

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	SB1063
Version:	ENGR
Request Number:	
Author:	Rep. Lawson
Date:	4/6/2023
Impact:	OTC Analysis
	FY24: No Impact
	FY25: Unknown revenue decrease

Research Analysis

Engrossed SB1063 creates the Childcare Receives Investment from Business (CRIB) Act. The measure establishes several income tax credits to incentivize employer sponsored childcare services and benefits. The credits include:

- an income tax credit equal to 30 percent of eligible expenses incurred by a business for providing childcare services or creating an on-site childcare facility for its employees and the public;
- an income tax year equal to 15 percent of wages paid to childcare employees. For the first year of operation, an additional 5 percent credit is allowed, totaling 20 percent for year one of the facility operations;
- an income tax credit equal to 10 percent of payments made by a business to a childcare facility for employee childcare services; and
- an income tax credit equal to 15 percent of payments made by a business to an employee for childcare costs, up to \$5000 per employee;

Each credit may be claimed beginning tax year 2024 through 2029. A small business may receive an additional credit equal to 10 percent of the total credits earned.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, SB1063 proposes to provide businesses a non-refundable income tax credit for expenditures to start a new childcare facility. Officials from the Oklahoma Tax Commission have provided the following regarding the fiscal impact of the bill:

For entities primarily engaged in the business of providing childcare services or businesses creating an on-site childcare facility for use by employees or the public the credit is 30% of documented eligible expenses. Additionally businesses that offer the following childcare benefits to employees are eligible for an income tax credit based on type of expense outlined in the chart below:

Type of Expense	Credit %
Documented eligible expenses and wages paid for childcare employees	15% with an additional 5% the first year the facility is in operation
Payments made by a business to a childcare facility for employee childcare services	10%
Payments made by a business to an employee for childcare costs	15% not to exceed \$5,000 per employee ⁴

Enactment of this measure will have an unknown decrease in income tax collections. It is expected that estimated payments by businesses will be changed as a result of these credits in FY24.

Prepared By: Zachary Penrod, House Fiscal Staff

Other Considerations

None.