

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	HB 1927
Version:	CS
Request Number:	7788
Author:	Rep. Martinez
Date:	2/26/2021
Impact:	Tax Commission:

Income Tax Decrease Potential:
FY-22: (\$411,000,000)

Research Analysis

The committee substitute for HB 1927 creates a one-time \$1,000 income tax credit, for tax year 2021, for parents and legal guardians of children enrolled in public school. The tax credit shall be \$1,000 regardless of the number of children in the household.

Prepared By: Emily Wendler

Fiscal Analysis

Review provided by the Tax Commission:

The Proposed Committee Substitute for HB 1927 (Req. No. 7681) proposes to enact a new one-time income tax credit for the parent or legal guardian of any child residing in the household who was enrolled in pre-kindergarten through twelfth grade of any common school district¹ in the state, for the tax year beginning January 1, 2021.

The amount of the credit is \$1,000. The maximum credit for any parent or guardian is \$1,000 regardless of the number of children within the household enrolled in a common school district.

Data from the National Center for Education Statistics² shows approximately 411,000 households in Oklahoma with school-aged children enrolled in private or public schools in Oklahoma. Assuming all 411,000 households will claim the credit will result in an estimated decrease of revenue of \$411 million. No changes in withholding or estimated tax payments are anticipated; therefore, an estimated revenue decrease of \$411 million in income tax collections is expected in FY22 when the 2021 income tax returns are filed.

Prepared By: Mark Tygret

Other Considerations

None.