

1 ENGROSSED SENATE  
2 BILL NO. 1080

By: Thompson, Hall, Treat,  
Rader, Quinn, Bergstrom,  
Daniels, Rogers,  
Standridge, Dahm, Bullard,  
Newhouse, David, Paxton,  
Hamilton, Montgomery,  
Simpson, Merrick, Jett and  
Taylor of the Senate

6 and

7 McCall, Hilbert, Hasenbeck,  
8 Caldwell (Chad), Kannady,  
9 Osburn, Martinez, Lepak,  
West (Kevin), Crosswhite  
Hader and Wallace of the  
House

10  
11  
12 An Act relating to tax credit; amending 68 O.S. 2011,  
13 Section 2357.206, as last amended by Section 1,  
Chapter 288, O.S.L. 2017 (68 O.S. Supp. 2020, Section  
14 2357.206), which relates to income tax credits for  
contributions made to certain education improvement  
15 grant or scholarship-granting organizations;  
prescribing treatment of certain suspended tax  
16 credits; adding entity to receive certain statement;  
requiring posting of statement to website; providing  
17 for income tax credit based upon contributions to  
eligible public school foundations to benefit certain  
school districts and public school districts;  
18 prescribing limit on credits based on filing status;  
providing for proportionate reduction of tax credits  
19 based upon certain limitation amount; providing for  
credit percentage based upon certain written  
20 commitment; prescribing procedures related to  
commitment; providing for allocability of tax credits  
21 to certain equity owners; requiring submission of  
certain statement; modifying maximum amount of tax  
22 credits; providing for cap amounts based upon  
contributions to designated entities; modifying  
23 definition; adding definition; conforming statutory  
language; requiring the Commission to allocate  
24 credits upon certain determination; requiring the

1 Commission to determine percentage of certain  
2 contribution upon certain determination; requiring  
3 scholarship-granting organization to provide annual  
4 report to Commission; providing for contents of  
5 report; requiring the Commission to make available  
6 certain information on website; requiring  
7 scholarship-granting organization to annually submit  
8 verification; and providing an effective date.

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

10 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2357.206, as  
11 last amended by Section 1, Chapter 288, O.S.L. 2017 (68 O.S. Supp.  
12 2020, Section 2357.206), is amended to read as follows:

13 Section 2357.206. A. This act shall be known and may be cited  
14 as the "Oklahoma Equal Opportunity Education Scholarship Act".

15 B. 1. Except as provided in subsection ~~F~~ G of this section,  
16 after August 26, 2011, there shall be allowed a credit for any  
17 taxpayer who makes a contribution to an eligible scholarship-  
18 granting organization.

19 The credit shall be equal to fifty percent (50%) of the total  
20 amount of contributions made during a taxable year, not to exceed  
21 One Thousand Dollars (\$1,000.00) for single individuals, Two  
22 Thousand Dollars (\$2,000.00) for married individuals filing jointly,  
23 or One Hundred Thousand Dollars (\$100,000.00) for any taxpayer which  
24 is a legal business entity including limited and general  
25 partnerships, corporations, subchapter S corporations and limited  
26 liability companies, plus any suspended credits pursuant to

1 subparagraph d of paragraph 2 of subsection I of this section;  
2 provided, if total credits claimed pursuant to this paragraph exceed  
3 the ~~caps~~ cap amount established pursuant to ~~paragraph 1~~ paragraphs 1  
4 and 2 of subsection ~~D~~ E of this section, the credit shall be equal  
5 to the taxpayer's proportionate share of the cap for the taxable  
6 year, as determined pursuant to subsection ~~H~~ I of this section.

7       2. For any taxpayer who makes a contribution to an eligible  
8 scholarship-granting organization and makes a written commitment to  
9 contribute the same amount for an additional year, the credit for  
10 the first year and the additional year shall be equal to seventy-  
11 five percent (75%) of the total amount of the contribution made  
12 during a taxable year, not to exceed the amounts established in  
13 paragraph 1 of this subsection for the taxable year in which the  
14 credit provided in this subsection is claimed. The taxpayer shall  
15 provide evidence of the written commitment to the Oklahoma Tax  
16 Commission at the time of filing the refund claim.

17       3. The credits authorized pursuant to the provisions of this  
18 subsection shall be allocable to the partners, shareholders, members  
19 or other equity owners of a taxpayer that is authorized to be  
20 treated as a partnership for purposes of federal income tax  
21 reporting for the taxable year for which the tax credits authorized  
22 by this subsection are claimed on the applicable return, together  
23 with required schedules, forms or reports of the partners,  
24 shareholders, members or other equity owners of the taxpayer. Tax

1 credits which are allocated to such equity owners shall only be  
2 limited in amount for the income tax return of a natural person or  
3 persons based upon the limitation of the total credit amount to the  
4 entity from which the tax credits have been allocated and shall not  
5 be limited to One Thousand Dollars (\$1,000.00) for single  
6 individuals or limited to Two Thousand Dollars (\$2,000.00) for  
7 married persons filing a joint return.

8 4. On or before December 31, 2017, and once every four (4)  
9 years thereafter, such scholarship-granting organization and  
10 educational improvement ~~granting~~ grant organization shall submit to  
11 the Oklahoma Tax Commission, the Governor, President Pro Tempore of  
12 the Senate and the Speaker of the House of Representatives, an  
13 audited financial statement for the organization along with  
14 information detailing the benefits, successes or failures of the  
15 program, and make publicly available on its website the financial  
16 statement and information submitted pursuant to this paragraph.

17 C. 1. Except as provided in subsection ~~F~~ G of this section,  
18 after August 26, 2011, there shall be allowed a credit for any  
19 taxpayer who makes a contribution to an eligible educational  
20 improvement grant organization. ~~The~~ Except as otherwise provided by  
21 paragraph 2 of this subsection, the credit shall be equal to fifty  
22 percent (50%) of the total amount of contributions made during a  
23 taxable year, not to exceed One Thousand Dollars (\$1,000.00) for  
24 single individuals, Two Thousand Dollars (\$2,000.00) for married

1 individuals filing jointly, or One Hundred Thousand Dollars  
2 (\$100,000.00) for any taxpayer which is a legal business entity  
3 including limited and general partnerships, corporations, subchapter  
4 S corporations and limited liability companies, plus any suspended  
5 credits pursuant to subparagraph d of paragraph 2 of subsection I of  
6 this section; provided, if total credits claimed pursuant to this  
7 paragraph exceed the cap amount established pursuant to ~~paragraph 1~~  
8 paragraphs 3 and 4 of subsection ~~D~~ E of this section, the credit  
9 shall be equal to the taxpayer's proportionate share of the cap for  
10 the taxable year, as determined pursuant to subsection ~~H~~ I of this  
11 section.

12 2. For any taxpayer who makes a contribution to an eligible  
13 educational improvement grant organization and makes a written  
14 commitment to contribute the same amount for an additional year, the  
15 credit for the first year and the additional year shall be equal to  
16 seventy-five percent (75%) of the total amount of the contribution  
17 made during a taxable year, not to exceed the ~~amounts~~ cap amount  
18 established in ~~paragraph 1~~ paragraphs 3 and 4 of subsection E of  
19 this subsection section for the taxable year in which the credit  
20 provided in this ~~subsection~~ paragraph is claimed; provided, if total  
21 credits claimed pursuant to this paragraph exceed the cap  
22 established pursuant to ~~paragraph 3~~ paragraphs 3 and 4 of ~~this~~  
23 subsection E of this section, the credit shall be equal to the  
24 taxpayer's proportionate share of the cap for the taxable year, as

1 determined pursuant to subsection # I of this section. The taxpayer  
2 shall provide evidence of the written commitment to the Oklahoma Tax  
3 Commission at the time of filing the refund claim.

4 3. The credits authorized pursuant to the provisions of this  
5 subsection shall be allocable to the partners, shareholders, members  
6 or other equity owners of a taxpayer that is authorized to be  
7 treated as a partnership for purposes of federal income tax  
8 reporting for the taxable year for which the tax credits authorized  
9 by this subsection are claimed on the applicable return, together  
10 with required schedules, forms or reports of the partners,  
11 shareholders, members or other equity owners of the taxpayer. Tax  
12 credits which are allocated to such equity owners shall only be  
13 limited in amount for the income tax return of a natural person or  
14 persons based upon the limitation of the total credit amount to the  
15 entity from which the tax credits have been allocated and shall not  
16 be limited to One Thousand Dollars (\$1,000.00) for single  
17 individuals or limited to Two Thousand Dollars (\$2,000.00) for  
18 married persons filing a joint return.

19 D. 1. For contributions made on or after January 1, 2022,  
20 there shall be allowed a credit for any taxpayer who makes a  
21 contribution to an eligible public school foundation or public  
22 school district. Except as otherwise provided by paragraph 2 of  
23 this subsection, the credit shall be equal to fifty percent (50%) of  
24 the total amount of contributions made during a taxable year, not to

1 exceed One Thousand Dollars (\$1,000.00) for single individuals, Two  
2 Thousand Dollars (\$2,000.00) for married individuals filing jointly  
3 or One Hundred Thousand Dollars (\$100,000.00) for any taxpayer which  
4 is a legal business entity including limited and general  
5 partnerships, corporations, subchapter S corporations and limited  
6 liability companies; provided, if total credits claimed pursuant to  
7 this paragraph exceed the cap amount established pursuant to  
8 paragraph 4 of subsection E of this section, the credit shall be  
9 equal to the taxpayer's proportionate share of the cap for the  
10 taxable year, as determined pursuant to subsection I of this  
11 section.

12 2. Except as otherwise provided by paragraph 1 of this  
13 subsection, for any taxpayer who makes a contribution to an eligible  
14 public school foundation or public school district and makes a  
15 written commitment to contribute the same amount for an additional  
16 year, the credit for the first year and the additional year shall be  
17 equal to seventy-five percent (75%) of the total amount of the  
18 contribution made during a taxable year, not to exceed the cap  
19 amount established in paragraph 4 of subsection E of this section  
20 for the taxable year in which the credit provided in this paragraph  
21 is claimed. The taxpayer shall provide evidence of the written  
22 commitment to the Oklahoma Tax Commission at the time of filing the  
23 refund claim; provided, if total credits claimed pursuant to this  
24 paragraph exceed the cap amount established pursuant to paragraph 4

1 of subsection E of this section, the credit shall be equal to the  
2 taxpayer's proportionate share of the cap for the taxable year, as  
3 determined pursuant to subsection I of this section.

4 3. The credits authorized pursuant to the provisions of this  
5 subsection shall be allocable to the partners, shareholders, members  
6 or other equity owners of a taxpayer that is authorized to be  
7 treated as a partnership for purposes of federal income tax  
8 reporting for the taxable year for which the tax credits authorized  
9 by this subsection are claimed on the applicable return, together  
10 with required schedules, forms or reports of the partners,  
11 shareholders, members or other equity owners of the taxpayer. Tax  
12 credits which are allocated to such equity owners shall only be  
13 limited in amount for the income tax return of a natural person or  
14 persons based upon the limitation of the total credit amount to the  
15 entity from which the tax credits have been allocated and shall not  
16 be limited to One Thousand Dollars (\$1,000.00) for single  
17 individuals or limited to Two Thousand Dollars (\$2,000.00) for  
18 married persons filing a joint return.

19 4. On or before December 31, 2022, and once every four (4)  
20 years thereafter, such eligible public school foundation and public  
21 school district shall submit to the Oklahoma Tax Commission, the  
22 Governor, President Pro Tempore of the Senate and the Speaker of the  
23 House of Representatives an audited financial statement for the  
24

1 organization along with information detailing the benefits,  
2 successes or failures of the programs.

3 E. Except as otherwise provided pursuant to subsection ~~H~~ I of  
4 this section, ~~for tax years 2017 and thereafter:~~

5 1. The total credits authorized pursuant to subsection B of  
6 this section for all taxpayers for tax years 2017 through 2021 shall  
7 not exceed Three Million Five Hundred Thousand Dollars  
8 (\$3,500,000.00) annually;

9 2. The total credits authorized pursuant to subsection B of  
10 this section for all taxpayers for tax years 2022 and subsequent tax  
11 years shall not exceed Twenty-five Million Dollars (\$25,000,000.00)  
12 annually;

13 3. The total credits authorized pursuant to subsection C of  
14 this section for all taxpayers for tax years 2017 through 2021 shall  
15 not exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00)  
16 annually; ~~and~~

17 ~~3.~~ 4. The total credits authorized pursuant to subsections C  
18 and D of this section for all taxpayers for tax year 2022 and  
19 subsequent tax years shall not exceed Twenty-five Million Dollars  
20 (\$25,000,000.00) annually. In addition to the cap amount prescribed  
21 by this paragraph, the credit amount shall also be limited to Two  
22 Hundred Thousand Dollars (\$200,000.00) of credits per public school  
23 district annually; and

24

1        5. The cap on total credits provided for in this subsection  
2 shall be allocated by the Tax Commission as provided in subsection ~~H~~  
3 I of this section.

4        ~~F.~~ F. For credits claimed for eligible contributions made  
5 during tax year 2014 and thereafter, a credit shall not be allowed  
6 by the Oklahoma Tax Commission for contributions made to a  
7 scholarship-granting organization or an educational improvement  
8 grant organization if that organization's percentage of funds  
9 actually awarded is less than ninety percent (90%). For purposes of  
10 this section, the "percentage of funds actually awarded" shall be  
11 determined by dividing the total amount of funds actually awarded as  
12 educational scholarships or educational improvement grants over the  
13 most recent twenty-four (24) months by the total amount available to  
14 award as educational scholarships or educational improvement grants  
15 over the most recent twenty-four (24) months.

16        ~~F.~~ G. Any tax credits which are earned by a taxpayer pursuant  
17 to this section during the time period beginning ~~on the effective~~  
18 ~~date of this act~~ August 26, 2011, through December 31, 2012, may not  
19 be claimed for any period prior to the taxable year beginning  
20 January 1, 2013. No credits which accrue during the time period  
21 beginning ~~on the effective date of this act~~ August 26, 2011, through  
22 December 31, 2012, may be used to file an amended tax return for any  
23 taxable year prior to the taxable year beginning January 1, 2013.

24        ~~G.~~ H. As used in this section:

1           1. "Eligible student" means a child of school age who is  
2 lawfully present in the United States and who is a member of a  
3 household in which the total annual income during the preceding tax  
4 year does not exceed an amount equal to three hundred percent (300%)  
5 of the income standard used to qualify for a free or ~~reduced~~  
6 reduced-price school lunch or who, during the immediately preceding  
7 school year, attended or, by virtue of the location of such  
8 student's place of residence, was eligible to attend a public school  
9 in this state which has been identified for school improvement as  
10 determined by the State Board of Education pursuant to the  
11 requirements of the No Child Left Behind Act of 2001, P.L. No. 107-  
12 110. Once a student has received an educational scholarship, as  
13 defined in paragraph 3 of this subsection, the student and any  
14 siblings who are members of the same household shall remain eligible  
15 until they graduate from high school or reach twenty-one (21) years  
16 of age, whichever occurs first;

17           2. "Eligible special needs student" means a child who has been  
18 provided services under an Individual Family Service Plan through  
19 the SoonerStart program and during transition was evaluated and  
20 determined to be eligible for school district services, a child of  
21 school age who has attended public school in our state with an  
22 individualized education program pursuant to the Individuals With  
23 Disabilities Education Act, 20 U.S.C.A., Section 1400 et seq. or a  
24 child who has been diagnosed by a clinical professional as having a

1 significant disability that will affect learning and who has been  
2 approved by the board of a scholarship-granting organization;

3 3. "Educational scholarships" means:

- 4 a. scholarships to an eligible student of up to Five  
5 Thousand Dollars (\$5,000.00) or eighty percent (80%)  
6 of the statewide annual average per-pupil expenditure  
7 as determined by the National Center for Education  
8 Statistics, U.S. Department of Education, whichever is  
9 greater, to cover all or part of the tuition, fees and  
10 transportation costs of a qualified school which is  
11 accredited by the State Board of Education or an  
12 accrediting association approved by the Board pursuant  
13 to Section 3-104 of Title 70 of the Oklahoma Statutes,  
14 b. scholarships to an eligible student of up to Five  
15 Thousand Dollars (\$5,000.00) or eighty percent (80%)  
16 of the statewide annual average per-pupil expenditure  
17 as determined by the National Center for Education  
18 Statistics, U.S. Department of Education, whichever is  
19 greater, to cover the educational costs of a qualified  
20 school which does not charge tuition, which enrolls  
21 special populations of students and which is  
22 accredited by the State Board of Education or an  
23 accrediting association approved by the Board pursuant  
24

1 to Section 3-104 of Title 70 of the Oklahoma Statutes,  
2 or

3 c. scholarships to an eligible special needs student of  
4 up to Twenty-five Thousand Dollars (\$25,000.00) to  
5 cover all or part of the tuition, fees and  
6 transportation costs of a qualified school for  
7 eligible special needs students which is accredited by  
8 the State Board of Education or an accrediting  
9 association approved by the Board pursuant to Section  
10 3-104 of Title 70 of the Oklahoma Statutes;

11 4. "Low-income eligible student" means an eligible student or  
12 eligible special needs student who qualifies for a free or reduced-  
13 price lunch;

14 5. "Qualified school" means an early childhood, elementary or  
15 secondary private school in this state, including schools which  
16 provide special educational programs for three-year-olds or  
17 prekindergarten educational programs for four-year-olds, which:

18 a. is accredited by the State Board of Education or an  
19 accrediting association approved by the Board pursuant  
20 to Section 3-104 of Title 70 of the Oklahoma Statutes,

21 b. is in compliance with all applicable health and safety  
22 laws and codes,  
23  
24

- 1           c.    has a stated policy against discrimination in  
2                    admissions on the basis of race, color, national  
3                    origin or disability, and  
4           d.    ensures academic accountability to parents and  
5                    guardians of students through regular progress  
6                    reports;

7           6.    "Qualified school for eligible special needs students" means  
8    an early childhood, elementary or secondary private school in a  
9    county in this state, including schools which provide special  
10   educational programs for three-year-olds or prekindergarten  
11   educational programs for four-year-olds;

12          7.    "Scholarship-granting organization" means an organization  
13   which:

- 14           a.    is a nonprofit entity exempt from taxation pursuant to  
15                    the provisions of the Internal Revenue Code, 26  
16                    U.S.C., Section 501(c)(3),  
17           b.    distributes periodic scholarship payments as checks  
18                    made out to an eligible student's or eligible special  
19                    needs student's parent or guardian and mailed to the  
20                    qualified school where the student is enrolled,  
21           c.    spends no more than ten percent (10%) of its annual  
22                    revenue on expenditures other than educational  
23                    scholarships as defined in paragraph 3 of this  
24                    subsection,

- 1           d.   spends each year a portion of its expenditures on  
2           educational scholarships for low-income eligible  
3           students, as defined in paragraph 4 of this  
4           subsection, in an amount equal to or greater than the  
5           percentage of low-income eligible students in the  
6           state,
- 7           e.   ensures that scholarships are portable during the  
8           school year and can be used at any qualified school  
9           that accepts the eligible student or at any qualified  
10          school for special needs students that accepts the  
11          eligible special needs student,
- 12          f.   registers with the Oklahoma Tax Commission as a  
13          scholarship-granting organization, and
- 14          g.   has policies in place to:
- 15               (1)   carry out criminal background checks on all  
16               employees and board members to ensure that no  
17               individual is involved with the organization who  
18               might reasonably pose a risk to the appropriate  
19               use of contributed funds, and
- 20               (2)   maintain full and accurate records with respect  
21               to the receipt of contributions and expenditures  
22               of those contributions and supply such records  
23               and any other documentation required by the Tax  
24

1 Commission to demonstrate financial  
2 accountability;

3 8. "Annual revenue" means the total amount or value of  
4 contributions received by an organization from taxpayers awarded  
5 credits during the organization's fiscal year and all amounts earned  
6 from interest or investments;

7 9. "Public school" means public schools as defined in Section  
8 1-106 of Title 70 of the Oklahoma Statutes;

9 10. "Eligible public school district" means any public school  
10 ~~that is not located within a ten-mile radius of a qualified school~~  
11 ~~in this state, or any public school that is located within a ten-~~  
12 ~~mile radius of a qualified school in this state but offers grade-~~  
13 ~~level instruction different from the qualified school or any public~~  
14 ~~school located within a public school district with fewer than four~~  
15 ~~thousand five hundred (4,500) students;~~

16 11. "Early childhood education program" means a special  
17 educational program for eligible special needs students who are  
18 three (3) years of age or a prekindergarten educational program  
19 provided to children who are at least four (4) years of age but not  
20 more than five (5) years of age on or before September 1;

21 12. "Innovative educational program" means an advanced academic  
22 or academic improvement program that is not part of the regular  
23 coursework of a public school but that enhances the curriculum or  
24

1 academic program of the school or provides early childhood education  
2 programs to students;

3 13. "Educational improvement grant" means a grant to an  
4 eligible public school to implement an innovative educational  
5 program for students, including the ability for multiple public  
6 schools to make an application and be awarded a grant to jointly  
7 provide an innovative educational program; ~~and~~

8 14. "Educational improvement grant organization" means an  
9 organization which:

10 a. is a nonprofit entity exempt from taxation pursuant to  
11 the provisions of the Internal Revenue Code, 26  
12 U.S.C., Section 501(c)(3), and

13 b. contributes at least ninety percent (90%) of its  
14 annual receipts as grants to eligible schools for  
15 innovative educational programs. For purposes of this  
16 subparagraph, an educational improvement grant  
17 organization contributes its annual cash receipts when  
18 it expends or otherwise irrevocably encumbers those  
19 funds for expenditure during the then current fiscal  
20 year of the organization or during the next succeeding  
21 fiscal year of the organization; and

22 15. "Eligible public school foundation" means a nonprofit  
23 entity formed pursuant to the laws of this state and is exempt from  
24 federal income taxation pursuant to either Section 501(c)(3) or

1 Section 509(a) of the Internal Revenue Code of 1986, as amended.

2 Each public school foundation must be approved by the local board of  
3 education prior to accepting qualifying donations.

4 ~~H.~~ I. Total credits authorized by this section shall be  
5 allocated as follows:

6 1. By January 10 of the year immediately following each  
7 calendar year, a scholarship-granting organization ~~or,~~ an  
8 educational improvement grant organization, an eligible public  
9 school foundation or public school district which accepts  
10 contributions pursuant to this section shall provide electronically  
11 to the Tax Commission information on each contribution accepted  
12 during such taxable year. At least once each taxable year, the  
13 ~~scholarship-granting organization or the educational improvement~~  
14 ~~grant organization~~ entity making the report shall notify each  
15 contributor that Oklahoma law provides for a total, statewide cap on  
16 the amount of income tax credits allowed annually;

17 2. a. If the Tax Commission determines the total combined  
18 credits claimed for contributions made to scholarship-  
19 granting organizations during the most recently  
20 completed calendar year by all taxpayers are in excess  
21 of the statewide ~~caps~~ cap amount provided in ~~paragraph~~  
22 ~~±~~ paragraphs 1 and 2 of subsection ~~D~~ E of this  
23 section, the Tax Commission shall first allocate any  
24 amount of credits not claimed for contributions made

1 to ~~educational improvement-granting~~ organizations  
2 authorized pursuant to subsections C and D of this  
3 section, then shall determine the percentage of the  
4 contribution which establishes the proportionate share  
5 of the credit which may be claimed by any taxpayer so  
6 that the total maximum credits authorized by this  
7 section are not exceeded.

8 b. If the Tax Commission determines the total combined  
9 credits claimed for contributions made to ~~educational~~  
10 ~~improvement-grant~~ organizations authorized pursuant to  
11 subsections C and D of this section during the most  
12 recently completed calendar year by all taxpayers are  
13 in excess of the statewide ~~caps~~ cap amount provided in  
14 ~~paragraph 2~~ paragraphs 3 and 4 of subsection ~~D~~ E of  
15 this section, the Tax Commission shall first allocate  
16 any amount of credits not claimed for contributions  
17 made to scholarship-granting organizations, then shall  
18 determine the percentage of the contribution which  
19 establishes the proportionate share of the credit  
20 which may be claimed by any taxpayer so that the  
21 maximum credits authorized by this section are not  
22 exceeded.

23 c. If the Tax Commission determines the total combined  
24 credits claimed for contributions made to

1 organizations authorized pursuant to subsections C and  
2 D of this section during the most recently completed  
3 calendar year by all taxpayers are in excess of the  
4 per public school district cap pursuant to paragraph 4  
5 of subsection E of this section, the Tax Commission  
6 shall first allocate any amount of credits not claimed  
7 for contributions made to other organizations  
8 authorized pursuant to subsections C and D of this  
9 section, then shall determine the percentage of the  
10 contribution which establishes the proportionate share  
11 of the credit which may be claimed by any taxpayer so  
12 that the maximum credits authorized by this section  
13 are not exceeded.

14 d. Beginning for tax year 2016, credits earned, but not  
15 allowed due to the application of statewide caps  
16 provided in subsection ~~D~~ E of this section will be  
17 considered suspended and authorized to be used in the  
18 next immediate tax year and applied to the next year's  
19 statewide cap; and

20 3. The Tax Commission shall publish the percentage of the  
21 contribution which may be claimed as a credit by contributors for  
22 the most recently completed calendar year on the Tax Commission  
23 website no later than February 15 of each calendar year for  
24 contributions made the previous year. Each ~~scholarship-granting~~

1 ~~organization or educational improvement grant~~ organization  
2 authorized pursuant to subsections B, C and D of this section shall  
3 notify contributors of that amount annually.

4 ~~I. The credit~~ J. No tax credits authorized by this section  
5 shall ~~not~~ be used to reduce the tax liability of the taxpayer to  
6 less than zero (0).

7 ~~J. K.~~ K. Any credits authorized by this section allowed but not  
8 used in any tax year may be carried over, in order, to each of the  
9 three (3) years following the year of qualification.

10 ~~K. L.~~ L. 1. In order to qualify under this section, ~~an~~  
11 ~~educational improvement grant~~ each organization authorized pursuant  
12 to subsections C and D of this section shall submit an application  
13 with information to the Oklahoma Tax Commission on a form prescribed  
14 by the Tax Commission that:

15 a. enables the Tax Commission to confirm that the  
16 organization is a nonprofit entity exempt from  
17 taxation pursuant to the provisions of the Internal  
18 Revenue Code, 26 U.S.C., Section 501(c)(3) or Section  
19 509(a), and

20 b. describes the proposed innovative educational program  
21 or programs supported by the organization.

22 2. The Tax Commission shall review and approve or disapprove  
23 the application, in consultation with the State Department of  
24 Education.

1           3. In order to maintain eligibility under this section, an  
2 ~~educational improvement grant~~ organization authorized pursuant to  
3 subsections C and D of this section shall annually report the  
4 following information to the Tax Commission and publish on its  
5 website by September 1 of each year:

- 6           a. the name of the innovative educational program or  
7           programs and the total amount of the grant or grants  
8           made to those programs during the immediately  
9           preceding school year,
- 10          b. a description of how each grant was utilized during  
11          the immediately preceding school year and a  
12          description of any demonstrated or expected innovative  
13          educational improvements,
- 14          c. the names of the public school and school districts  
15          where innovative educational programs that received  
16          grants during the immediately preceding school year  
17          were implemented,
- 18          d. where the organization collects information on a  
19          county-by-county basis, and
- 20          e. the total number and total amount of grants made  
21          during the immediately preceding school year for  
22          innovative educational programs at public school by  
23          each county in which the organization made grants.

1 4. The information required under paragraph 3 of this  
2 subsection shall be submitted on a form provided by the Tax  
3 Commission. No later than May 1 of each year, the Tax Commission  
4 shall annually distribute sample forms together with the forms on  
5 which the reports are required to be made to each approved  
6 organization.

7 5. The Tax Commission shall not require any other information  
8 be provided by an organization, except as expressly authorized in  
9 this section.

10 M. 1. Beginning in 2023 for the 2022-2023 academic year, in  
11 order to maintain registration, a scholarship-granting organization  
12 shall annually report to the Tax Commission by September 1 of each  
13 year the following information regarding the educational  
14 scholarships funded by the organization in the previous academic  
15 year:

- 16 a. the name and address of the scholarship-granting  
17 organization,
- 18 b. the names of the qualifying schools that received  
19 funding for educational scholarships, the total amount  
20 of funds paid to each qualifying school and the total  
21 number of scholarship recipients enrolled in each  
22 qualifying school,

1        c. the total number and total dollar amount of  
2        contributions received during the previous academic  
3        year,

4        d. the total number and total dollar amount of  
5        educational scholarships awarded and funded during the  
6        previous academic year,

7        e. the total number, total dollar amount and percentage  
8        of educational scholarships awarded and funded during  
9        the previous academic year disaggregated into the  
10       following categories:

11       (1) low-income eligible students,

12       (2) students who during the immediately preceding  
13       school year attended or who were eligible by  
14       virtue of the residence of the student to attend  
15       a public school in the state which was identified  
16       for school improvement by the State Board of  
17       Education,

18       (3) eligible special needs students, and

19       (4) students who were first-time recipients of a  
20       scholarship including information about the type  
21       of public or private school the student was  
22       enrolled in during the entire previous academic  
23       year,

1        f. the percentage of annual revenue received by the  
2        organization from donations which qualify for tax  
3        credits pursuant to this section which was not  
4        expended on scholarships,

5        g. disaggregated data reported under this subsection  
6        shall be redacted if reporting would allow for  
7        identification of specific children, and shall be  
8        reported in accordance with the Student Data  
9        Accessibility, Transparency and Accountability Act of  
10       2013, division b of subparagraph 2 of subsection C of  
11       Section 3-168 of Title 70 of the Oklahoma Statutes,  
12       and the Family Educational Rights and Privacy Act of  
13       1974 (FERPA), 20 U.S.C., Section 1232g, and

14       h. the percentage of the total amount of education  
15       scholarship expenditures spent on low-income eligible  
16       students.

17       2. The Tax Commission shall make available on its website:

18       a. the information submitted by the scholarship-granting  
19       organization pursuant to paragraph 1 of this  
20       subsection,

21       b. a list of participating schools, and

22       c. all other application information submitted to the Tax  
23       Commission by a scholarship-granting organization,

1                   except that information which would violate the  
2                   privacy of an individual.

3           3. A scholarship-granting organization shall annually submit  
4 verification to the Tax Commission that the organization still meets  
5 the criteria set forth in paragraph 7 of subsection H of this  
6 section.

7           N. Contributions made pursuant to subsections B, C and D of  
8 this act shall not be used by the Legislature to reduce the amount  
9 appropriated for the financial support of public schools.

10          ~~H.~~ O. In consultation with the State Department of Education,  
11 the Tax Commission shall promulgate rules necessary to implement  
12 this act. The rules shall include procedures for the registration  
13 of a scholarship-granting organization ~~or,~~ an educational  
14 improvement grant organization, a public school foundation or public  
15 school district for purposes of determining if the organization  
16 meets the requirements of this act or for the revocation of the  
17 registration of an organization, if applicable, and for notice as  
18 required in subsection ~~H~~ I of this section.

19           SECTION 2. This act shall become effective November 1, 2021.  
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