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Bill would give mothers tax credits for child care [IL]

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EXCERPTS

Life may soon become easier for working mothers in Israel. A day after voting to extend paid maternity leave by two weeks to 16, the Knesset Committee for the Advancement of Women voted Wednesday to advance a bill to allow tax credits for working mothers who pay for child care for youngsters under the age of five.

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Although the Finance Ministry expressed strong opposition to the legislation, the committee voted unanimously to send it to its first reading in the Knesset.

"This bill is designed to reduce the financial burden and to create a positive incentive for women to participate in the work force," Ariel said. "The entrance of additional women to the work force will, through taxes, put more money into the state coffers and will divert the costs of this proposal."

The bill's sponsors said the high cost of child care lead to a situation in which parents decide it pays for one parent to leave the workforce. That parent, they said, was usually the mother.

According to the bill, a full-time working mother would receive five tax-credit points for her first child, four more for her second and three for each additional child. In the event a child is being raised by its father alone, the father will receive the tax credit. Mothers whose income is too low to deduct taxes can transfer the points to the father's tax forms or receive a tax rebate according to the negative income tax model.

"Recognition of child care expenses exists in many Western countries," Sa'ar said, "and it combines a correct social perspective and aid to young families with a good economic perspective that will increase participation in the labor market and will increase the national product."

The tax credit will be applicable whether the child is cared for by a nanny, in a group environment or in another child-care arrangement.

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