

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB 1760
Version:	FA2
Request Number:	
Author:	Rep. Lepak
Date:	3/24/2025
Impact:	See Analysis Below

Research Analysis

The Floor Amendment to HB 1760 clarifies that the cap on tax credits for contributions to higher education institution funds is separate from other Equal Opportunity Scholarship tax credit caps.

Prepared By: Emily Byrne

Fiscal Analysis

In its current form, HB 1760 proposes to allow an income tax credit for contributions made to an eligible higher education institution fund.

The floor amendment clarifies the separation between the cap on tax credits for contributions to higher education institution funds and other Equal Opportunity Scholarship tax credit caps.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY26: Unknown decrease in income tax revenue.

FY27: Unknown decrease, not to exceed \$25 million, in income tax revenue.

ANALYSIS: The PSCS for HB 1760 proposes to amend 68 O.S. § 2357.206, relating to the Oklahoma Equal Opportunity Education Scholarship Act, allowing an income tax credit for contributions made to an eligible higher education institution *fund*ⁱ on or after January 1, 2026. The proposed credit amount is the same as for eligible scholarship-granting organizations and eligible educational improvement grant organizations. Any unused credits are eligible for carryforward for three years. Annual credits are capped at \$25 million overall, with individual higher education institutions limited to \$7.5 million. If total claimed credits exceed the \$7.5 million threshold in a calendar year, the Oklahoma Tax Commission will first redistribute unclaimed credits to other eligible funds and then proportionally adjust credit allocations to ensure maximum authorized credits are not surpassed.ⁱⁱ

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. It is unknown how much would be contributed to scholarships funds. Withholding and estimated tax payments are expected to change resulting in an unknown decrease in income tax revenue as early as FY26. A decrease in income tax collections not to exceed \$25 million is expected in FY27.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.

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