

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

SENATE BILL 1063

By: Garvin

AS INTRODUCED

An Act relating to income tax credit; providing credit for certain expenses incurred providing child care services for employees; limiting credit allowance to certain entities; providing amount of credit; prohibiting credit for expenses for which the entity receives certain credits or incentives; providing for carry over of credit; defining term; providing exception to certain eligible expense; 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 2357.27A of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For tax year 2024 and subsequent tax years there shall be allowed a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for eligible expenses incurred providing child care services for employees by entities not primarily engaged in the business of providing child care services.

B. Eligible expenses qualifying for credit pursuant to this section shall be limited to entities providing on-site child care

1 services for their employees or in partnership with other entities
2 not primarily engaged in the business of providing child care
3 services in the operation of a facility to provide child care
4 services to the entities' employees or on-site at one of the partner
5 entities' buildings.

6 C. The credit authorized by this section shall be twenty
7 percent (20%) of the amount of eligible expenses. The credit shall
8 not be allowed for any expenses for which the entity claims or
9 receives a federal or state income tax credit or incentive.

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

13 E. As used in this section, "eligible expenses" means
14 expenditures made as a direct result of providing child care
15 services and shall be limited to the following:

16 1. Rent paid for the facility where the child care services are
17 provided, or, for child care services provided on-site, a portion of
18 rent that is based upon the proportion of the square feet dedicated
19 to providing child care services in relation to the entity's
20 buildings' total square feet for each location where child care
21 services are provided;

22 2. For a facility where child care services are provided that
23 is owned by the entity, or buildings owned by the entity, an
24 eligible expense for the square feet dedicated to providing child
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1 care services shall be Thirteen Dollars (\$13.00) per square foot.
2 Provided, for entities that partner with other entities to provide
3 child care services pursuant to subsection B of this section and own
4 the building where the child care services are provided, the
5 facility where child care services are provided or the square feet
6 of the buildings where dedicated to providing child care services
7 shall not be considered an eligible expense pursuant to this
8 paragraph if the partner entities pay rent for the use of the
9 facilities or the square feet of the buildings dedicated to
10 providing child care services;

11 3. Wages paid to employees for providing child cares services;

12 4. Tangible personal property purchased to provide child care
13 services; or

14 5. Payments made pursuant to a contract or agreement with an
15 entity, whose primary purpose is to provide child care services, for
16 providing child care services.

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

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