

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1063

6 By: Garvin

7 COMMITTEE SUBSTITUTE

8 An Act relating to income tax; creating the Childcare
9 Receives Investment from Business (CRIB) Act;
10 providing short title; defining terms; providing
11 credit for certain expenditures of a childcare
12 facility; providing credit for businesses for
13 providing certain childcare service benefits;
14 limiting certain credit; requiring certain benefits
15 for eligibility; allowing certain credit to be
16 carried forward for certain period; authorizing
17 additional credit for small businesses; requiring the
18 Oklahoma Tax Commission to provide certain report;
19 providing an effective date.

20 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

21 SECTION 1. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 2357.27A of Title 68, unless
23 there is created a duplication in numbering, reads as follows:

24 A. This act shall be known and may be cited as the "Childcare
Receives Investment from Business (CRIB) Act".

B. As used in this section:

1. "Business" means any Oklahoma corporation, limited liability
company, partnership, or other legal entity;

1 2. "Childcare employee" means a full-time or part-time employee
2 primarily responsible for duties at an entity primarily engaged in
3 the business of providing childcare services or employed by a
4 business with an on-site childcare facility;

5 3. "Childcare facility" means a licensed childcare facility
6 with an average daily enrollment for a tax year of no less than six
7 (6) children who are twelve (12) years of age or less;

8 4. "Eligible expenses" means expenditures to start a new
9 childcare facility, either by an entity primarily engaged in the
10 business of providing childcare services or a business creating an
11 on-site childcare facility, for the first five (5) years of
12 operation, including:

- 13 a. costs of a facility and location,
- 14 b. licensing requirements,
- 15 c. fire, safety, and health code training, approval, and
16 compliance,
- 17 d. equipment and supplies, including consumables and
18 entertainment for children,
- 19 e. childcare director training and credentialing,
- 20 f. childcare employee training, credentialing, and
21 licensing,
- 22 g. background checks,
- 23 h. insurance,
- 24 i. advertising,

1 j. transportation, and

2 k. other expenses required or approved by the Department
3 of Human Services; and

4 5. "Small business" means an entity as defined by 13 CFR Part
5 121.

6 C. For tax years 2024 through 2029, there shall be allowed a
7 credit against the tax imposed by Section 2355 of Title 68 of the
8 Oklahoma Statutes for eligible expenses incurred by entities
9 primarily engaged in the business of providing childcare services,
10 businesses creating an on-site childcare facility for use by
11 employees, or the public in the amount of thirty percent (30%) of
12 documented eligible expenses.

13 D. For tax years 2024 through 2029, there shall be allowed a
14 credit against the tax imposed by Section 2355 of Title 68 of the
15 Oklahoma Statutes for businesses offering the following childcare
16 benefits to employees:

17 1. Fifteen percent (15%) of documented eligible expenses and
18 wages paid for childcare employees. An additional credit of five
19 percent (5%) shall be authorized for the first year of operation of
20 the facility;

21 2. A tax credit of ten percent (10%) of payments made by a
22 business to a childcare facility for employee childcare services;
23 and

1 3. A tax credit of fifteen percent (15%) of payments made by a
2 business to an employee for childcare costs. The credit authorized
3 by this paragraph shall not exceed Five Thousand Dollars (\$5,000.00)
4 for each employee. A business shall make available an equivalent
5 payment for childcare costs to every employee to be eligible for the
6 credit provided in this paragraph.

7 E. If the amount of the credit allowed pursuant to this section
8 exceeds the income tax liability, the amount of credit not used in
9 any tax year may be carried forward, in order, to each of five (5)
10 subsequent tax years.

11 F. A small business shall be allowed an additional credit equal
12 to ten percent (10%) of the credit earned pursuant to this section.

13 G. The Oklahoma Tax Commission shall provide an annual report
14 to the Department of Human Services detailing the number of
15 businesses that claim credit pursuant to this section for each tax
16 year.

17 SECTION 2. This act shall become effective November 1, 2023.

18
19 59-1-1898 QD 2/17/2023 3:15:20 PM

20
21
22
23
24