

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 SENATE BILL 1496

By: Pugh

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6 AS INTRODUCED

7 An Act relating to income tax credit; defining terms;
8 providing tax credit for certain expenses incurred;
9 providing child care services; providing tax credit
10 for certain businesses that provide child care;
11 specifying credit amount; allowing unused credit to
be carried forward; increasing credit for small
businesses; requiring the Oklahoma Tax Commission to
promulgate rules; providing for codification; and
providing an effective date.

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

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

18 A. As used in this section:

19 1. "Business" means any Oklahoma corporation, limited liability
20 company, partnership, or other entity formed under the laws of this
21 state;

22 2. "Child care employee" means a full-time or part-time
23 employee primarily responsible for duties at an entity primarily
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1 engaged in the business of providing child care services or employed
2 by a business with an on-site child care facility;

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

6 4. "Eligible expenses" means expenditures to start a new child
7 care facility, by a business creating an on-site child care
8 facility, for the first year of operation, including:

- 9 a. costs of a new or expanded facility and location or
10 the refurbishment of an existing location,
- 11 b. licensing requirements,
- 12 c. fire, safety, and health code training, approval, and
13 compliance,
- 14 d. equipment and supplies, including consumables and
15 entertainment for children,
- 16 e. child care director training and credentialing,
- 17 f. child care employee training, credentialing, and
18 licensing,
- 19 g. background checks,
- 20 h. insurance,
- 21 i. advertising,
- 22 j. transportation, and
- 23 k. other expenses required or approved by the Department
24 of Human Services; and

1 5. "Small business" means an entity as defined by 13 CFR Part
2 121.

3 B. For tax years 2025 through 2030, there shall be allowed a
4 credit against the tax imposed by Section 2355 of Title 68 of the
5 Oklahoma Statutes for eligible expenses incurred by businesses
6 creating an on-site child care facility for use by employees or the
7 public, in the amount of thirty percent (30%) of documented eligible
8 expenses.

9 C. For tax years 2025 through 2030, there shall be allowed a
10 credit against the tax imposed by Section 2355 of Title 68 of the
11 Oklahoma Statutes for businesses not primarily engaged in the
12 business of child care that provided child care services to
13 employees and members of the public. The credit shall be equal to
14 One Thousand Dollars (\$1,000.00) for each child that is not the
15 child of an employee provided child care services for at least ten
16 (10) months of the tax year.

17 D. If the amount of the credit allowed pursuant to this section
18 exceeds the income tax liability, the amount of credit not used in
19 any tax year may be carried forward, in order, to each of five (5)
20 subsequent tax years.

21 E. A small business shall be allowed an additional credit equal
22 to ten percent (10%) of the credit earned pursuant to this section.
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F. The Oklahoma Tax Commission shall promulgate rules to effectuate the provisions of this section including for the verification of eligible expenses.

SECTION 2. This act shall become effective November 1, 2024.

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