

SHORT TITLE: Revenue and taxation; income tax credit for employers incurring certain expenses relating to provision of child care services for children of employees; codification; effective date.

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

SENATE BILL NO. 805

By: Williams

AS INTRODUCED

An Act relating to revenue and taxation; providing income tax credit for employers incurring certain expenses relating to provision of child care services for children of employees; specifying tax years for which credit allowed; defining terms; specifying amount of credit; providing that credit may be carried forward for certain time period; requiring certain report; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.26 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For tax years beginning after December 31, 1998, and ending before January 1, 2004, there shall be allowed a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for employers incurring eligible expenses in connection with the provision of child care services for children of their employees.

B. As used in this section:

1. "Eligible expenses" means amounts paid by an employer to provide qualifying child care services for children of employees; and

2. "Qualifying child care services" means child care services which meet or exceed the standards promulgated by the National Association for the Education of Young Children and the provider thereof is in compliance with the Oklahoma Child Care Facilities Licensing Act.

C. The credit allowed by subsection A of this section shall be twenty percent (20%) of the amount of eligible expenses. Such credit shall not be allowed for any amounts for which the employee claims or receives an income tax credit, exemption or deduction.

D. Any credits allowed but not used in any tax year may be carried over in order to each of the four (4) tax years following the year of qualification.

E. The Oklahoma Tax Commission, on or before January 31 of each year, shall submit a report regarding the credit authorized by this section to both houses of the Oklahoma Legislature. Such report shall summarize the total amount of credits claimed and likely to be claimed and allowed under this section.

SECTION 2. This act shall become effective November 1, 1998.

46-2-1957            CD