

1 ENGROSSED HOUSE AMENDMENT  
TO  
2 ENGROSSED SENATE BILL NO. 1063 By: Garvin of the Senate  
3 and  
4 Lawson of the House  
5

6 [ income tax - credit - report - effective date ]  
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9 AUTHOR: Add the following House Coauthors: Boles, Schreiber, Pae,  
10 Baker, and Hill

11 AMENDMENT NO. 1. Strike the stricken title, enacting clause, and  
12 entire bill and insert:

13  
14 "[ income tax - credit - report - effective date ]  
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17 ~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

18 SECTION 1. NEW LAW A new section of law to be codified  
19 in the Oklahoma Statutes as Section 2357.231 of Title 68, unless  
20 there is created a duplication in numbering, reads as follows:

21 A. As used in this section:

22 1. "Child" means an individual who is five (5) years of age or  
23 less;  
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1       2. "Child care and education provider" means a person who owns  
2 or operates an eligible program;

3       3. "Child care expense" means the cost of locating safe and  
4 dependable services for the care of a minor child of an employee;

5       4. "Eligible program" means an applicable child care and early  
6 childhood education program that has applied to participate in the  
7 quality rating and improvement system and has been assigned a  
8 quality scale rating;

9       5. "Eligible staff member" means an individual who is employed  
10 with, or who is a self-employed individual providing child care and  
11 early childhood education for, an eligible program for at least six  
12 (6) months of the taxable year. Eligible staff member does not  
13 include certificated teaching and administrative staff employed by  
14 programs established pursuant to applicable provisions of law;

15       6. "Employee" means a person to whom wages or other  
16 compensation is paid by an employer;

17       7. "Employer" means any sole proprietor or lawfully recognized  
18 business entity engaged in lawful business activity;

19       8. "Licensed child care facility" means a person or entity  
20 lawfully authorized to provide child care services within the state  
21 and which is enrolled in Oklahoma's Quality Rating and Improvement  
22 System (QRIS);

23       9. "Qualified child care worker" means a person employed for at  
24 least eight (8) consecutive months during the calendar year

1 corresponding to the income tax year for which the credit authorized  
2 by this section is claimed and who performs classroom services for a  
3 licensed child care facility and who is enrolled in Oklahoma's  
4 Professional Development Ladder (PDL); and

5 10. "Quality scale rating" means the rating of an eligible  
6 program under which the rating is expressed in terms of stars.

7 B. For taxable years beginning on or after January 1, 2024, and  
8 ending not later than December 31, 2028, subject to the limitations  
9 prescribed by this subsection and subsection D of this section,  
10 there shall be allowed as a credit against the tax imposed pursuant  
11 to Section 2355 of Title 68 of the Oklahoma Statutes, an amount  
12 equal to:

13 1. Thirty percent (30%) of the amount expended by an employer  
14 for assistance provided by the employer to an employee for the  
15 employee's direct expenses of child care;

16 2. Thirty percent (30%) of the amount expended by an employer  
17 for the cost of operating a child care facility primarily used by  
18 dependents of the employees of such employer, excluding any payments  
19 made by the parent or guardian of such dependent such as tuition or  
20 fees;

21 3. Fifty percent (50%) of the amount expended by the employer  
22 to construct, either through new construction or rehabilitation of a  
23 structure, located not more than two (2) miles from the site at  
24

1 which employees perform primary work duties unless working remotely,  
2 to provide child care services to the children of the employees; or

3 4. Fifty percent (50%) of the amount expended by the employer  
4 to establish, construct, acquire or develop a child care facility in  
5 conjunction with one or more other entities, whether for-profit  
6 business entities, nonprofit entities or other lawfully organized  
7 entities, to provide child care services.

8 C. The total credit amount which may be claimed by an employer  
9 pursuant to the provisions of this section shall not exceed:

10 1. Thirty Thousand Dollars (\$30,000.00) for credits claimed  
11 pursuant to paragraph 1 or 2 of subsection B of this section for any  
12 taxable year; or

13 2. Forty-five Thousand Dollars (\$45,000.00) for credits claimed  
14 pursuant to paragraph 3 or 4 of subsection B of this section for any  
15 taxable year.

16 D. The credits authorized pursuant to the provisions of this  
17 section shall not be used to reduce the income tax liability of the  
18 taxpayer to less than zero (0).

19 E. To the extent not used the credits authorized by this  
20 section may be carried over, in order, to each of the succeeding  
21 five (5) tax years.

22 F. For the tax year beginning January 1, 2026, and each tax  
23 year thereafter, the total amount of credits authorized by this  
24 section used to offset tax shall be adjusted annually to limit the

1 annual amount of credits to Five Million Dollars (\$5,000,000.00).  
2 The Tax Commission shall annually calculate and publish by the first  
3 day of the affected year a percentage by which the credits  
4 authorized by this section shall be reduced so the total amount of  
5 credits used to offset tax does not exceed Five Million Dollars  
6 (\$5,000,000.00) per year. The formula to be used for the percentage  
7 adjustment shall be Five Million Dollars (\$5,000,000.00) divided by  
8 the credits claimed in the second preceding year.

9 G. In the event the total tax credits authorized by this  
10 section exceed Five Million Dollars (\$5,000,000.00) in any calendar  
11 year, the Tax Commission shall permit any excess over Five Million  
12 Dollars (\$5,000,000.00) but shall factor such excess into the  
13 percentage adjustment formula for subsequent years.

14 H. The provisions of this section shall cease to have the force  
15 and effect of law on January 1, 2029.

16 SECTION 2. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 2357.232 of Title 68, unless  
18 there is created a duplication in numbering, reads as follows:

19 A. As used in this section:

20 1. "Child" means a person less than five (5) years of age;

21 2. "Licensed child care facility" means a person or entity  
22 lawfully authorized to provide child care services within the state  
23 and which is enrolled in Oklahoma's Quality Rating and Improvement  
24 System (QRIS); and

1           3. "Qualified child care worker" means a person employed for at  
2 least eight (8) consecutive months during the calendar year  
3 corresponding to the income tax year for which the credit authorized  
4 by this section is claimed and who performs classroom services for a  
5 licensed child care facility and who is enrolled in Oklahoma's  
6 Professional Development Ladder (PDL) and has earned a minimum of  
7 twelve (12) credit hours.

8           B. For taxable years beginning January 1, 2024, and ending not  
9 later than December 31, 2028, there shall be allowed a credit  
10 against the tax imposed pursuant to Section 2355 of Title 68 of the  
11 Oklahoma Statutes in the amount of Five Hundred Dollars (\$500.00)  
12 for a qualified child care worker.

13           C. The credit authorized by this section shall be refundable.  
14 The credit shall first be applied to income tax liability, if any,  
15 for the income tax year for which the credit is claimed and the  
16 balance shall be refunded to the taxpayer.

17           D. For the tax year beginning January 1, 2026, and each tax  
18 year thereafter, the total amount of credits authorized by this  
19 section used to offset tax shall be adjusted annually to limit the  
20 annual amount of credits to Seven Million Dollars (\$7,000,000.00).  
21 The Tax Commission shall annually calculate and publish by the first  
22 day of the affected year a percentage by which the credits  
23 authorized by this section shall be reduced so the total amount of  
24 credits used to offset tax does not exceed Seven Million Dollars

1 (\$7,000,000.00) per year. The formula to be used for the percentage  
2 adjustment shall be Seven Million Dollars (\$7,000,000.00) divided by  
3 the credits claimed in the second preceding year.

4 E. In the event the total tax credits authorized by this  
5 section exceed Seven Million Dollars (\$7,000,000.00) in any calendar  
6 year, the Tax Commission shall permit any excess over Seven Million  
7 Dollars (\$7,000,000.00) but shall factor such excess into the  
8 percentage adjustment formula for subsequent years.

9 F. The provisions of this section shall cease to have the force  
10 and effect of law on January 1, 2029.

11 SECTION 3. This act shall become effective November 1, 2023."

12 Passed the House of Representatives the 27th day of April, 2023.

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Presiding Officer of the House of  
Representatives

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Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2023.

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Presiding Officer of the Senate

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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 4. 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 5. 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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