

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 1848

By: Schreiber

6 AS INTRODUCED

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

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

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

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

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

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

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

21       9. "Qualified childcare worker" means a person employed for at  
22 least eight (8) consecutive months during the calendar year  
23 corresponding to the income tax year for which the credit authorized  
24 by this section is claimed and who performs classroom services for a

1 licensed childcare facility and who is enrolled in Oklahoma's  
2 Professional Development Ladder (PDL); and

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

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

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

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

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

23       C. The total credit amount which may be claimed by an employer  
24 pursuant to the provisions of this section shall not exceed Thirty

1 Thousand Dollars (\$30,000.00) for credits claimed pursuant to  
2 subsection B of this section for any taxable year.

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

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

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

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

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

18 A. As used in this section:

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

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

1       3. "Qualified childcare 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 childcare 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, 2026, and ending not  
9 later than December 31, 2030, 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 One Thousand Dollars (\$1,000.00)  
12 for a qualified childcare 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. The total amount of credits authorized to be used to reduce  
18 income tax liabilities pursuant to the provisions of this section  
19 shall not exceed Fourteen Million Dollars (\$14,000,000.00) each  
20 fiscal year.

21           E. The provisions of this section shall cease to have the force  
22 and effect of law on January 1, 2031.

1 SECTION 3. This act shall become effective January 1, 2026.

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