

## Statement on Child Care & Tax Policy

The National Association for the Education of Young Children (NAEYC), along with our tens of thousands of members across the country, welcomes a national conversation about tax policy. Research shows that efforts to make child care affordable *and* high-quality should be a key part of this conversation, as well as a national priority, as doing so is important both for the strength of our current economy, and the success of our future one. While comprehensive solutions are critical, tax reform presents a meaningful path to address one element of the early childhood education landscape: the very real challenge of affordability. Our system requires investments—and parents need relief.

Yet the [framework](#) released yesterday missed an opportunity. Expanding and improving the child tax credit (CTC), [albeit in ways that better help the most vulnerable families](#), is a bipartisan idea that is worthy of support. But the limitations of the CTC mean that it cannot be considered a solution to the challenges of child care affordability, nor can it serve as an alternative to direct investments and tax credits targeting not only the affordability, but also the quality and accessibility of child care and early learning.

Congress and the President, who have previously highlighted the need for investments in child care, could choose to help more lower- and middle-income families afford child care by strengthening the Child and Dependent Care Tax Credit (CDCTC). The bipartisan, bicameral [PACE \(Promoting Affordable Childcare for Everyone\) Act](#), for example, takes the important steps of making this child care tax credit fully refundable, increasing its value, and indexing it to inflation. We thank Senators Richard Burr (R-NC) and Angus King (I-ME), and Representatives Kevin Yoder (R-KS) and Stephanie Murphy (D-FL) for introducing this bill in the Senate and the House.

As tax reform progresses, NAEYC urges the President and members of Congress to support bipartisan improvements to the child care tax credit in particular. Because despite the geographic, demographic and ideological differences that can divide our nation, we believe that helping families through the tax code and working to deliver on the promise of early learning can and should be an issue on which we can come together, for the benefit of us all.