



State of Wisconsin  
2025 - 2026 LEGISLATURE

LRB-2366/1  
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## 2025 SENATE BILL 291

May 30, 2025 - Introduced by Senators MARKLEIN, CABRAL-GUEVARA, FEYEN, JAMES, NASS and QUINN, cosponsored by Representatives HURD, ARMSTRONG, BEHNKE, DITTRICH, DONOVAN, GREEN, KAUFERT, KITCHENS, KNODL, KREIBICH, KRUG, MELOTIK, MURSAU, NOVAK, O'CONNOR, PENTERMAN and STEFFEN. Referred to Committee on Agriculture and Revenue.

1     **AN ACT** *to renumber* 238.308 (1) (a); *to amend* 71.07 (3y) (a) 2., 71.07 (3y) (b)  
2             6., 71.28 (3y) (a) 2., 71.28 (3y) (b) 6., 71.47 (3y) (a) 2., 71.47 (3y) (b) 6., 238.308  
3             (2) (a) 1. and 238.308 (4) (a) 6.; *to create* 238.308 (1) (ag) and 238.308 (2) (d) of  
4             the statutes; **relating to:** making certain child care expenditures eligible for  
5             the business development tax credit.

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### *Analysis by the Legislative Reference Bureau*

Under current law, a business may receive a refundable business development tax credit for an amount equal to up to 15 percent of the business's investment in establishing an employee child care program for employees. Such investments may include only capital expenditures made by the person. Because the credit is refundable, if the credit exceeds the claimant's tax liability, the claimant will receive the difference as a refund check.

Under this bill, a business may receive a credit for an amount of up to 15 percent of the business's costs incurred to provide child care services for employees. "Costs incurred to provide child care services for employees" includes capital expenditures made to establish a child care program for employees, expenditures for the operation of a child care program for employees, expenditures to reimburse employees for child care expenses, expenditures to purchase or reserve child care slots on behalf of employees, contributions made by an employer to an employee's

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dependent care flexible spending account, and any other cost or expense incurred due to a benefit provided by an employer to facilitate the provision or utilization by employees of child care services.

The bill also provides that the Wisconsin Economic Development Corporation may certify a nonprofit entity described under section 501 (c) (3) of the Internal Revenue Code for the business development tax credit for expenditures on providing child care services to employees.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

**SECTION 1.** 71.07 (3y) (a) 2. of the statutes is amended to read:

71.07 (**3y**) (a) 2. “Eligible employee” has the meaning given in s. 238.308 (1) (~~a~~) (ar).

**SECTION 2.** 71.07 (3y) (b) 6. of the statutes is amended to read:

71.07 (**3y**) (b) 6. For taxable years beginning after December 31, 2023, the amount of the investment in the form of capital expenditures on workforce housing, as defined in s. 234.66 (1) (i), for employees, not to exceed 15 percent of such investment, and the amount of the ~~investment in establishing an employee costs~~ incurred to provide child care program for services for employees, as defined in s. 238.308 (1) (ag), not to exceed 15 percent of such ~~investment costs~~, as determined by the Wisconsin Economic Development Corporation.

**SECTION 3.** 71.28 (3y) (a) 2. of the statutes is amended to read:

71.28 (**3y**) (a) 2. “Eligible employee” has the meaning given in s. 238.308 (1) (~~a~~) (ar).

**SECTION 4.** 71.28 (3y) (b) 6. of the statutes is amended to read:

71.28 (**3y**) (b) 6. For taxable years beginning after December 31, 2023, the amount of the investment in the form of capital expenditures on workforce housing,

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1 as defined in s. 234.66 (1) (i), for employees, not to exceed 15 percent of such  
2 investment, and the amount of the ~~investment made in establishing an employee~~  
3 costs incurred to provide child care program for services for employees, as defined in  
4 s. 238.308 (1) (ag), not to exceed 15 percent of such ~~investment costs~~, as determined  
5 by the Wisconsin Economic Development Corporation.

6 **SECTION 5.** 71.47 (3y) (a) 2. of the statutes is amended to read:

7 71.47 (3y) (a) 2. “Eligible employee” has the meaning given in s. 238.308 (1)  
8 ~~(a)~~ (ar).

9 **SECTION 6.** 71.47 (3y) (b) 6. of the statutes is amended to read:

10 71.47 (3y) (b) 6. For taxable years beginning after December 31, 2023, the  
11 amount of the investment in the form of capital expenditures on workforce housing,  
12 as defined in s. 234.66 (1) (i), for employees, not to exceed 15 percent of such  
13 investment, and the amount of the ~~investment made in establishing an employee~~  
14 costs incurred to provide child care program for services for employees, as defined in  
15 s. 238.308 (1) (ag), not to exceed 15 percent of such ~~investment costs~~, as determined  
16 by the Wisconsin Economic Development Corporation.

17 **SECTION 7.** 238.308 (1) (a) of the statutes is renumbered 238.308 (1) (ar).

18 **SECTION 8.** 238.308 (1) (ag) of the statutes is created to read:

19 238.308 (1) (ag) “Costs incurred to provide child care services for employees”  
20 includes all of the following:

- 21 1. Capital expenditures made to establish a child care program for employees.
- 22 2. Expenditures made for the operation of a child care program under subd. 1.
- 23 3. Expenditures to reimburse employees for child care expenses.
- 24 4. Expenditures to purchase or reserve child care slots on behalf of employees.

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5. Contributions made by an employer to an employee's dependent care flexible spending account.

6. Any other cost or expense incurred due to a benefit provided by an employer to facilitate the provision or utilization by employees of child care services.

**SECTION 9.** 238.308 (2) (a) 1. of the statutes is amended to read:

238.308 (2) (a) 1. The Subject to par. (d), the person is operating or intends to operate a business in this state.

**SECTION 10.** 238.308 (2) (d) of the statutes is created to read:

238.308 (2) (d) The corporation may certify a nonprofit entity described in section 501 (c) (3) of the Internal Revenue Code for tax benefits for costs incurred to provide child care services for employees under sub. (4) (a) 6.

**SECTION 11.** 238.308 (4) (a) 6. of the statutes is amended to read:

238.308 (4) (a) 6. For taxable years beginning after December 31, 2023, an amount equal to up to 15 percent of the person's investment in the form of capital expenditures on workforce housing, as defined in s. 234.66 (1) (i), for employees and up to 15 percent of the person's ~~investment in establishing an employee costs incurred to provide~~ child care ~~program for services for~~ employees. ~~Such investments may include only capital expenditures made by the person.~~

## SECTION 12. Initial applicability.

(1) This act first applies to taxable years beginning after December 31, 2024.

**(END)**