

Special Notice

Intended audience: Child care providers.

Aug. 26, 2024

B&O tax exemption for child care businesses

Effective Oct. 1, 2024, there is a new business and occupation (B&O) tax exemption for certain child care services. This exemption expires Dec. 31, 2034.

Who qualifies?

Businesses primarily (more than 50%) engaged in providing child care.

What is exempt?

Amounts received for providing care and supervision for a period of less than 24 hours to children that are either:

- Under 13 years of age.
- Under 19 years of age with a verified special need or under court supervision as determined by the department of children, youth, and families under [chapter 43.216 RCW](#).

How do I claim the B&O tax exemption?

You must report the amounts received under the Child Care B&O tax classification and then take a deduction under “Child Care for Children Under 13, Under 19 with Verified Special Need or Under Court Supervision.”

More information

See [RCW 82.04.2905](#).

See our [Child care industry guide](#) for other deductions or exemptions that may apply.

Questions

Please visit [dor.wa.gov](#) or call 360-705-6705.

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For tax assistance or to request this document in an alternate format, visit [dor.wa.gov](#) or call 360-705-6705. Teletype (TTY) users may use the Washington Relay Service by calling 711.