative Foss moved Amendment LC#25.1035.01004 In Place Of Amendment LC#25.1035.01002.

3:12 p.m. Senator Marcellais seconded the motion.

Motion passed 6-0-0.

Senate Finance and Taxation Committee

SB 2282

April 16, 2025

Page 2

Senator Marcellais will carry the bill for the Senate.

Representative Foss will carry the bill for the House.

3:12 p.m. Chairman Rummel adjourned the meeting.

Reconsidered on 4/17.

Chance Anderson, Committee Clerk

SB 2282 041625 1543 PM Roll Call Vote

Amendment

SB 2282

Date Submitted: April 16, 2025, 3:43 p.m.

Action: Passed

Amendment LC #: Pending LC #

Motioned By: Foss, Austin

Seconded By: Marcellais, Richard

Emergency Clause: None

Vote Results: 6 - 0 - 0

Description: N/A

Sen. Rummel, Dean	Yea
Sen. Powers, Michelle	Yea
Sen. Marcellais, Richard	Yea
Rep. Dockter, Jason	Yea
Rep. Foss, Austin	Yea
Rep. Hagert, Jared	Yea

SB 2282 041625 1544 PM Roll Call Vote

Final Recommendation

SB 2282

Date Submitted: April 16, 2025, 3:44 p.m.

Recommendation: In Place Of

Amendment LC #: 25.1035.01004

Engrossed LC #: 25.1035.04000

Description:

Motioned By: Foss, Austin

Seconded By: Marcellais, Richard

House Carrier: Foss, Austin

Senate Carrier: Marcellais, Richard

Emergency Clause: None

Vote Results: 6 - 0 - 0

Sen. Rummel, Dean	Yea
Sen. Powers, Michelle	Yea
Sen. Marcellais, Richard	Yea
Rep. Dockter, Jason	Yea
Rep. Foss, Austin	Yea
Rep. Hagert, Jared	Yea

25.1035.01004
Title.

Prepared by the Legislative Council
staff for Representative Foss
April 16, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2282

Introduced by

Senators Hogan, Weber, Wobbema

Representatives Mitskog, O'Brien

In place of the amendments (25.1035.01002) adopted by the House, Senate Bill No. 2282 is amended by amendment (25.1035.01004) as follows:

- 1 A BILL for an Act to create and enact a new section to chapter 57-38 and new subdivision to
- 2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax
- 3 credit for child care contributions provided by qualified employers; and to provide an effective
- 4 date.

5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- 6 **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is created
- 7 and enacted as follows:

8 **Child care contribution credit.**

- 9 1. A taxpayer that is a qualified employer is entitled to a credit against the income tax
- 10 liability under section 57-38-30 or 57-38-30.3 ~~as provided in this section. The total~~
- 11 ~~credit available with respect to each qualifying employee is equal to thirty percent of~~
- 12 ~~the taxpayer's aggregate~~in the amount of up to five hundred dollars in child care
- 13 contributions ~~toward child care costs of~~made by the qualified employer for each
- 14 qualified ~~employees paid~~employee during the taxable year ~~in which the credit is~~
- 15 ~~claimed~~. The credit must be claimed for the taxable year in which the child care
- 16 contributions are made.
- 17 2. The credit allowed under this section may not exceed the liability for tax under this
- 18 chapter. Any credit amount exceeding a taxpayer's liability for the taxable year may not
- 19 be claimed as a carryback or carryforward.

- 1 3. A passthrough entity entitled to the credit under this section must be considered to be
2 the taxpayer for purposes of this section and the amount of the credit allowed must be
3 determined at the passthrough entity level. The amount of the total credit determined
4 at the passthrough entity level must be allowed to the partners, shareholders, or
5 members in proportion to their respective interests in the passthrough entity.
- 6 4. To receive the tax credit provided under this section, a taxpayer shall claim the credit
7 in the form and manner prescribed by the tax commissioner. The tax commissioner
8 shall prescribe, design, and make available all forms necessary to effectuate this
9 section.
- 10 5. For purposes of this section:
- 11 a. ~~"Aggregate child care contributions" means the total amount of child care~~
12 ~~contributions made by a qualified employer to all qualified employees during the~~
13 ~~taxable year, limited to the first five hundred dollars in child care contributions per~~
14 ~~qualifying employee.~~
- 15 ~~b.~~ "Child care costs" means costs incurred by an employee for early childhood
16 services rendered by a child care provider, which are incurred to enable the
17 employee to be gainfully employed by an employer.
- 18 ~~e.b.~~ "Child care contribution" means a payment made to a child care provider by a
19 qualified employer to subsidize a qualified employee's child care costs and a
20 payment made to a qualified employee for reimbursement of the qualified
21 employee's child care costs.
- 22 ~~d.c.~~ "Child care provider" means an early childhood services provider licensed under
23 chapter 50-11.1 or a substantially similar provider that is licensed by another
24 state and provides early childhood services within ten miles of this state.
- 25 ~~e.d.~~ "Early childhood services" has the same meaning as in section 50-11.1-02.
- 26 ~~f.e.~~ "Qualified employee" means an individual employed by the qualified employer
27 claiming the credit under this section.
- 28 ~~g.f.~~ "Qualified employer" means an employer that, in the taxable year for which the
29 employer claimed the credit under this section:
- 30 (1) Made a child care contribution; and

- 1 (2) Provided an equal opportunity to all employees that have child care costs to
2 receive an equal child care contribution from the employer during the
3 taxable year.

4 **SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota
5 Century Code is created and enacted as follows:

6 Child care contribution credit under section 1 of this Act .

7 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
8 December 31, 2024.

2025 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2282
4/17/2025
Conference Committee

Relating to an income tax credit for child care contributions provided by qualified employers; and to provide an effective date.

9:34 a.m. Chairman Rummel called the meeting to order.

Members present: Chairman Rummel, Senator Powers, Senator Marcellais, Representative Foss, Representative Dockter, Representative Hagert

Discussion Topics:

- Limitations for childcare tax credit

9:34 a.m. Representative Dockter moved a Reconsider.

9:34 a.m. Representative Hagert seconded the motion.

Senators	Vote
Senator Dean Rummel	Y
Senator Michelle Powers	Y
Senator Richard Marcellais	AB
Representative Jason Dockter	Y
Representative Austin Foss	Y
Representative Jared Hagert	Y

Motion passed 5-0-1.

9:35 a.m. Representative Dockter discussed proposed amendment regarding tax credit amount.

9:37 a.m. Charles Dendy, Counsel, Office of ND Tax Commissioner, testified neutral.

9:39 a.m. Representative Docker moved Amendment LC#25.1035.01005 In Place Of Amendment LC#25.1035.01002.

9:39 a.m. Representative Foss seconded the motion.

Motion passed 5-0-1.

Senator Powers will carry the bill for the Senate.

Representative Foss will carry the bill for the House.

9:41 a.m. Representative Dockter moved to Dissolve Conference Committee.

9:41 a.m. Representative Foss seconded the motion.

Senators	Vote
Senator Mark F. Weber	Y
Senator Dean Rummel	Y
Senator Richard Marcellais	Y
Senator Dale Patten	Y
Senator Michelle Powers	Y
Senator Chuck Walen	Y

Motion passed 6-0-0.

9:42 a.m. Chairman Rummel adjourned the meeting.

Chance Anderson, Committee Clerk

April 17, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

VC 4/17/25
1 of 3

SENATE BILL NO. 2282

Introduced by

Senators Hogan, Weber, Wobbema

Representatives Mitskog, O'Brien

In place of amendment (25.1035.01002) adopted by the House, Senate Bill No. 2282 is amended by amendment (25.1035.01005) as follows:

1 A BILL for an Act to create and enact a new section to chapter 57-38 and new subdivision to
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax
3 credit for child care contributions provided by qualified employers; and to provide an effective
4 date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Child care contribution credit.**

- 9 1. A taxpayer that is a qualified employer is entitled to a credit against the income tax
10 liability under section 57-38-30 or 57-38-30.3 as provided in this section. The total
11 credit available with respect to each ~~qualifying employee~~ **qualified employer** is equal to
12 ~~thirty~~ **fifty** percent of the taxpayer's aggregate child care contributions ~~toward child care~~
13 ~~costs of qualified employees paid during the taxable year in which the credit is~~
14 ~~claimed.~~ The credit must be claimed for the taxable year in which the child care
15 contributions are made.
- 16 2. The credit allowed under this section may not exceed the liability for tax under this
17 chapter. Any credit amount exceeding a taxpayer's liability for the taxable year may not
18 be claimed as a carryback or carryforward.
- 19 3. A passthrough entity entitled to the credit under this section must be considered to be
20 the taxpayer for purposes of this section and the amount of the credit allowed must be

determined at the passthrough entity level. The amount of the total credit determined at the passthrough entity level must be allowed to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.

4. To receive the tax credit provided under this section, a taxpayer shall claim the credit in the form and manner prescribed by the tax commissioner. The tax commissioner shall prescribe, design, and make available all forms necessary to effectuate this section.

5. For purposes of this section:

a. "Aggregate child care contributions" means the total amount of child care contributions made by a qualified employer to all qualified employees during the taxable year, limited to the first ~~five hundred~~ one thousand dollars in child care contributions per ~~qualifying~~ qualified employee.

b. "Child care costs" means costs incurred by an employee for early childhood services rendered by a child care provider, which are incurred to enable the employee to be gainfully employed by an employer.

c. "Child care contribution" means a payment made to a child care provider by a qualified employer to subsidize a qualified employee's child care costs and a payment made to a qualified employee's child care costs.

d. "Child care provider" means an early childhood services provider licensed under chapter 50-11.1 or a substantially similar provider that is licensed by another state and provides early childhood services within ten miles of this state.

e. "Early childhood services" has the same meaning as in section 50-11.1-02.

f. "Qualified employee" means an individual employed by the qualified employer claiming the credit under this section.

g. "Qualified employer" means an employer that, in the taxable year for which the employer claimed the credit under this section:

(1) Made a child care contribution; and

(2) Provided an equal opportunity to all employees that have child care costs to receive an equal child care contribution from the employer during the taxable year.

- 1 **SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota
- 2 Century Code is created and enacted as follows:
- 3 Child care contribution credit under section 1 of this Act .
- 4 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
- 5 December 31, 2024.

SB 2282 041725 0941 AM Roll Call Vote

Final Recommendation

SB 2282

Date Submitted: April 17, 2025, 9:41 a.m.

Recommendation: In Place Of

Amendment LC #: 25.1035.01005

Engrossed LC #: N/A

Description:

Motioned By: Dockter, Jason

Seconded By: Foss, Austin

House Carrier: Foss, Austin

Senate Carrier: Powers, Michelle

Emergency Clause: None

Vote Results: 5 - 0 - 1

Sen. Rummel, Dean	Yea
Sen. Powers, Michelle	Yea
Sen. Marcellais, Richard	Absent
Rep. Dockter, Jason	Yea
Rep. Foss, Austin	Yea
Rep. Hagert, Jared	Yea

**REPORT OF CONFERENCE COMMITTEE
SB 2282**

Your conference committee (Sens. Rummel, Powers, Marcellais and Reps. Dockter, Foss, Hagert) recommends that in place of amendment [25.1035.01002](#) adopted by the House, SB 2282 is amended by amendment [25.1035.01005](#).

SB 2282 was placed on the Seventh order of business on the calendar.