



BILL/VERSION:	SB 285 / INTRODUCED	ANALYST: MK
AUTHORS:	Sen. Pugh	DATE: 1/23/2025
TAX(ES):	Income Tax	
SUBJECT(S):	Oklahoma Equal Opportunity Education Scholarship Credits	
EFFECTIVE DATE:	November 1, 2025	Emergency <input type="checkbox"/>

ESTIMATED REVENUE IMPACT:

FY26: Estimated decrease of \$25 million in income tax revenue.

ANALYSIS: SB 285 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 foundation on or after January 1, 2025. 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 institution foundations 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 foundations and then proportionally adjust credit allocations to ensure maximum authorized credits are not surpassed. The bill includes comprehensive eligibility and reporting requirements for each higher education institution foundation, providing a structured approach to incentivizing educational contributions.

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. Assuming similar contributions for tax year 2025, a decrease of \$25 million in income tax collections is expected, beginning for FY26.

<u>1/23/25</u>	<u>Huan Gong</u>
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<u>1/27/25</u>	<u>Marie Schuble</u>
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DATE	JOSEPH P. GAPPA, FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.