

1 STATE OF OKLAHOMA

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

3 SUBCOMMITTEE RECOMMENDATION
4 FOR

5 HOUSE BILL NO. 1848

6 By: Schreiber

7 SUBCOMMITTEE RECOMMENDATION

8 An Act relating to revenue and taxation; providing
9 income tax credit for certain expenses related to
10 provision of childcare services; defining terms;
11 specifying credit amount; prescribing limit on credit
12 amounts; prohibiting reduction of income tax
13 liability to less than zero; providing for carryover;
14 providing for termination of credit authorization;
15 providing for codification; and providing an
16 effective date.

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 a person who is five (5) years of age or less;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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