

1 ENGROSSED SENATE
2 BILL NO. 1063

By: Garvin of the Senate
and
Lawson of the House

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6 [income tax - credit - report - effective date]
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9 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

13 A. This act shall be known and may be cited as the "Childcare
14 Receives Investment from Business (CRIB) Act".

15 B. As used in this section:

16 1. "Business" means any Oklahoma corporation, limited liability
17 company, partnership, or other legal entity;

18 2. "Childcare employee" means a full-time or part-time employee
19 primarily responsible for duties at an entity primarily engaged in
20 the business of providing childcare services or employed by a
21 business with an on-site childcare facility;

22 3. "Childcare facility" means a licensed childcare facility
23 with an average daily enrollment for a tax year of no less than six
24 (6) children who are twelve (12) years of age or less;

1 4. "Eligible expenses" means expenditures to start a new
2 childcare facility, either by an entity primarily engaged in the
3 business of providing childcare services or a business creating an
4 on-site childcare facility, for the first five (5) years of
5 operation, including:

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

21 5. "Small business" means an entity as defined by 13 CFR Part
22 121.

23 C. For tax years 2024 through 2029, there shall be allowed a
24 credit against the tax imposed by Section 2355 of Title 68 of the

1 Oklahoma Statutes for eligible expenses incurred by entities
2 primarily engaged in the business of providing childcare services,
3 businesses creating an on-site childcare facility for use by
4 employees, or the public in the amount of thirty percent (30%) of
5 documented eligible expenses.

6 D. For tax years 2024 through 2029, there shall be allowed a
7 credit against the tax imposed by Section 2355 of Title 68 of the
8 Oklahoma Statutes for businesses offering the following childcare
9 benefits to employees:

10 1. Fifteen percent (15%) of documented eligible expenses and
11 wages paid for childcare employees. An additional credit of five
12 percent (5%) shall be authorized for the first year of operation of
13 the facility;

14 2. A tax credit of ten percent (10%) of payments made by a
15 business to a childcare facility for employee childcare services;
16 and

17 3. A tax credit of fifteen percent (15%) of payments made by a
18 business to an employee for childcare costs. The credit authorized
19 by this paragraph shall not exceed Five Thousand Dollars (\$5,000.00)
20 for each employee. A business shall make available an equivalent
21 payment for childcare costs to every employee to be eligible for the
22 credit provided in this paragraph.

23 E. If the amount of the credit allowed pursuant to this section
24 exceeds the income tax liability, the amount of credit not used in

1 any tax year may be carried forward, in order, to each of five (5)
2 subsequent tax years.

3 F. A small business shall be allowed an additional credit equal
4 to ten percent (10%) of the credit earned pursuant to this section.

5 G. The Oklahoma Tax Commission shall provide an annual report
6 to the Department of Human Services detailing the number of
7 businesses that claim credit pursuant to this section for each tax
8 year.

9 SECTION 2. This act shall become effective November 1, 2023.

10 Passed the Senate the 21st day of March, 2023.

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Presiding Officer of the Senate

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14 Passed the House of Representatives the ____ day of _____,
15 2023.

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Presiding Officer of the House
of Representatives

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