

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: January 10, 2024

BILL NUMBER: SB 1496 **STATUS AND DATE OF BILL:** Introduced 12/18/23

AUTHORS: House: N/A Senate: Pugh

TAX TYPE(S): Income Tax **SUBJECT:** Credit

PROPOSAL: New Law


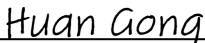
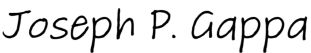
SB 1496 proposes to create a new income tax credit for 30% of documented eligible expenses incurred by businesses creating an on-site childcare facility for use by employees or the public. A separate income tax credit of \$1,000 per child that is not the child of an employee provided childcare services for at least 10 months of the tax year is created for certain businesses. A small business is allowed an additional credit equal to 10% of the credit earned under this proposal.¹ Each credit is effective for tax years 2025 – 2030.

EFFECTIVE DATE: November 1, 2024

REVENUE IMPACT: An article published by The Oklahoman in October 2023 indicates 70 new childcare centers opened in Oklahoma since 2019.² Average start-up costs can range from \$10,000 - \$50,000.³ Additional information is not available to estimate the amounts that may be claimed for the proposed credits.

FY 25⁴: Unknown decrease in income tax revenue.

FY 26: Unknown decrease in income tax revenue.

1/10/24		bf
DATE	MARIE SCHUBLE, DIVISION DIRECTOR	
1/10/24		
DATE	HUAN GONG, ECONOMIST	
1/31/2024		
DATE	JOSEPH GAPPA, FOR THE COMMISSION	

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

¹ It is unclear whether the additional credit for a small business should be calculated as 10% of the credit allowed for creating a childcare facility, 10% of the credit allowed per qualified child, or 10% of the total of all credits claimed.

² See <https://www.oklahoman.com/story/news/2023/10/10/day-care-oklahoma-federal-funding-covid-ends-child-care-costs/71118764007/>.

³ See <https://smallbusiness.chron.com/average-startup-cost-childcare-center-16097.html>.

⁴ Estimated tax payments are expected to decrease beginning in FY 25.