

**BILL SUMMARY**  
1<sup>st</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB2318</b>
<b>Version:</b>	<b>FULLPCS3</b>
<b>Request Number:</b>	<b>7847</b>
<b>Author:</b>	<b>McBride</b>
<b>Date:</b>	<b>3/2/2023</b>
<b>Impact:</b>	<b>OTC Analysis:</b>
	<b>FY24: \$10 million revenue decrease</b>
	<b>FY25: \$25 million revenue decrease</b>

**Research Analysis**

The third proposed committee substitute for HB 2318 extends the provisions of the Oklahoma Equal Opportunity Education Scholarship tax credit to contributions made to eligible college and university foundations.

The tax credits are capped at \$25 million total for all university foundations, and \$6 million per individual institution of higher education.

Prepared By: Emily Byrne

**Fiscal Analysis**

In its current form, HB 2318 extends the Oklahoma Equal Opportunity Education Scholarship tax credit to cover contributions made to eligible college and university foundations.

Total credits for all taxpayers are not to exceed \$25 million annually, and the tax credit amount is capped at \$6 million per public higher education institution. The third proposed committee substitute of this measure provides clarifying clean up language.

The Oklahoma Tax Commission provides the following information regarding the fiscal impact of this bill:

**Revenue Impact**

Oklahoma has approximately 28 public colleges and universities, of which most have at least one eligible higher education institution foundation. Contributions to higher education institution foundations already occur under current law.<sup>5</sup> Assuming similar contributions for tax year 2024 results in a decrease of income tax revenue of \$25 million in tax year 2024. A decrease in withholding and estimated tax payments would be expected. The potential impact is a decrease of \$10 million for FY 24 and \$25 million in FY25.

Prepared By: Zachary Penrod, House Fiscal Staff

**Other Considerations**

None.

