

Governor Shapiro Kicks Off “GSD Tour” in Chester County, Highlighting Bipartisan Efforts to Cut Costs by Dramatically Expanding Pennsylvania’s Child and Dependent Care Tax Credit

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PRESS RELEASE

Last month, Governor Shapiro signed into law a major, bipartisan expansion of the childcare tax credit – putting more money back into the pockets of 210,000 working Pennsylvania families.

11,000 families in Chester County will now receive a higher state tax credit, with the maximum credit increasing from \$630 to \$2,100.

Berwyn, PA – Today, **Governor Josh Shapiro** joined legislative leaders and the Chester County Chamber of Business & Industry to highlight the recent expansion of the Child and Dependent Care Tax Credit for over 210,000 Pennsylvania families at the Upper Main Line YMCA in Chester County.

Governor Shapiro knows that a lack of affordable childcare holds back our children, parents, and our economy. The average cost of childcare in Pennsylvania was between \$9,000 to \$13,000 in 2023, eating up over 15 percent of the median family’s annual income. According to the [U.S. Chamber of Commerce](#), Pennsylvania’s economy loses \$3.47 billion dollars every year in lost earnings, productivity, and tax revenue because families can’t access reliable, consistent childcare.

Under previous law, Pennsylvania would match only 30 percent of the federal Child and Dependent Care Tax Credit. Now, thanks to this new bipartisan legislation signed into law by Governor Shapiro in December, the state credit will match 100 percent of the federal credit, helping Pennsylvania families offset more of the burden of rising childcare costs in the Commonwealth.

“We have a GSD attitude in my Administration – we get stuff done, and this expanded tax credit is a prime example of government working together to deliver real, tangible results for the people of Pennsylvania. We’re cutting costs and putting money back in people’s pockets,” said **Governor Josh Shapiro**. “I’ve heard firsthand from Pennsylvanians all across our Commonwealth about how they are struggling with rising costs – especially childcare. Starting this year, thanks to the expansion I signed into law, Pennsylvania will now match 100% of the federal childcare tax credit Pennsylvanians receive on their tax returns. That will put hundreds of dollars back in the pockets of working families every single year. We owe it to Pennsylvanians to make these kinds of investments that cut costs, put money back in their pockets, and help our families succeed.”

The Child and Dependent Care Enhancement Tax Credit that is available to Pennsylvanians at the state level is based on the federal Child and Dependent Care Tax Credit. Taxpayers must receive the federal credit to also be eligible for the state credit in Pennsylvania. The major expansion signed into law by Governor Shapiro means:

- The maximum credit will be \$1,050 (one child) or \$2,100 (two or more children).
- The credit cap phases down as income levels increase.

Prior to the expansion signed by Governor Shapiro, the maximum credit Pennsylvania families could receive was up to \$315 (one child) or \$630 (two or more children). Under the new law, Pennsylvanians could see up to a 233% increase in their tax credit from last year.

The state tax credit received bipartisan support from the House and the Senate as part of the fiscal code bill that built on the commonsense, bipartisan 2023-24 budget.

“If we want a strong and stable workforce, we must ensure that working families have access to affordable child and dependent care,” said **House Majority Leader Matt Bradford, D-Montgomery**. “Increasing the Child and Dependent Care Enhancement Tax Credit – a measure championed by House Democrats – will help nearly a quarter million qualifying families who earn up to \$439,000 a year afford care for their loved ones so that they can enter or remain in the workplace. It’s a win for working families, for businesses and for our economy. I’m proud that we prioritized this issue and I’m grateful to Gov. Shapiro for quickly signing this significant middle class tax cut into law.”

“As a working mother who relied on the YMCA’s early childhood education centers, I am grateful that the Child and Dependent Tax Credit bill, which Rep. Davis and I proposed, became part of the fiscal code,” said **Representative Melissa Shusterman, D-Chester**. “The Commonwealth of PA is saying to working mothers – we see you and we value you. This tax credit means real money for working parents and that can be a game-changer.”

“This expansion is an investment in working families, in our economy, and in the future of our Commonwealth. I thank Governor Shapiro and all of the advocates who worked to make it a reality,” said **Senator Carolyn Comitta**. “I hope we can continue to work together to support access to affordable, quality childcare and invest in childcare providers, workers, and programs. They are a crucial part of the infrastructure that prepares our communities for tomorrow and keeps our economy growing.”

“Too many families across our country either cannot afford or cannot find accessible childcare,” said **U.S. Representative Chrissy Houlahan**. “When I had my first child while serving in the Air Force, that was my experience, and sadly, more than 30 years later, this barrier of access has only increased, and it predominately impacts women who want and need to contribute to our economy and the income of their own households. I proudly supported the [expansion](#) of the federal Child Tax Credit in 2021 and [continue](#) to support the federal expansion despite the current majority’s opposition. Governor Shapiro and our legislators have found a way to work in a bipartisan matter on this vital issue, and no matter the size of your household or where you live in our Commonwealth, that’s a win for Pennsylvanians!”

“As a soon to be mom-of-two, and as Chamber President representing 500 employers and thousands of employees in Chester County, I am proud to stand with the PA Legislature and Governor Shapiro in celebration of the expansion of the Child and Dependent Care Tax Credit,” said **Laura Manion, President of the Chester County Chamber of Business and Industry**. “This is a monumental win for employees and employers across Pennsylvania. The cost of care is becoming unattainable for families across every tax bracket, with the average cost of infant care in Chester County toppling over \$17,000 annually. While there is more work to be done on the childcare crisis, the expansion of the Child and Dependent Care Tax Credit is a great first step in the right direction.”

“The expansion of the state Childcare Tax Credit comes at a critical time as childcare has become unaffordable and inaccessible to working families throughout Pennsylvania. Serving more than 4,500 children and their families, the YMCA of Greater Brandywine is the largest provider of childcare

services in Chester County,” said **Bertram L. Lawson, II, President and CEO, YMCA of Greater Brandywine**. “The childcare crisis impacts our staff, the families that we serve and the community at large. The expansion of the state Childcare Tax Credit will allow more parents to return to work – and will allow childcare providers to grow and remain sustainable.”

For more information about the Childcare and Dependent Care Tax Credit, visit pa.gov/childcaretaxcredit.

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