

By: Williams of the Senate  
and  
Seikel of the House

[ revenue and taxation - income tax credits - modifying  
tax years -

effective date ]

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

SECTION 1. AMENDATORY Section 4, Chapter 386, O.S.L.  
1998 (68 O.S. Supp. 1999, Section 2357.26), is amended to read as  
follows:

Section 2357.26 A. For tax years beginning after ~~December 31,~~  
~~1998~~ December 31, 2000, 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~~ this title 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 programs  
that are ~~accredited by a national association recognized~~ licensed by  
the Department of Human Services with a rating of two stars or  
higher pursuant to rules promulgated by the Department.

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. AMENDATORY Section 5, Chapter 386, O.S.L. 1998 (68 O.S. Supp. 1999, Section 2357.27), is amended to read as follows:

Section 2357.27 A. For tax years beginning after ~~December 31, 1998~~ December 31, 2000, 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~~ this title for eligible expenses incurred by entities primarily engaged in the business of providing child care services.

B. As used in this section, "eligible expenses" means amounts paid by an entity primarily engaged in the business of providing child care services for expenses incurred by the entity to comply with the standards promulgated ~~by a national accrediting association recognized~~ by the Department of Human Services to achieve a rating of two stars or higher and which would not have been incurred by the entity to comply with the Oklahoma Child Care Facilities Licensing Act to achieve a lower rating.

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 entity 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.

SECTION 3. This act shall become effective January 1, 2001.

Passed the Senate the 7th day of March, 2000.

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President of the Senate

Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
2000.

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Speaker of the House of  
Representatives