

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2318 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Amendment submitted by: Mark McBride \_\_\_\_\_

Adopted: \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 PROPOSED COMMITTEE  
4 SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2318

By: McBride

7 PROPOSED COMMITTEE SUBSTITUTE

8 An Act relating to scholarships; amending 68 O.S.  
9 2021, Section 2357.206, as amended by Section 1,  
10 Chapter 49, O.S.L. 2022 (68 O.S. Supp. 2022, Section  
11 2357.206), which relates to the Oklahoma Equal  
12 Opportunity Education Scholarship Act; providing for  
13 income tax credit based upon contributions to  
14 eligible higher education institution foundations;  
15 prescribing limit on credits based on filing status;  
16 providing for proportionate reduction of tax credits  
17 based upon certain limitation amount; providing for  
18 credit percentage based upon certain written  
19 commitment; prescribing procedures related to  
20 commitment; providing for allocability of tax credits  
21 to certain equity owners; requiring submission of  
22 certain statement; modifying maximum amount of tax  
23 credits; providing for cap amounts based upon  
24 contributions to designated entities; modifying  
terms; adding definitions; requiring the Tax  
Commission to allocate credits upon certain  
determination; requiring the Commission to determine  
percentage of certain contribution upon certain  
determination; requiring foundation to provide annual  
report to Commission; providing for contents of  
report; requiring foundation to annually submit  
verification; and declaring an emergency.

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

1 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2357.206, as  
2 amended by Section 1, Chapter 49, O.S.L. 2022 (68 O.S. Supp. 2022,  
3 Section 2357.206), is amended to read as follows:

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

6 B. 1. Except as provided in subsection ~~G~~ H of this section,  
7 after August 26, 2011, there shall be allowed a credit for any  
8 taxpayer who makes a contribution to an eligible scholarship-  
9 granting organization.

10 The credit shall be equal to fifty percent (50%) of the total  
11 amount of contributions made during a taxable year, not to exceed  
12 One Thousand Dollars (\$1,000.00) for single individuals, Two  
13 Thousand Dollars (\$2,000.00) for married individuals filing jointly,  
14 or One Hundred Thousand Dollars (\$100,000.00) for any taxpayer which  
15 is a legal business entity including limited and general  
16 partnerships, corporations, subchapter S corporations and limited  
17 liability companies, plus any suspended credits pursuant to  
18 subparagraph d of paragraph 2 of subsection ~~I~~ J of this section;  
19 provided, if total credits claimed pursuant to this paragraph exceed  
20 the cap amount established pursuant to paragraphs 1 and 2 of  
21 subsection ~~E~~ F of this section, the credit shall be equal to the  
22 taxpayer's proportionate share of the cap for the taxable year, as  
23 determined pursuant to subsection ~~I~~ J of this section.

24

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

11           3. The credits authorized pursuant to the provisions of this  
12 subsection shall be allocable to the partners, shareholders,  
13 members, or other equity owners of a taxpayer that is authorized to  
14 be treated as a partnership for purposes of federal income tax  
15 reporting for the taxable year for which the tax credits authorized  
16 by this subsection are claimed on the applicable return, together  
17 with required schedules, forms or reports of the partners,  
18 shareholders, members, or other equity owners of the taxpayer. Tax  
19 credits which are allocated to such equity owners shall only be  
20 limited in amount for the income tax return of a natural person or  
21 persons based upon the limitation of the total credit amount to the  
22 entity from which the tax credits have been allocated and shall not  
23 be limited to One Thousand Dollars (\$1,000.00) for single  
24

1 individuals or limited to Two Thousand Dollars (\$2,000.00) for  
2 married persons filing a joint return.

3 4. On or before April 30, 2024, and once every two (2) years  
4 thereafter, such scholarship-granting organization and educational  
5 improvement grant organization shall electronically submit to the  
6 Oklahoma Tax Commission, the Governor, President Pro Tempore of the  
7 Oklahoma State Senate, the Speaker of the Oklahoma House of  
8 Representatives, and the chairs and vice chairs of the education  
9 committees of the Senate and House of Representatives an audited  
10 financial statement for the organization along with information  
11 detailing the benefits, successes, or failures of the program, and  
12 make publicly available on its website the financial statement and  
13 information submitted pursuant to this paragraph.

14 C. 1. Except as provided in subsection G H of this section,  
15 after August 26, 2011, there shall be allowed a credit for any  
16 taxpayer who makes a contribution to an eligible educational  
17 improvement grant organization. Except as otherwise provided by  
18 paragraph 2 of this subsection, the credit shall be equal to fifty  
19 percent (50%) of the total amount of contributions made during a  
20 taxable year, not to exceed One Thousand Dollars (\$1,000.00) for  
21 single individuals, Two Thousand Dollars (\$2,000.00) for married  
22 individuals filing jointly, or One Hundred Thousand Dollars  
23 (\$100,000.00) for any taxpayer which is a legal business entity  
24 including limited and general partnerships, corporations, subchapter

1 S corporations and limited liability companies, plus any suspended  
2 credits pursuant to subparagraph d of paragraph 2 of subsection ¶ J  
3 of this section; provided, if total credits claimed pursuant to this  
4 paragraph exceed the cap amount established pursuant to paragraphs 3  
5 and 4 of subsection ¶ F of this section, the credit shall be equal  
6 to the taxpayer's proportionate share of the cap for the taxable  
7 year, as determined pursuant to subsection ¶ J of this section.

8       2. For any taxpayer who makes a contribution to an eligible  
9 educational improvement grant organization and makes a written  
10 commitment to contribute the same amount for an additional year, the  
11 credit for the first year and the additional year shall be equal to  
12 seventy-five percent (75%) of the total amount of the contribution  
13 made during a taxable year, not to exceed the cap amount established  
14 in paragraphs 3 and 4 of subsection ¶ F of this section for the  
15 taxable year in which the credit provided in this paragraph is  
16 claimed; provided, if total credits claimed pursuant to this  
17 paragraph exceed the cap established pursuant to paragraphs 3 and 4  
18 of subsection ¶ F of this section, the credit shall be equal to the  
19 taxpayer's proportionate share of the cap for the taxable year, as  
20 determined pursuant to subsection ¶ J of this section. The taxpayer  
21 shall provide evidence of the written commitment to the Oklahoma Tax  
22 Commission at the time of filing the refund claim.

23       3. The credits authorized pursuant to the provisions of this  
24 subsection shall be allocable to the partners, shareholders,

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

14 D. 1. For contributions made on or after January 1, 2022,  
15 there shall be allowed a credit for any taxpayer who makes a  
16 contribution to an eligible public school foundation or public  
17 school district. Except as otherwise provided by paragraph 2 of  
18 this subsection, the credit shall be equal to fifty percent (50%) of  
19 the total amount of contributions made during a taxable year, not to  
20 exceed One Thousand Dollars (\$1,000.00) for single individuals, Two  
21 Thousand Dollars (\$2,000.00) for married individuals filing jointly,  
22 or One Hundred Thousand Dollars (\$100,000.00) for any taxpayer which  
23 is a legal business entity including limited and general  
24 partnerships, corporations, subchapter S corporations and limited

1 liability companies; provided, if total credits claimed pursuant to  
2 this paragraph exceed the cap amount established pursuant to  
3 paragraph 4 of subsection ~~E~~ F of this section, the credit shall be  
4 equal to the taxpayer's proportionate share of the cap for the  
5 taxable year, as determined pursuant to subsection ~~F~~ J of this  
6 section.

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

23       3. The credits authorized pursuant to the provisions of this  
24 subsection shall be allocable to the partners, shareholders,



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

14 4. On or before April 30, 2024, and once every four (4) years  
15 thereafter, such eligible public school foundation and public school  
16 district shall submit to the Oklahoma Tax Commission, the Governor,  
17 President Pro Tempore of the Oklahoma State Senate, and the Speaker  
18 of the Oklahoma House of Representatives an audited financial  
19 statement for the organization along with information detailing the  
20 benefits, successes, or failures of the programs.

21 E. 1. For contributions made on or after January 1, 2024,  
22 there shall be allowed a credit for any taxpayer who makes a  
23 contribution to an eligible higher education institution foundation.  
24 Except as otherwise provided by paragraph 2 of this subsection, the

1 credit shall be equal to fifty percent (50%) of the total amount of  
2 contributions made during a taxable year, not to exceed One Thousand  
3 Dollars (\$1,000.00) for single individuals, Two Thousand Dollars  
4 (\$2,000.00) for married individuals filing jointly, or One Hundred  
5 Thousand Dollars (\$100,000.00) for any taxpayer which is a legal  
6 business entity including limited and general partnerships,  
7 corporations, subchapter S corporations, and limited liability  
8 companies; provided, if total credits claimed pursuant to this  
9 paragraph exceed the cap amount established pursuant to paragraph 4  
10 of subsection F of this section, the credit shall be equal to the  
11 taxpayer's proportionate share of the cap for the taxable year, as  
12 determined pursuant to subsection J of this section.

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

1 the cap amount established pursuant to paragraph 4 of subsection F  
2 of this section, the credit shall be equal to the taxpayer's  
3 proportionate share of the cap for the taxable year, as determined  
4 pursuant to subsection J of this section.

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

20 4. On or before April 30, 2026, and once every four (4) years  
21 thereafter, each eligible higher education institution foundation  
22 shall submit to the Oklahoma Tax Commission, the Governor, President  
23 Pro Tempore of the Oklahoma State Senate, and the Speaker of the  
24 Oklahoma House of Representatives an audited financial statement for

1 the foundation along with information detailing the benefits,  
2 successes, or failures of the program.

3 F. Except as otherwise provided pursuant to subsection ± J of  
4 this section:

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;

17 4. The total credits authorized pursuant to subsections C and D  
18 of this section for all taxpayers for tax year 2022 and subsequent  
19 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 total credits authorized pursuant to subsection E of  
2 this section for all taxpayers for tax year 2024 and subsequent tax  
3 years shall not exceed Twenty-five Million Dollars (\$25,000,000.00)  
4 annually. In addition to the cap amount prescribed by this  
5 paragraph, the credit amount shall also be limited to Six Million  
6 Dollars (\$6,000,000.00) of credits per public higher education  
7 institution annually; and

8       6. The cap on total credits provided for in this subsection  
9 shall be allocated by the Tax Commission as provided in subsection ~~F~~  
10 J of this section.

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

23       ~~G.~~ H. Any tax credits which are earned by a taxpayer pursuant  
24 to this section during the time period beginning August 26, 2011,

1 through December 31, 2012, may not be claimed for any period prior  
2 to the taxable year beginning January 1, 2013. No credits which  
3 accrue during the time period beginning August 26, 2011, through  
4 December 31, 2012, may be used to file an amended tax return for any  
5 taxable year prior to the taxable year beginning January 1, 2013.

6 ~~H.~~ I. As used in this section:

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

23 2. "Eligible special needs student" means a child who has been  
24 provided services under an Individualized Family Service Plan

1 through the SoonerStart program and during transition was evaluated  
2 and determined to be eligible for school district services, a child  
3 of school age who has attended public school in our state with an  
4 individualized education program pursuant to the Individuals With  
5 Disabilities Education Act, 20 U.S.C.A., Section 1400 et seq., or a  
6 child who has been diagnosed by a clinical professional as having a  
7 significant disability that will affect learning and who has been  
8 approved by the board of a scholarship-granting organization;

9 3. "Educational scholarships" means:

- 10 a. scholarships to an eligible student of up to Five  
11 Thousand Dollars (\$5,000.00) or eighty percent (80%)  
12 of the statewide annual average per-pupil expenditure  
13 as determined by the National Center for Education  
14 Statistics, U.S. Department of Education, whichever is  
15 greater, to cover all or part of the tuition, fees,  
16 and transportation costs of a qualified school which  
17 is accredited by the State Board of Education or an  
18 accrediting association approved by the Board pursuant  
19 to Section 3-104 of Title 70 of the Oklahoma Statutes,
- 20 b. scholarships to an eligible student of up to Five  
21 Thousand Dollars (\$5,000.00) or eighty percent (80%)  
22 of the statewide annual average per-pupil expenditure  
23 as determined by the National Center for Education  
24 Statistics, U.S. Department of Education, whichever is

1 greater, to cover the educational costs of a qualified  
2 school which does not charge tuition, which enrolls  
3 special populations of students, and which is  
4 accredited by the State Board of Education or an  
5 accrediting association approved by the Board pursuant  
6 to Section 3-104 of Title 70 of the Oklahoma Statutes,  
7 ~~or~~

8 c. scholarships to an eligible special needs student of  
9 up to Twenty-five Thousand Dollars (\$25,000.00) to  
10 cover all or part of the tuition, fees, and  
11 transportation costs of a qualified school for  
12 eligible special needs students which is accredited by  
13 the State Board of Education or an accrediting  
14 association approved by the Board pursuant to Section  
15 3-104 of Title 70 of the Oklahoma Statutes, or

16 d. scholarships to an eligible public higher education  
17 institution student to cover all or part of the  
18 tuition and fees for undergraduate courses at an  
19 institution authorized by the Oklahoma State Regents  
20 for Higher Education;

21 4. "Low-income eligible student" means an eligible student or  
22 eligible special needs student who qualifies for a free or reduced-  
23 price lunch;



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

- 5           a. is accredited by the State Board of Education or an  
6            accrediting association approved by the Board pursuant  
7            to Section 3-104 of Title 70 of the Oklahoma Statutes,
- 8           b. is in compliance with all applicable health and safety  
9            laws and codes,
- 10          c. has a stated policy against discrimination in  
11            admissions on the basis of race, color, national  
12            origin, or disability, and
- 13          d. ensures academic accountability to parents and  
14            guardians of students through regular progress  
15            reports;

16       6. "Qualified school for eligible special needs students" means  
17 an early childhood, elementary, or secondary private school in a  
18 county in this state including schools which provide special  
19 educational programs for three-year-olds or prekindergarten  
20 educational programs for four-year-olds;

21       7. "Scholarship-granting organization" means an organization  
22 which:  
23  
24

- 1 a. is a nonprofit entity exempt from taxation pursuant to  
2 the provisions of the Internal Revenue Code, 26  
3 U.S.C., Section 501(c)(3),
- 4 b. distributes periodic scholarship payments as checks  
5 made out to an eligible student's or eligible special  
6 needs student's parent or guardian and mailed to the  
7 qualified school where the student is enrolled,
- 8 c. spends no more than ten percent (10%) of its annual  
9 revenue on expenditures other than educational  
10 scholarships as defined in paragraph 3 of this  
11 subsection,
- 12 d. spends each year a portion of its expenditures on  
13 educational scholarships for low-income eligible  
14 students, as defined in paragraph 4 of this  
15 subsection, in an amount equal to or greater than the  
16 percentage of low-income eligible students in the  
17 state,
- 18 e. ensures that scholarships are portable during the  
19 school year and can be used at any qualified school  
20 that accepts the eligible student or at any qualified  
21 school for special needs students that accepts the  
22 eligible special needs student,
- 23 f. registers with the Oklahoma Tax Commission as a  
24 scholarship-granting organization, and

1 g. has policies in place to:

- 2 (1) carry out criminal background checks on all  
3 employees and board members to ensure that no  
4 individual is involved with the organization who  
5 might reasonably pose a risk to the appropriate  
6 use of contributed funds, and  
7 (2) maintain full and accurate records with respect  
8 to the receipt of contributions and expenditures  
9 of those contributions and supply such records  
10 and any other documentation required by the Tax  
11 Commission to demonstrate financial  
12 accountability;

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

17 9. "Public school" means public schools as defined in Section  
18 1-106 of Title 70 of the Oklahoma Statutes;

19 10. "Eligible public school district" means any public school;

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

1 12. "Innovative educational program" means an advanced academic  
2 or academic improvement program that is not part of the regular  
3 coursework of a public school but that enhances the curriculum or  
4 academic program of the school or provides early childhood education  
5 programs to students;

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

11 14. "Educational improvement grant organization" means an  
12 organization which:

- 13 a. is a nonprofit entity exempt from taxation pursuant to  
14 the provisions of the Internal Revenue Code, 26  
15 U.S.C., Section 501(c)(3), and  
16 b. contributes at least ninety percent (90%) of its  
17 annual receipts as grants to eligible schools for  
18 innovative educational programs. For purposes of this  
19 subparagraph, an educational improvement grant  
20 organization contributes its annual cash receipts when  
21 it expends or otherwise irrevocably encumbers those  
22 funds for expenditure during the then current fiscal  
23 year of the organization or during the next succeeding  
24 fiscal year of the organization; ~~and~~

1 15. "Eligible public school foundation" means a nonprofit  
2 entity formed pursuant to the laws of this state and is exempt from  
3 federal income taxation pursuant to either Section 501(c)(3) or  
4 Section 509(a) of the Internal Revenue Code of 1986, as amended.  
5 Each public school foundation ~~must~~ shall be approved by the local  
6 board of education prior to accepting qualifying donations;

7 16. "Eligible public higher education institution student"  
8 means a student who is enrolled in a public higher education  
9 institution in the state, who is lawfully present in the United  
10 States, and who is a member of a household in which the total annual  
11 income during the preceding tax year does not exceed an amount equal  
12 to three hundred percent (300%) of the income standard used to  
13 qualify for a free or reduced-price school lunch; and

14 17. "Eligible higher education institution foundation" means a  
15 nonprofit entity formed pursuant to the laws of this state that is  
16 exempt from federal income taxation pursuant to either Section 501  
17 (c)(3) or Section 509(a) of the Internal Revenue Code of 1986, as  
18 amended, and is formed for the primary purpose of supporting a  
19 public higher education institution. Each public higher education  
20 institution foundation shall be approved by the governing board of  
21 the higher education institution prior to accepting qualifying  
22 donations.

23 I. J. Total credits authorized by this section shall be  
24 allocated as follows:

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

12           2. a. If the Tax Commission determines the total combined  
13 credits claimed for contributions made to scholarship-  
14 granting organizations during the most recently  
15 completed calendar year by all taxpayers are in excess  
16 of the statewide cap amount provided in paragraphs 1  
17 and 2 of subsection ~~E~~ F of this section, the Tax  
18 Commission shall first allocate any amount of credits  
19 not claimed for contributions made to organizations  
20 authorized pursuant to subsections C ~~and~~ D, and E of  
21 this section, then shall determine the percentage of  
22 the contribution which establishes the proportionate  
23 share of the credit which may be claimed by any  
24

1 taxpayer so that the total maximum credits authorized  
2 by this section are not exceeded.

3 b. If the Tax Commission determines the total combined  
4 credits claimed for contributions made to  
5 organizations authorized pursuant to subsections C  
6 ~~and, D, and E~~ of this section during the most recently  
7 completed calendar year by all taxpayers are in excess  
8 of the statewide cap amount provided in paragraphs 3  
9 ~~and, 4, and 5~~ of subsection ~~E~~ F of this section, the  
10 Tax Commission shall first allocate any amount of  
11 credits not claimed for contributions made to  
12 scholarship-granting organizations, then shall  
13 determine the percentage of the contribution which  
14 establishes the proportionate share of the credit  
15 which may be claimed by any taxpayer so that the  
16 maximum credits authorized by this section are not  
17 exceeded.

18 c. If the Tax Commission determines the total combined  
19 credits claimed for contributions made to  
20 organizations authorized pursuant to subsections C and  
21 D of this section during the most recently completed  
22 calendar year by all taxpayers are in excess of the  
23 per public school district cap pursuant to paragraph 4  
24 of subsection ~~E~~ F of this section, the Tax Commission

1 shall first allocate any amount of credits not claimed  
2 for contributions made to other organizations  
3 authorized pursuant to subsections C and D of this  
4 section, then shall determine the percentage of the  
5 contribution which establishes the proportionate share  
6 of the credit which may be claimed by any taxpayer so  
7 that the maximum credits authorized by this section  
8 are not exceeded.

9 d. If the Tax Commission determines the total combined  
10 credits claimed for contributions made to  
11 organizations authorized pursuant to subsection E of  
12 this section during the most recently completed  
13 calendar year by all taxpayers are in excess of the  
14 per higher education institution cap pursuant to  
15 paragraph 5 of subsection F of this section, the Tax  
16 Commission shall first allocate any amount of credits  
17 not claimed for contributions made to other  
18 organizations authorized pursuant to subsection E of  
19 this section, then shall determine the percentage of  
20 the contribution which establishes the proportionate  
21 share of the credit which may be claimed by any  
22 taxpayer so that the maximum credits authorized by  
23 this section are not exceeded.



1           e.   Beginning for tax year 2016, credits earned, but not  
2                    allowed due to the application of statewide caps  
3                    provided in subsection ~~B~~ F of this section will be  
4                    considered suspended and authorized to be used in the  
5                    next immediate tax year and applied to the next year's  
6                    statewide cap; and

7           3.   The Tax Commission shall publish the percentage of the  
8           contribution which may be claimed as a credit by contributors for  
9           the most recently completed calendar year on the Tax Commission  
10          website no later than February 15 of each calendar year for  
11          contributions made the previous year. Each organization authorized  
12          pursuant to subsections B, C, ~~and D,~~ and E of this section shall  
13          notify contributors of that amount annually.

14          ~~J.~~ K.   No tax credits authorized by this section shall be used  
15          to reduce the tax liability of the taxpayer to less than zero (0).

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

19          ~~L.~~ M.   1.   In order to qualify under this section, each  
20          organization authorized pursuant to subsections C ~~and,~~ D, and E of  
21          this section shall submit an application with information to the  
22          Oklahoma Tax Commission on a form prescribed by the Tax Commission  
23          that:

- 1 a. enables the Tax Commission to confirm that the  
2 organization is a nonprofit entity exempt from  
3 taxation pursuant to the provisions of the Internal  
4 Revenue Code, 26 U.S.C., Section 501(c)(3) or Section  
5 509(a), and  
6 b. describes the proposed innovative educational program  
7 or programs supported by the organization.

8 2. The Tax Commission shall review and approve or disapprove  
9 the application, in consultation with the State Department of  
10 Education or the Oklahoma State Regents for Higher Education.

11 3. In order to maintain eligibility under this section, an  
12 organization authorized pursuant to subsections C and D of this  
13 section shall annually report the following information to the Tax  
14 Commission and publish on its website by September 1 of each year:

- 15 a. the name of the innovative educational program or  
16 programs and the total amount of the grant or grants  
17 made to those programs during the immediately  
18 preceding school year,  
19 b. a description of how each grant was utilized during  
20 the immediately preceding school year and a  
21 description of any demonstrated or expected innovative  
22 educational improvements,  
23 c. the names of the public school and school districts  
24 where innovative educational programs that received

1 grants during the immediately preceding school year  
2 were implemented,

3 d. where the organization collects information on a  
4 county-by-county basis, and

5 e. the total number and total amount of grants made  
6 during the immediately preceding school year for  
7 innovative educational programs at public school by  
8 each county in which the organization made grants.

9 4. In order to maintain eligibility under this section, an  
10 organization authorized pursuant to subsection E of this section  
11 shall annually report the following information to the Tax  
12 Commission and publish on its website by September 1 of each year:

13 a. the name of the higher education institution  
14 scholarship program or programs and the total amount  
15 of funds distributed by the foundation through those  
16 programs during the immediately preceding school year,

17 b. a description of how the scholarship funds were  
18 utilized during the immediately preceding school year,  
19 and

20 c. the total number and total amount of scholarships  
21 granted during the immediately preceding school year.

22 5. The information required under ~~paragraph~~ paragraphs 3 and 4  
23 of this subsection shall be submitted on a form provided by the Tax  
24 Commission. No later than May 1 of each year, the Tax Commission

1 shall annually distribute sample forms together with the forms on  
2 which the reports are required to be made to each approved  
3 organization.

4 ~~5.~~ 6. The Tax Commission shall not require any other  
5 information be provided by an organization, except as expressly  
6 authorized in this section.

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

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

23  
24

- 1           d.    the total number and total dollar amount of  
2                    educational scholarships awarded and funded during the  
3                    previous academic year,
- 4           e.    the total number, total dollar amount, and percentage  
5                    of educational scholarships awarded and funded during  
6                    the previous academic year disaggregated into the  
7                    following categories:
- 8                    (1)  low-income eligible students,
- 9                    (2)  students who during the immediately preceding  
10                    school year attended or who were eligible by  
11                    virtue of the residence of the student to attend  
12                    a public school in the state which was identified  
13                    for school improvement by the State Board of  
14                    Education,
- 15                   (3)  eligible special needs students, and
- 16                   (4)  students who were first-time recipients of a  
17                    scholarship including information about the type  
18                    of public or private school the student was  
19                    enrolled in during the entire previous academic  
20                    year,
- 21           f.    the percentage of annual revenue received by the  
22                    organization from donations which qualify for tax  
23                    credits pursuant to this section which was not  
24                    expended on scholarships,

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

11 h. the percentage of the total amount of education  
12 scholarship expenditures spent on low-income eligible  
13 students.

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

15 a. the information submitted by the scholarship-granting  
16 organization pursuant to paragraph 1 of this  
17 subsection,

18 b. a list of participating schools, and

19 c. all other application information submitted to the Tax  
20 Commission by a scholarship-granting organization,  
21 except that information which would violate the  
22 privacy of an individual.

23 3. A scholarship-granting organization shall annually submit  
24 verification to the Tax Commission that the organization still meets

1 the criteria set forth in paragraph 7 of subsection # I of this  
2 section.

3 ~~N.~~ O. Contributions made pursuant to subsections B, C, and D of  
4 this section shall not be used by the Legislature to reduce the  
5 amount appropriated for the financial support of public schools.

6 ~~Θ.~~ P. In consultation with the State Department of Education  
7 and the Oklahoma State Regents for Higher Education, the Tax  
8 Commission shall promulgate rules necessary to implement the  
9 Oklahoma Equal Opportunity Education Scholarship Act. The rules  
10 shall include procedures for the registration of a scholarship-  
11 granting organization, an educational improvement grant  
12 organization, a public school foundation, ~~or~~ public school district,  
13 or public higher education institution foundation for purposes of  
14 determining if the organization meets the requirements of the  
15 Oklahoma Equal Opportunity Education Scholarship Act or for the  
16 revocation of the registration of an organization, if applicable,  
17 and for notice as required in subsection ± J of this section.

18 SECTION 2. It being immediately necessary for the preservation  
19 of the public peace, health or safety, an emergency is hereby  
20 declared to exist, by reason whereof this act shall take effect and  
21 be in full force from and after its passage and approval.

22  
23 59-1-7780 EK 02/28/23  
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