

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 1848

6 By: Schreiber

7 COMMITTEE SUBSTITUTE

8 [revenue - taxation - credit - childcare - credit -
9 zero - carryover - authorization - codification -
10 effective date]

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12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

16 A. As used in this section:

17 1. "Child" means a person who is five (5) years of age or less;

18 2. "Childcare and education provider" means a person who owns
19 or operates an eligible program;

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

22 4. "Eligible program" means an applicable childcare and early
23 childhood education program that has applied to participate in the
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1 quality rating and improvement system and has been assigned a
2 quality scale rating;

3 5. "Eligible staff member" means a person who is employed with,
4 or who is a self-employed person providing childcare and early
5 childhood education for, an eligible program for at least six (6)
6 months of the taxable year. Eligible staff member does not include
7 certificated teaching and administrative staff employed by programs
8 established pursuant to applicable provisions of law;

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

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

13 8. "Licensed childcare facility" means a person or entity
14 lawfully authorized to provide childcare services within the state
15 and which is enrolled in Oklahoma's Quality Rating and Improvement
16 System (QRIS);

17 9. "Qualified childcare worker" means a person employed for at
18 least eight (8) consecutive months during the calendar year
19 corresponding to the income tax year for which the credit authorized
20 by this section is claimed and who performs classroom services for a
21 licensed childcare facility and who is enrolled in Oklahoma's
22 Professional Development Ladder (PDL); and

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

1 B. For taxable years beginning on or after January 1, 2026, and
2 ending not later than December 31, 2030, subject to the limitations
3 prescribed by this subsection and subsection D of this section,
4 there shall be allowed as a credit against the tax imposed pursuant
5 to Section 2355 of Title 68 of the Oklahoma Statutes, an amount
6 equal to:

7 1. Thirty percent (30%) of the amount expended by an employer
8 for assistance provided by the employer to an employee for the
9 employee's direct expenses of childcare;

10 2. Thirty percent (30%) of the amount expended by an employer
11 for the cost of operating or contracting to operate a childcare
12 facility primarily used by dependents of the employees of such
13 employer or group of employees in the area, excluding any payments
14 made by the parent or guardian of such dependent such as tuition or
15 fees; or

16 3. Thirty percent (30%) of the amount expended by an employer
17 to contract with a childcare facility to reserving spots for its
18 employees.

19 C. The total credit amount which may be claimed by an employer
20 pursuant to the provisions of this section shall not exceed Thirty
21 Thousand Dollars (\$30,000.00) for credits claimed pursuant to
22 subsection B of this section for any taxable year.

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

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

7 F. The total amount of credits authorized to be used to reduce
8 income tax liabilities pursuant to the provisions of this section
9 shall not exceed Five Million Dollars (\$5,000,000.00) each fiscal
10 year.

11 G. The provisions of this section shall cease to have the force
12 and effect of law on January 1, 2031.

13 SECTION 2. This act shall become effective January 1, 2026.

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15 60-1-12998 JM 02/27/25

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