

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2451

By: Schreiber

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5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; authorizing
8 income tax credit for certain qualified employer
9 child care expenses; defining terms; specifying
10 amount of tax credit; prescribing limit on credit
11 based on taxable year; imposing limit on total
12 credits per taxable year per employer; prohibiting
13 use of tax credit to reduce income tax liability to
14 less than zero; providing for carryover; providing
15 for limit on total credits per fiscal year;
16 authorizing income tax credit for child care workers;
17 specifying credit amount; providing for
18 refundability; providing for sunset date; providing
19 for codification; and 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 2357.1001 of Title 68, unless
23 there is created a duplication in numbering, reads as follows:

24 A. As used in this section:

1. "Child" means an individual who is five (5) years of age or
less;

1 2. "Child care and education provider" means a person who owns
2 or operates an eligible program;

3 3. "Child care expense" means the cost of locating safe and
4 dependable services for the care of a minor child of an employee;

5 4. "Eligible program" means an applicable child care and early
6 childhood education program that has applied to participate in the
7 quality rating and improvement system and has been assigned a
8 quality scale rating;

9 5. "Eligible staff member" means an individual who is employed
10 with, or who is a self-employed individual providing child care and
11 early childhood education for, an eligible program for at least six
12 (6) months of the taxable year. Eligible staff member does not
13 include certificated teaching and administrative staff employed by
14 programs established pursuant to applicable provisions of law;

15 6. "Employee" means a person to whom wages or other
16 compensation is paid by an employer;

17 7. "Employer" means any sole proprietor or lawfully recognized
18 business entity engaged in lawful business activity;

19 8. "Licensed child care facility" means a person or entity
20 lawfully authorized to provide child care services within the state
21 and which is enrolled in Oklahoma's Quality Rating and Improvement
22 System (QRIS);

23 9. "Qualified child care worker" means a person employed for at
24 least eight (8) consecutive months during the calendar year

1 corresponding to the income tax year for which the credit authorized
2 by this section is claimed and who performs classroom services for a
3 licensed child care facility and who is enrolled in Oklahoma's
4 Professional Development Ladder (PDL); and

5 10. "Quality scale rating" means the rating of an eligible
6 program under the which is expressed in terms of steps.

7 B. For taxable years beginning on or after January 1, 2024,
8 subject to the limitations prescribed by this subsection and
9 subsection D of this section, there shall be allowed as a credit
10 against the tax imposed pursuant to Section 2355 of Title 68 of the
11 Oklahoma Statutes, an amount equal to:

12 1. Thirty percent (30%) of the amount expended by an employer
13 for assistance provided by the employer to an employee for the
14 employee's direct expenses of child care;

15 2. Thirty percent (30%) of the amount expended by an employer
16 for the cost of operating a child care facility primarily used by
17 dependents of the employees of such employer, excluding any payments
18 made by the parent or guardian of such dependent such as tuition or
19 fees;

20 3. Fifty percent (50%) of the amount expended by the employer
21 to construct, either through new construction or rehabilitation of a
22 structure, located not more than two (2) miles from the site at
23 which employees perform primary work duties unless working remotely,
24 to provide child care services to the children of the employees; or

1 4. Fifty percent (50%) of the amount expended by the employer
2 to establish, construct, acquire or develop a child care facility in
3 conjunction with one or more other entities, whether for-profit
4 business entities, nonprofit entities or other lawfully organized
5 entities, to provide child care services.

6 C. The total credit amount which may be claimed by an employer
7 pursuant to the provisions of this section shall not exceed:

8 1. Thirty Thousand Dollars (\$30,000.00) for credits claimed
9 pursuant to paragraph 1 or 2 of subsection B of this section for any
10 taxable year; or

11 2. Forty-five Thousand Dollars (\$45,000.00) for credits claimed
12 pursuant to paragraph 3 or 4 of subsection B of this section for any
13 taxable year.

14 D. The credits authorized pursuant to the provisions of this
15 section shall not be used to reduce the income tax liability of the
16 taxpayer to less than zero (0).

17 E. To the extent not used the credits authorized by this
18 section may be carried over, in order, to each of the succeeding
19 five (5) tax years.

20 F. The total amount of credits authorized to be used to reduce
21 income tax liabilities pursuant to the provisions of this section
22 shall not exceed Five Million Dollars (\$5,000,000.00) each fiscal
23 year.

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1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2357.1002 of Title 68, unless
3 there is created a duplication in numbering, reads as follows:

4 A. As used in this section:

5 1. "Child" means a person less than five (5) years of age;

6 2. "Licensed child care facility" means a person or entity
7 lawfully authorized to provide child care services within the state
8 and which is enrolled in Oklahoma's Quality Rating and Improvement
9 System (QRIS); and

10 3. "Qualified child care worker" means a person employed for at
11 least eight (8) consecutive months during the calendar year
12 corresponding to the income tax year for which the credit authorized
13 by this section is claimed and who performs classroom services for a
14 licensed child care facility and who is enrolled in Oklahoma's
15 Professional Development Ladder (PDL) and have earned a minimum of
16 twelve (12) credit hours.

17 B. For taxable years beginning January 1, 2024, and ending not
18 later than December 31, 2025, there shall be allowed a credit
19 against the tax imposed pursuant to Section 2355 of Title 68 of the
20 Oklahoma Statutes in the amount of Five Hundred Dollars (\$500.00)
21 for a qualified child care worker.

22 C. The credit authorized by this section shall be refundable.
23 The credit shall first be applied to income tax liability, if any,
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1 for the income tax year for which the credit is claimed and the
2 balance shall be refunded to the taxpayer.

3 D. The provisions of this section shall cease to have the force
4 and effect of law on January 1, 2026.

5 SECTION 3. This act shall become effective November 1, 2023.

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