

SB 1256

Senate Bill No. 1256

As Amended

SENATE BILL NO. 1256 - By: WILLIAMS of the Senate and PETERS of the House.

[ revenue and taxation - modifying income tax credits  
relating to child care -  
effective date ]

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

SECTION 1. AMENDATORY 68 O.S. 2001, Section 2357.26, is amended to read as follows:

Section 2357.26 A. For tax years beginning after ~~December 31, 1998, and ending before January 1, 2004~~ December 31, 2001, 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 by the Department of Human Services~~ for:

- 1           a. the purchase of qualifying child care services that  
2           are actually provided to children of employees, at a  
3           program licensed by the Department of Human Services  
4           with a rating of two stars or higher pursuant to rules  
5           promulgated by the Department, at a:  
6           (1) child care center, or  
7           (2) family child care home,  
8           b. planning, preparing a site and constructing a child  
9           care center,  
10          c. renovating or remodeling a structure to be used for a  
11          child care center,  
12          d. purchasing equipment necessary for use by a child care  
13          center,  
14          e. expanding a child care center,  
15          f. maintaining and operating a child care center,  
16          including paying direct administrative and staff  
17          costs,  
18          g. purchasing child care slots actually provided or  
19          reserved for children of employees, or  
20          h. fees and grants provided to child care resource and  
21          referral organizations doing business within this  
22          state; and

1        2. "Employer" means a taxpayer who employs one or more full-  
2 time-equivalent employees and whose primary source of income is from  
3 a business other than the business of providing child care services.

4        C. ~~The In lieu of a deduction from taxable income, the credit~~  
5 allowed by subsection A of this section shall be twenty percent  
6 (20%) of the amount of eligible expenses. ~~Such credit shall not be~~  
7 ~~allowed for any amounts for which the employee claims or receives an~~  
8 ~~income tax credit, exemption or deduction.~~

9        D. The amount of eligible expenses upon which the credit will  
10 be based in any taxable year shall be limited to:

11        1. Three Thousand One Hundred Dollars (\$3,100.00) for expenses  
12 described in subparagraph a of paragraph 1 of subsection B of this  
13 section for each child of an employee receiving qualifying child  
14 care services;

15        2. Fifty Thousand Dollars (\$50,000.00) for expenses described  
16 in subparagraphs b through g of paragraph 1 of subsection B of this  
17 section; and

18        3. Five Thousand Dollars (\$5,000.00) for expenses described in  
19 subparagraph h of paragraph 1 of subsection B of this section.

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

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

6        SECTION 2. This act shall become effective November 1, 2002.

7        COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-19-02 - DO PASS,  
8 As Amended and Coauthored.