PS1 for 4/7/88#SOLUTION TO THE CHILD CARE ""CRISIS''

Rep. Clyde Holloway (R-LA) has come up with the solution to the so-called child care ""crisis.'' His Child Care Tax Credit Reform Bill, H.R. 3944, is so vastly superior to the dozen other day care proposals pending in the current Congress that Republicans and Democrats should stampede to become co-sponsors.

The Holloway Child Care Tax Credit Reform Bill amends the current child and dependent care tax credit (which is highly discriminatory) by making it available to ALL children under mandatory school age.

The (BF)current(end BF) child care credit offers taxpayers a credit equal to a specified percentage of the amount of money spent for the care of any child under 15 years of age ONLY IF all parents in the household are employed. The Holloway Bill extends the credit to ALL families with preschool children, and bases the amount of the credit on the family's adjusted gross income rather than on the amount spent on day care.

The amount of the Holloway Bill's credit varies from $400 per eligible child in lower-income families (with an adjusted gross income of less than $18,000) to $150 per eligible child in higher-income families (with an adjusted gross income of more than $30,000). For families whose child care credit exceeds their tax liability, the credit is refundable up to the amount paid by the family in Social Security taxes.

There are at least ten good reasons why the Holloway Bill is far superior to any other pending day care proposal.

1. The Holloway Bill provides income tax benefits to ALL families with preschool children, instead of only to those using commercial day care services. About 12 million families (20 million children) will receive income tax benefits under the Holloway Bill, as opposed to only about 4 million families who receive tax benefits under the

current child care credit, or as opposed to an estimated 700,000 children who may receive benefits under other day care bills pending in Congress.

2. The Holloway Bill extends maximum benefits to those families with the greatest financial need, as opposed to the other day care bills and the current child care tax credit which primarily benefit higher-income families.

3. The Holloway Bill assures complete freedom of choice to parents in meeting child care needs. The current child care credit provides tax benefits ONLY if the mother is in the paid labor force and spends money for day care. The other pending day care proposals exclude the types of child care that most families choose, such as family-member care, in-home care, and church-based care.

4. The Holloway Bill does not establish any new federal bureaucracy. All other day care bills now before Congress would result in an expansion of the size, power and cost of the Federal Government.

5. Under the Holloway Bill, every dollar made available for child care goes directly to families. The Holloway Bill will provide $150 to $400 cash per child, whereas the Dodd-Kildee Bill will provide only an estimated $50 to $150 benefit per child, based on an estimated 700,000 children serviced (with the rest of the $2.5 billion appropriation going for administrative and regulatory costs).

6. The Holloway Bill encourages intra-family solutions to child care by treating these arrangements equally with commercial child care arrangements. All other day care proposals discourage families from meeting their own needs by offering financial incentives to choose non-familial, commercial, government-regulated day care centers.

7. The Holloway Bill eliminates discrimination against families on the basis of the employment status of the parents. All other day care

proposals discriminate against families with fulltime mothers.

8. The Holloway Bill costs less. The current child care tax credit now costs the taxpayers $3.7 billion annually; the Dodd-Kildee Bill will cost an additional $2.5 billion annually, and the cost of both will rise rapidly. The Holloway Bill will cost only $600 million in addition to the current $3.7 billion, and the Holloway method will not increase in cost because it will include ALL preschool children from day one.

9. The Holloway Bill will not result in discrimination against or government interference with day care programs conducted by churches or church-related organizations, as would some other day care proposals.

10. The Holloway Bill will not reduce the variety of commercial day care choices available to families, or increase their cost, as would all other day care proposals.