

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 1760

6 By: Kerbs

7 COMMITTEE SUBSTITUTE

8 [revenue - taxation - credit - foundations - cap -
9 contribution - entities - year - institutions -
10 definitions - eligibility - rules - effective date
11 - emergency]

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13
14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

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

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

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

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

16 4. On or before April 30, 2024, and once every two (2) years
17 thereafter, such scholarship-granting organization and educational
18 improvement grant organization shall electronically submit to the
19 Oklahoma Tax Commission, the Governor, President Pro Tempore of the
20 Oklahoma State Senate, the Speaker of the Oklahoma House of
21 Representatives, and the chairs and vice chairs of the education
22 committees of the Senate and House of Representatives an audited
23 financial statement for the organization along with information
24 detailing the benefits, successes, or failures of the program, and

1 make publicly available on its website the financial statement and
2 information submitted pursuant to this paragraph.

3 C. 1. Except as provided in subsection G H of this section,
4 after August 26, 2011, there shall be allowed a credit for any
5 taxpayer who makes a contribution to an eligible educational
6 improvement grant organization. Except as otherwise provided by
7 paragraph 2 of this subsection, the credit shall be equal to fifty
8 percent (50%) of the total amount of contributions made during a
9 taxable year, not to exceed One Thousand Dollars (\$1,000.00) for
10 single individuals, Two Thousand Dollars (\$2,000.00) for married
11 individuals filing jointly, or One Hundred Thousand Dollars
12 (\$100,000.00) for any taxpayer which is a legal business entity
13 including limited and general partnerships, corporations, subchapter
14 S corporations and limited liability companies, plus any suspended
15 credits pursuant to subparagraph d e of paragraph 2 of subsection I
16 J of this section; provided, if total credits claimed pursuant to
17 this paragraph exceed the cap amount established pursuant to
18 paragraphs 3 and 4 of subsection E F of this section, the credit
19 shall be equal to the taxpayer's proportionate share of the cap for
20 the taxable year, as determined pursuant to subsection I J of this
21 section.

22 2. For any taxpayer who makes a contribution to an eligible
23 educational improvement grant organization and makes a written
24 commitment to contribute the same amount for an additional year, the

1 credit for the first year and the additional year shall be equal to
2 seventy-five percent (75%) of the total amount of the contribution
3 made during a taxable year, not to exceed the cap amount established
4 in paragraphs 3 and 4 of subsection ~~E~~ F of this section for the
5 taxable year in which the credit provided in this paragraph is
6 claimed; provided, if total credits claimed pursuant to this
7 paragraph exceed the cap established pursuant to paragraphs 3 and 4
8 of subsection ~~E~~ F of this section, the credit shall be equal to the
9 taxpayer's proportionate share of the cap for the taxable year, as
10 determined pursuant to subsection ~~F~~ J of this section. The taxpayer
11 shall provide evidence of the written commitment to the Oklahoma Tax
12 Commission at the time of filing the refund claim.

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

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

4 D. 1. For contributions made on or after January 1, 2022,
5 there shall be allowed a credit for any taxpayer who makes a
6 contribution to an eligible public school foundation or public
7 school district. Except as otherwise provided by paragraph 2 of
8 this subsection, the credit shall be equal to fifty percent (50%) of
9 the total amount of contributions made during a taxable year, not to
10 exceed One Thousand Dollars (\$1,000.00) for single individuals, Two
11 Thousand Dollars (\$2,000.00) for married individuals filing jointly,
12 or One Hundred Thousand Dollars (\$100,000.00) for any taxpayer which
13 is a legal business entity including limited and general
14 partnerships, corporations, subchapter S corporations and limited
15 liability companies; provided, if total credits claimed pursuant to
16 this paragraph exceed the cap amount established pursuant to
17 paragraph 4 of subsection ~~E~~ F of this section, the credit shall be
18 equal to the taxpayer's proportionate share of the cap for the
19 taxable year, as determined pursuant to subsection ~~F~~ J of this
20 section.

21 2. Except as otherwise provided by paragraph 1 of this
22 subsection, for any taxpayer who makes a contribution to an eligible
23 public school foundation or public school district and makes a
24 written commitment to contribute the same amount for an additional

1 year, the credit for the first year and the additional year shall be
2 equal to seventy-five percent (75%) of the total amount of the
3 contribution made during a taxable year, not to exceed the cap
4 amount established in paragraph 4 of subsection ~~E~~ F of this section
5 for the taxable year in which the credit provided in this paragraph
6 is claimed. The taxpayer shall provide evidence of the written
7 commitment to the Oklahoma Tax Commission at the time of filing the
8 refund claim; provided, if total credits claimed pursuant to this
9 paragraph exceed the cap amount established pursuant to paragraph 4
10 of subsection ~~E~~ 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 ~~F~~ J of this section.

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

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

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

11 E. 1. For contributions made on or after January 1, 2026,
12 there shall be allowed a credit for any taxpayer who makes a
13 contribution to an eligible higher education institution fund.
14 Except as otherwise provided by paragraph 2 of this subsection, the
15 credit shall be equal to fifty percent (50%) of the total amount of
16 contributions made during a taxable year, not to exceed One Thousand
17 Dollars (\$1,000.00) for single individuals, Two Thousand Dollars
18 (\$2,000.00) for married individuals filing jointly, or One Hundred
19 Thousand Dollars (\$100,000.00) for any taxpayer which is a legal
20 business entity including limited and general partnerships,
21 corporations, subchapter S corporations, and limited liability
22 companies; provided, if total credits claimed pursuant to this
23 paragraph exceed the cap amount established pursuant to paragraph 5
24 of subsection F of this section, the credit shall be equal to the

1 taxpayer's proportionate share of the cap for the taxable year, as
2 determined pursuant to subsection J of this section.

3 2. Except as otherwise provided by paragraph 1 of this
4 subsection, for any taxpayer who makes a contribution to an eligible
5 higher education institution fund and makes a written commitment to
6 contribute the same amount for an additional year to an eligible
7 higher education institution fund, the credit for the first year and
8 the additional year shall be equal to seventy-five percent (75%) of
9 the total amount of the contribution made during a taxable year, not
10 to exceed the cap amount established in paragraph 5 of subsection F
11 of this section for the taxable year in which the credit provided in
12 this paragraph is claimed. The taxpayer shall provide evidence of
13 the written commitment to the Oklahoma Tax Commission at the time of
14 filing the refund claim; provided, if total credits claimed pursuant
15 to this paragraph exceed the cap amount established pursuant to
16 paragraph 5 of subsection F of this section, the credit shall be
17 equal to the taxpayer's proportionate share of the cap for the
18 taxable year, as determined pursuant to subsection J of this
19 section.

20 3. The credits authorized pursuant to the provisions of this
21 subsection shall be allocable to the partners, shareholders,
22 members, or other equity owners of a taxpayer that is authorized to
23 be treated as a partnership for purposes of federal income tax
24 reporting for the taxable year for which the tax credits authorized

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

11 4. On or before April 30, 2028, and once every four (4) years
12 thereafter, each eligible higher education institution foundation
13 shall submit to the Oklahoma Tax Commission, the Governor, President
14 Pro Tempore of the Oklahoma State Senate, and the Speaker of the
15 Oklahoma House of Representatives an audited financial statement for
16 the foundation along with information detailing the benefits,
17 successes, or failures of the program.

18 F. Except as otherwise provided pursuant to subsection \mp J of
19 this section:

20 1. The total credits authorized pursuant to subsection B of
21 this section for all taxpayers for tax years 2017 through 2021 shall
22 not exceed Three Million Five Hundred Thousand Dollars
23 (\$3,500,000.00) annually;

24

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

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

9 4. The total credits authorized pursuant to subsections C and D
10 of this section for all taxpayers for tax year 2022 and subsequent
11 tax years shall not exceed Twenty-five Million Dollars
12 (\$25,000,000.00) annually. ~~In~~ Except as otherwise provided pursuant
13 to subparagraph c of paragraph 2 of subsection J of this section, in
14 addition to the cap amount prescribed by this paragraph, the credit
15 amount shall also be limited to Two Hundred Thousand Dollars
16 (\$200,000.00) of credits per public school district annually; and

17 5. The total credits authorized pursuant to subsection E of
18 this section for all taxpayers for tax year 2026 and subsequent tax
19 years shall not exceed Twenty-five Million Dollars (\$25,000,000.00)
20 annually. Except as otherwise provided pursuant to subparagraph d
21 of paragraph 2 of subsection J of this section, in addition to the
22 cap amount prescribed by this paragraph, the credit amount shall
23 also be limited to Seven Million Five Hundred Thousand Dollars
24

1 (\$7,500,000.00) of credits per public higher education institution
2 annually; and

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

6 ~~F.~~ G. 1. For credits claimed for eligible contributions made
7 during tax year 2014 and thereafter, a credit shall not be allowed
8 by the Oklahoma Tax Commission for contributions made to a
9 scholarship-granting organization or an educational improvement
10 grant organization if that organization's percentage of funds
11 actually awarded to an eligible student is less than ninety percent
12 (90%). For purposes of this section, the "percentage of funds
13 actually awarded to an eligible student" shall be determined by
14 dividing the total amount of funds actually awarded as educational
15 scholarships or educational improvement grants over the most recent
16 twenty-four (24) months by the total amount available to award as
17 educational scholarships or educational improvement grants over the
18 most recent twenty-four (24) months.

19 2. For credits claimed for eligible contributions made during
20 tax year 2026 and thereafter, a credit shall not be allowed by the
21 Oklahoma Tax Commission for contributions made to an eligible higher
22 education institution foundation if that foundation's percentage of
23 funds actually awarded to eligible public higher education
24 institution students is less than ninety percent (90%). For

1 purposes of this section, the "percentage of funds actually awarded
2 to eligible public higher education institution students" shall be
3 determined by dividing the total amount of funds actually awarded
4 for scholarships for eligible public higher education institution
5 students to cover all or part of the tuition and fees for
6 undergraduate courses at a public higher education institution over
7 the most recent twenty-four (24) months by the total amount of
8 scholarships for eligible public higher education institution
9 students to cover all or part of the tuition and fees for
10 undergraduate courses at a public higher education institution
11 available to award over the most recent twenty-four (24) months.

12 ~~G.~~ H. Any tax credits which are earned by a taxpayer pursuant
13 to this section during the time period beginning August 26, 2011,
14 through December 31, 2012, may not be claimed for any period prior
15 to the taxable year beginning January 1, 2013. No credits which
16 accrue during the time period beginning August 26, 2011, through
17 December 31, 2012, may be used to file an amended tax return for any
18 taxable year prior to the taxable year beginning January 1, 2013.

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

20 1. "Eligible student" means a child of school age who is
21 lawfully present in the United States and who is a member of a
22 household in which the total annual income during the preceding tax
23 year does not exceed an amount equal to three hundred percent (300%)
24 of the income standard used to qualify for a free or reduced-price

1 school lunch or who, during the immediately preceding school year,
2 attended or, by virtue of the location of such student's place of
3 residence, was eligible to attend a public school in this state
4 which has been identified for school improvement as determined by
5 the State Board of Education pursuant to the requirements of the No
6 Child Left Behind Act of 2001, P.L. No. 107-110. Once a student has
7 received an educational scholarship, as defined in paragraph 3 of
8 this subsection, the student and any siblings who are members of the
9 same household shall remain eligible until they graduate from high
10 school or reach twenty-one (21) years of age, whichever occurs
11 first;

12 2. "Eligible special needs student" means a child who has been
13 provided services under an Individualized Family Service Plan
14 through the SoonerStart program and during transition was evaluated
15 and determined to be eligible for school district services, a child
16 of school age who has attended public school in our state with an
17 individualized education program pursuant to the Individuals With
18 Disabilities Education Act, 20 U.S.C.A., Section 1400 et seq., or a
19 child who has been diagnosed by a clinical professional as having a
20 significant disability that will affect learning and who has been
21 approved by the board of a scholarship-granting organization;

22 3. "Educational scholarships" means:

23 a. scholarships to an eligible student of up to Five
24 Thousand Dollars (\$5,000.00) or eighty percent (80%)

1 of the statewide annual average per-pupil expenditure
2 as determined by the National Center for Education
3 Statistics, U.S. Department of Education, whichever is
4 greater, to cover all or part of the tuition, fees,
5 and transportation costs of a qualified school which
6 is accredited by the State Board of Education or an
7 accrediting association approved by the Board pursuant
8 to Section 3-104 of Title 70 of the Oklahoma Statutes,

9 b. scholarships to an eligible student of up to Five
10 Thousand Dollars (\$5,000.00) or eighty percent (80%)
11 of the statewide annual average per-pupil expenditure
12 as determined by the National Center for Education
13 Statistics, U.S. Department of Education, whichever is
14 greater, to cover the educational costs of a qualified
15 school which does not charge tuition, which enrolls
16 special populations of students, and which is
17 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 or

21 c. scholarships to an eligible special needs student of
22 up to Twenty-five Thousand Dollars (\$25,000.00) to
23 cover all or part of the tuition, fees, and
24 transportation costs of a qualified school for

1 eligible special needs students which is accredited by
2 the State Board of Education or an accrediting
3 association approved by the Board pursuant to Section
4 3-104 of Title 70 of the Oklahoma Statutes.

5 4. "Low-income eligible student" means an eligible student or
6 eligible special needs student who qualifies for a free or reduced-
7 price lunch;

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

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

23 6. "Qualified school for eligible special needs students" means
24 an early childhood, elementary, or secondary private school in a

1 county in this state including schools which provide special
2 educational programs for three-year-olds or prekindergarten
3 educational programs for four-year-olds;

4 7. "Scholarship-granting organization" means an organization
5 which:

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

1 that accepts the eligible student or at any qualified
2 school for special needs students that accepts the
3 eligible special needs student,

4 f. registers with the Oklahoma Tax Commission as a
5 scholarship-granting organization, and

6 g. has policies in place to:

7 (1) carry out criminal background checks on all
8 employees and board members to ensure that no
9 individual is involved with the organization who
10 might reasonably pose a risk to the appropriate
11 use of contributed funds, and

12 (2) maintain full and accurate records with respect
13 to the receipt of contributions and expenditures
14 of those contributions and supply such records
15 and any other documentation required by the Tax
16 Commission to demonstrate financial
17 accountability;

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

22 9. "Public school" means public schools as defined in Section
23 1-106 of Title 70 of the Oklahoma Statutes;

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

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

6 12. "Innovative educational program" means an advanced academic
7 or academic improvement program that is not part of the regular
8 coursework of a public school but that enhances the curriculum or
9 academic program of the school or provides early childhood education
10 programs to students;

11 13. "Educational improvement grant" means a grant to an
12 eligible public school to implement an innovative educational
13 program for students including the ability for multiple public
14 schools to make an application and be awarded a grant to jointly
15 provide an innovative educational program;

16 14. "Educational improvement grant organization" means an
17 organization which:

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

21 b. contributes at least ninety percent (90%) of its
22 annual receipts as grants to eligible schools for
23 innovative educational programs. For purposes of this
24 subparagraph, an educational improvement grant

1 organization contributes its annual cash receipts when
2 it expends or otherwise irrevocably encumbers those
3 funds for expenditure during the then current fiscal
4 year of the organization or during the next succeeding
5 fiscal year of the organization; ~~and~~

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

12 16. "Eligible public higher education institution student"
13 means a student who receives a scholarship from an eligible higher
14 education institution fund;

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

1 18. "Eligible higher education institution fund" means a
2 scholarship fund established at a public higher education
3 institution that is restricted for the sole purpose of awarding
4 scholarships to a student enrolled at such institution, who meets
5 the total annual income limitations set forth in paragraph 1 of
6 subsection I of this section;

7 19. "Public higher education institution" means an institution
8 authorized by the Oklahoma State Regents for Higher Education.

9 ~~I.~~ J. Total credits authorized by this section shall be
10 allocated as follows:

11 1. By January ~~10~~ 31 of the year immediately following each
12 calendar year, a scholarship-granting organization, an educational
13 improvement grant organization, an eligible public school
14 foundation, ~~or a public school district,~~ or an eligible higher
15 education institution foundation which accepts contributions
16 pursuant to this section shall provide electronically to the Tax
17 Commission information on each eligible contribution accepted during
18 such taxable year. At least once each taxable year, the entity
19 making the report shall notify each contributor that Oklahoma law
20 provides for a total, statewide cap on the amount of income tax
21 credits allowed annually;

22 2. a. If the Tax Commission determines the total combined
23 credits claimed for contributions made to scholarship-
24 granting organizations during the most recently

1 completed calendar year by all taxpayers are in excess
2 of the statewide cap amount provided in paragraphs 1
3 and 2 of subsection ~~E~~ F of this section, the Tax
4 Commission shall first allocate any amount of credits
5 not claimed for contributions made to organizations
6 authorized pursuant to subsections C and D of this
7 section, then shall determine the percentage of the
8 contribution which establishes the proportionate share
9 of the credit which may be claimed by any taxpayer so
10 that the total maximum credits authorized by this
11 section are not exceeded.

12 b. If the Tax Commission determines the total combined
13 credits claimed for contributions made to
14 organizations authorized pursuant to subsections C and
15 D of this section during the most recently completed
16 calendar year by all taxpayers are in excess of the
17 statewide cap amount provided in paragraphs 3 and 4 of
18 subsection ~~E~~ F of this section, the Tax Commission
19 shall first allocate any amount of credits not claimed
20 for contributions made to scholarship-granting
21 organizations, 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 maximum credits authorized by
2 this section are not exceeded.

3 c. If the Tax Commission determines the total combined
4 credits claimed for contributions made to
5 organizations authorized pursuant to subsections C and
6 D of this section during the most recently completed
7 calendar year by all taxpayers are in excess of the
8 per public school district cap of Two Hundred Thousand
9 Dollars (\$200,000.00) pursuant to paragraph 4 of
10 subsection ~~E~~ F of this section, the Tax Commission
11 shall first allocate any amount of credits not claimed
12 for contributions made to other organizations
13 authorized pursuant to subsections C and D of this
14 section, then shall determine the percentage of the
15 contribution which establishes the proportionate share
16 of the credit which may be claimed by any taxpayer so
17 that the maximum credits authorized by this section
18 are not exceeded.

19 d. If the Tax Commission determines the total combined
20 credits claimed for contributions made to
21 organizations authorized pursuant to subsection E of
22 this section during the most recently completed
23 calendar year by all taxpayers are in excess of the
24 per public higher education institution cap of Seven

1 Million Five Hundred Thousand Dollars (\$7,500,000.00)
2 pursuant to paragraph 5 of subsection F of this
3 section, the Tax Commission shall first allocate any
4 amount of credits not claimed for contributions made
5 to other organizations authorized pursuant to
6 subsection E of this section, then shall determine the
7 percentage of the contribution which establishes the
8 proportionate share of the credit which may be claimed
9 by any taxpayer so that the maximum credits authorized
10 by this section are not exceeded.

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

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

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

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

6 ~~L.~~ M. 1. In order to qualify under this section, each
7 organization authorized pursuant to subsections C and D of this
8 section shall submit an application with information to the Oklahoma
9 Tax Commission on a form prescribed by the Tax Commission that:

10 a. enables the Tax Commission to confirm that the
11 organization is a nonprofit entity exempt from
12 taxation pursuant to the provisions of the Internal
13 Revenue Code, 26 U.S.C., Section 501(c)(3) or Section
14 509(a), and

15 b. describes the proposed innovative educational program
16 or programs supported by the organization.

17 2. The Tax Commission shall review and approve or disapprove
18 the application, in consultation with the State Department of
19 Education.

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

24

- a. the name of the innovative educational program or programs and the total amount of the grant or grants made to those programs during the immediately preceding school year,
- b. a description of how each grant was utilized during the immediately preceding school year and a description of any demonstrated or expected innovative educational improvements,
- c. the names of the public school and school districts where innovative educational programs that received grants during the immediately preceding school year were implemented,
- d. where the organization collects information on a county-by-county basis, and
- e. the total number and total amount of grants made during the immediately preceding school year for innovative educational programs at public school by each county in which the organization made grants.

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

- a. the name of the eligible public higher education fund and the total amount of funds distributed by the

1 foundation from such fund during the immediately
2 preceding school year,

3 b. a description of how the scholarship funds were
4 utilized during the immediately preceding school year,
5 and

6 c. the total number and total amount of such scholarships
7 granted during the immediately preceding school year.

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

14 ~~5.~~ 6. The Tax Commission shall not require any other
15 information be provided by an organization, except as expressly
16 authorized in this section.

17 ~~M.~~ N. 1. Beginning in 2023 for the 2022-2023 academic year, in
18 order to maintain registration, a scholarship-granting organization
19 shall annually report to the Tax Commission by September 1 of each
20 year the following information regarding the educational
21 scholarships funded by the organization in the previous academic
22 year:

23 a. the name and address of the scholarship-granting
24 organization,

- 1 b. the names of the qualifying schools that received
2 funding for educational scholarships, the total amount
3 of funds paid to each qualifying school, and the total
4 number of scholarship recipients enrolled in each
5 qualifying school,
- 6 c. the total number and total dollar amount of
7 contributions received during the previous academic
8 year,
- 9 d. the total number and total dollar amount of
10 educational scholarships awarded and funded during the
11 previous academic year,
- 12 e. the total number, total dollar amount, and percentage
13 of educational scholarships awarded and funded during
14 the previous academic year disaggregated into the
15 following categories:
- 16 (1) low-income eligible students,
- 17 (2) students who during the immediately preceding
18 school year attended or who were eligible by
19 virtue of the residence of the student to attend
20 a public school in the state which was identified
21 for school improvement by the State Board of
22 Education,
- 23 (3) eligible special needs students, and
- 24

1 (4) students who were first-time recipients of a
2 scholarship including information about the type
3 of public or private school the student was
4 enrolled in during the entire previous academic
5 year,

6 f. the percentage of annual revenue received by the
7 organization from donations which qualify for tax
8 credits pursuant to this section which was not
9 expended on scholarships,

10 g. disaggregated data reported under this subsection
11 shall be redacted if reporting would allow for
12 identification of specific children, and shall be
13 reported in accordance with the Student Data
14 Accessibility, Transparency and Accountability Act of
15 2013, ~~division~~ subparagraph b of ~~subparagraph~~
16 paragraph 2 of subsection C of Section 3-168 of Title
17 70 of the Oklahoma Statutes, and the Family
18 Educational Rights and Privacy Act of 1974 (FERPA), 20
19 U.S.C., Section 1232g, and

20 h. the percentage of the total amount of education
21 scholarship expenditures spent on low-income eligible
22 students.

23 2. The Tax Commission shall make available on its website:
24

- 1 a. the information submitted by the scholarship-granting
2 organization pursuant to paragraph 1 of this
3 subsection,
4 b. a list of participating schools, and
5 c. all other application information submitted to the Tax
6 Commission by a scholarship-granting organization,
7 except that information which would violate the
8 privacy of an individual.

9 3. A scholarship-granting organization shall annually submit
10 verification to the Tax Commission that the organization still meets
11 the criteria set forth in paragraph 7 of subsection ~~H~~ I of this
12 section.

13 ~~N.~~ O. Contributions made pursuant to subsections B, C, and D of
14 this section shall not be used by the Legislature to reduce the
15 amount appropriated for the financial support of public schools.
16 Contributions made pursuant to subsection E of this section shall
17 not be used by the Legislature to reduce the amount appropriated for
18 the financial support of public higher education institutions.

19 ~~O.~~ P. In consultation with the State Department of Education
20 and the Oklahoma State Regents for Higher Education, the Tax
21 Commission shall promulgate rules necessary to implement the
22 Oklahoma Equal Opportunity Education Scholarship Act. The rules
23 shall include procedures for the registration of a scholarship-
24 granting organization, an educational improvement grant

1 organization, a public school foundation, ~~or~~ public school district,
2 or eligible higher education institution foundation for purposes of
3 determining if the organization meets the requirements of the
4 Oklahoma Equal Opportunity Education Scholarship Act or for the
5 revocation of the registration of an organization, if applicable,
6 and for notice as required in subsection ~~F~~ J of this section.

7 SECTION 2. This act shall become effective July 1, 2025.

8 SECTION 3. It being immediately necessary for the preservation
9 of the public peace, health or safety, an emergency is hereby
10 declared to exist, by reason whereof this act shall take effect and
11 be in full force from and after its passage and approval.

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