

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

SPEAKER:

CHAIR:

I move to amend HB1760 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By deleting the content of the entire measure, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

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

Amendment submitted by: Cyndi Munson

\_\_\_\_\_

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

1  
2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 FLOOR SUBSTITUTE

5 FOR

6 HOUSE BILL NO. 1760

7 By: Kerbs

8 FLOOR SUBSTITUTE

9 An Act relating to revenue and taxation; amending  
10 68 O.S. 2021, Section 2357.206, as amended by  
11 Section 1, Chapter 49, O.S.L. 2022 (68 O.S. Supp.  
12 2024, Section 2357.206), which relates to the  
13 Oklahoma Equal Opportunity Education Scholarship  
14 Act; providing tax credit for contributions to  
15 certain higher education institution foundations;  
16 limiting credit amount; providing for reduction  
17 of credit when cap is exceeded; providing credit  
18 amount upon certain commitment of additional  
19 contribution; prescribing allocation of credit  
20 claimed by certain entities; requiring submission  
21 of audited financial statement; limiting total  
22 credits claimed for tax year; limiting credits  
23 claimed for tax year for contributions to higher  
24 education institutions; modifying definitions;  
defining terms; providing for allocation of  
unclaimed credit upon certain determination by  
the Oklahoma Tax Commission; requiring submission  
of report to maintain certain eligibility; adding  
consulting entity for promulgation of rules;  
updating statutory language; updating statutory  
references; amending 68 O.S. 2021, Section 5011,  
which relates to eligibility for computation  
within the Sales Tax Relief Act; modifying  
references to income amounts; prescribing credit  
based upon income and certain other qualifying  
features; providing for credit phase out;  
providing an effective date; and declaring an  
emergency.

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

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

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

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

The credit shall be equal to fifty percent (50%) of the total amount of contributions made during a taxable year, not to exceed One Thousand Dollars (\$1,000.00) for single individuals, Two Thousand Dollars (\$2,000.00) for married individuals filing jointly, or One Hundred Thousand Dollars (\$100,000.00) for any taxpayer which is a legal business entity including limited and general partnerships, corporations, subchapter S corporations and limited liability companies, plus any suspended credits pursuant to subparagraph d e of paragraph 2 of subsection I J of this section; provided, if total credits claimed pursuant to this paragraph exceed the cap amount established pursuant to paragraphs 1 and 2 of subsection E 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  $\mp$  J of this section.

3 2. For any taxpayer who makes a contribution to an eligible  
4 scholarship-granting organization and makes a written commitment to  
5 contribute the same amount for an additional year, the credit for  
6 the first year and the additional year shall be equal to seventy-  
7 five percent (75%) of the total amount of the contribution made  
8 during a taxable year, not to exceed the amounts established in  
9 paragraph 1 of this subsection for the taxable year in which the  
10 credit provided in this subsection is claimed. The taxpayer shall  
11 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 4. On or before April 30, 2024, and once every two (2) years  
5 thereafter, such scholarship-granting organization and educational  
6 improvement grant organization shall electronically submit to the  
7 Oklahoma Tax Commission, the Governor, President Pro Tempore of the  
8 Oklahoma State Senate, the Speaker of the Oklahoma House of  
9 Representatives, and the chairs and vice chairs of the education  
10 committees of the Senate and House of Representatives an audited  
11 financial statement for the organization along with information  
12 detailing the benefits, successes, or failures of the program, and  
13 make publicly available on its website the financial statement and  
14 information submitted pursuant to this paragraph.

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

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

10 2. For any taxpayer who makes a contribution to an eligible  
11 educational improvement grant organization and makes a written  
12 commitment to contribute the same amount for an additional year, the  
13 credit for the first year and the additional year shall be equal to  
14 seventy-five percent (75%) of the total amount of the contribution  
15 made during a taxable year, not to exceed the cap amount established  
16 in paragraphs 3 and 4 of subsection F of this section for the  
17 taxable year in which the credit provided in this paragraph is  
18 claimed; provided, if total credits claimed pursuant to this  
19 paragraph exceed the cap established pursuant to paragraphs 3 and 4  
20 of subsection 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 J of this section. The taxpayer  
23 shall 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           D. 1. For contributions made on or after January 1, 2022,  
17 there shall be allowed a credit for any taxpayer who makes a  
18 contribution to an eligible public school foundation or public  
19 school district. Except as otherwise provided by paragraph 2 of  
20 this subsection, the credit shall be equal to fifty percent (50%) of  
21 the total amount of contributions made during a taxable year, not to  
22 exceed One Thousand Dollars (\$1,000.00) for single individuals, Two  
23 Thousand Dollars (\$2,000.00) for married individuals filing jointly,  
24 or One Hundred Thousand Dollars (\$100,000.00) for any taxpayer which

1 is a legal business entity including limited and general  
2 partnerships, corporations, subchapter S corporations and limited  
3 liability companies; provided, if total credits claimed pursuant to  
4 this paragraph exceed the cap amount established pursuant to  
5 paragraph 4 of subsection Ⓔ F of this section, the credit shall be  
6 equal to the taxpayer's proportionate share of the cap for the  
7 taxable year, as determined pursuant to subsection Ⓔ J of this  
8 section.

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

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

23           E. 1. For contributions made on or after January 1, 2026,  
24 there shall be allowed a credit for any taxpayer who makes a

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

15 2. Except as otherwise provided by paragraph 1 of this  
16 subsection, for any taxpayer who makes a contribution to an eligible  
17 higher education institution fund and makes a written commitment to  
18 contribute the same amount for an additional year to an eligible  
19 higher education institution fund, the credit for the first year and  
20 the additional year shall be equal to seventy-five percent (75%) of  
21 the total amount of the contribution made during a taxable year, not  
22 to exceed the cap amount established in paragraph 5 of subsection F  
23 of this section for the taxable year in which the credit provided in  
24 this paragraph is claimed. The taxpayer shall provide evidence of

1 the written commitment to the Oklahoma Tax Commission at the time of  
2 filing the refund claim; provided, if total credits claimed pursuant  
3 to this paragraph exceed the cap amount established pursuant to  
4 paragraph 5 of subsection F of this section, the credit shall be  
5 equal to the taxpayer's proportionate share of the cap for the  
6 taxable year, as determined pursuant to subsection J of this  
7 section.

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

23       4. On or before April 30, 2028, and once every four (4) years  
24 thereafter, each eligible higher education institution foundation

1 shall submit to the Oklahoma Tax Commission, the Governor, President  
2 Pro Tempore of the Oklahoma State Senate, and the Speaker of the  
3 Oklahoma House of Representatives an audited financial statement for  
4 the foundation along with information detailing the benefits,  
5 successes, or failures of the program.

6 F. Except as otherwise provided pursuant to subsection ~~F~~ J of  
7 this section:

8 1. The total credits authorized pursuant to subsection B of  
9 this section for all taxpayers for tax years 2017 through 2021 shall  
10 not exceed Three Million Five Hundred Thousand Dollars  
11 (\$3,500,000.00) annually;

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

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

20 4. The total credits authorized pursuant to subsections C and D  
21 of this section for all taxpayers for tax year 2022 and subsequent  
22 tax years shall not exceed Twenty-five Million Dollars  
23 (\$25,000,000.00) annually. ~~It~~ Except as otherwise provided pursuant  
24 to subparagraph c of paragraph 2 of subsection J of this section, in

1 addition to the cap amount prescribed by this paragraph, the credit  
2 amount shall also be limited to Two Hundred Thousand Dollars  
3 (\$200,000.00) of credits per public school district annually; ~~and~~

4 5. The total credits authorized pursuant to subsection E of  
5 this section for all taxpayers for tax year 2026 and subsequent tax  
6 years shall not exceed Twenty-five Million Dollars (\$25,000,000.00)  
7 annually. Except as otherwise provided pursuant to subparagraph d  
8 of paragraph 2 of subsection J of this section, in addition to the  
9 cap amount prescribed by this paragraph, the credit amount shall  
10 also be limited to Seven Million Five Hundred Thousand Dollars  
11 (\$7,500,000.00) of credits per public higher education institution  
12 annually; and

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

16 ~~F.~~ G. 1. For credits claimed for eligible contributions made  
17 during tax year 2014 and thereafter, a credit shall not be allowed  
18 by the Oklahoma Tax Commission for contributions made to a  
19 scholarship-granting organization or an educational improvement  
20 grant organization if that organization's percentage of funds  
21 actually awarded to an eligible student is less than ninety percent  
22 (90%). For purposes of this section, the "percentage of funds  
23 actually awarded to an eligible student" shall be determined by  
24 dividing the total amount of funds actually awarded as educational

1 scholarships or educational improvement grants over the most recent  
2 twenty-four (24) months by the total amount available to award as  
3 educational scholarships or educational improvement grants over the  
4 most recent twenty-four (24) months.

5 2. For credits claimed for eligible contributions made during  
6 tax year 2026 and thereafter, a credit shall not be allowed by the  
7 Oklahoma Tax Commission for contributions made to an eligible higher  
8 education institution foundation if that foundation's percentage of  
9 funds actually awarded to eligible public higher education  
10 institution students is less than ninety percent (90%). For  
11 purposes of this section, the "percentage of funds actually awarded  
12 to eligible public higher education institution students" shall be  
13 determined by dividing the total amount of funds actually awarded  
14 for scholarships for eligible public higher education institution  
15 students to cover all or part of the tuition and fees for  
16 undergraduate courses at a public higher education institution over  
17 the most recent twenty-four (24) months by the total amount of  
18 scholarships for eligible public higher education institution  
19 students to cover all or part of the tuition and fees for  
20 undergraduate courses at a public higher education institution  
21 available to award over the most recent twenty-four (24) months.

22 G. H. Any tax credits which are earned by a taxpayer pursuant  
23 to this section during the time period beginning August 26, 2011,  
24 through December 31, 2012, may not be claimed for any period prior

1 to the taxable year beginning January 1, 2013. No credits which  
2 accrue during the time period beginning August 26, 2011, through  
3 December 31, 2012, may be used to file an amended tax return for any  
4 taxable year prior to the taxable year beginning January 1, 2013.

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

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

22 2. "Eligible special needs student" means a child who has been  
23 provided services under an Individualized Family Service Plan  
24 through the SoonerStart program and during transition was evaluated

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

8 3. "Educational scholarships" means:

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

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

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

15 4. "Low-income eligible student" means an eligible student or  
16 eligible special needs student who qualifies for a free or reduced-  
17 price lunch;

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

22 a. is accredited by the State Board of Education or an  
23 accrediting association approved by the Board pursuant  
24 to Section 3-104 of Title 70 of the Oklahoma Statutes,

- b. is in compliance with all applicable health and safety laws and codes,
- c. has a stated policy against discrimination in admissions on the basis of race, color, national origin, or disability, and
- d. ensures academic accountability to parents and guardians of students through regular progress reports;

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

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

- a. is a nonprofit entity exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
- b. distributes periodic scholarship payments as checks made out to an eligible student's or eligible special needs student's parent or guardian and mailed to the qualified school where the student is enrolled,
- c. spends no more than ten percent (10%) of its annual revenue on expenditures other than educational

1 scholarships as defined in paragraph 3 of this  
2 subsection,

3 d. spends each year a portion of its expenditures on  
4 educational scholarships for low-income eligible  
5 students, as defined in paragraph 4 of this  
6 subsection, in an amount equal to or greater than the  
7 percentage of low-income eligible students in the  
8 state,

9 e. ensures that scholarships are portable during the  
10 school year and can be used at any qualified school  
11 that accepts the eligible student or at any qualified  
12 school for special needs students that accepts the  
13 eligible special needs student,

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

16 g. has policies in place to:

17 (1) carry out criminal background checks on all  
18 employees and board members to ensure that no  
19 individual is involved with the organization who  
20 might reasonably pose a risk to the appropriate  
21 use of contributed funds, and

22 (2) maintain full and accurate records with respect  
23 to the receipt of contributions and expenditures  
24 of those contributions and supply such records

1 and any other documentation required by the Tax  
2 Commission to demonstrate financial  
3 accountability;

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

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

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

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

16 12. "Innovative educational program" means an advanced academic  
17 or academic improvement program that is not part of the regular  
18 coursework of a public school but that enhances the curriculum or  
19 academic program of the school or provides early childhood education  
20 programs to students;

21 13. "Educational improvement grant" means a grant to an  
22 eligible public school to implement an innovative educational  
23 program for students including the ability for multiple public  
24

1 schools to make an application and be awarded a grant to jointly  
2 provide an innovative educational program;

3 14. "Educational improvement grant organization" means an  
4 organization which:

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

8 b. contributes at least ninety percent (90%) of its  
9 annual receipts as grants to eligible schools for  
10 innovative educational programs. For purposes of this  
11 subparagraph, an educational improvement grant  
12 organization contributes its annual cash receipts when  
13 it expends or otherwise irrevocably encumbers those  
14 funds for expenditure during the then current fiscal  
15 year of the organization or during the next succeeding  
16 fiscal year of the organization; ~~and~~

17 15. "Eligible public school foundation" means a nonprofit  
18 entity formed pursuant to the laws of this state and is exempt from  
19 federal income taxation pursuant to either Section 501(c)(3) or  
20 Section 509(a) of the Internal Revenue Code of 1986, as amended.  
21 Each public school foundation ~~must~~ shall be approved by the local  
22 board of education prior to accepting qualifying donations;  
23  
24

1       16. "Eligible public higher education institution student"  
2 means a student who receives a scholarship from an eligible higher  
3 education institution fund;

4       17. "Eligible higher education institution foundation" means a  
5 nonprofit entity formed pursuant to the laws of this state that is  
6 exempt from federal income taxation pursuant to either Section  
7 501(c) (3) or Section 509(a) of the Internal Revenue Code of 1986, as  
8 amended, and is formed for the primary purpose of supporting a  
9 public higher education institution. Each eligible higher education  
10 institution foundation shall be approved by the governing board of  
11 the public higher education institution prior to accepting  
12 qualifying donations;

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

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

21       ~~F.~~ J. Total credits authorized by this section shall be  
22 allocated as follows:

23       1. By January ~~10~~ 31 of the year immediately following each  
24 calendar year, a scholarship-granting organization, an educational

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

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

24

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

15           c.    If the Tax Commission determines the total combined  
16                   credits claimed for contributions made to  
17                   organizations authorized pursuant to subsections C and  
18                   D of this section during the most recently completed  
19                   calendar year by all taxpayers are in excess of the  
20                   per public school district cap of Two Hundred Thousand  
21                   Dollars (\$200,000.00) pursuant to paragraph 4 of  
22                   subsection ~~E~~ F of this section, the Tax Commission  
23                   shall first allocate any amount of credits not claimed  
24                   for contributions made to other organizations

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

7 d. If the Tax Commission determines the total combined  
8 credits claimed for contributions made to  
9 organizations authorized pursuant to subsection E of  
10 this section during the most recently completed  
11 calendar year by all taxpayers are in excess of the  
12 per public higher education institution cap of Seven  
13 Million Five Hundred Thousand Dollars (\$7,500,000.00)  
14 pursuant to paragraph 5 of subsection F of this  
15 section, the Tax Commission shall first allocate any  
16 amount of credits not claimed for contributions made  
17 to other organizations authorized pursuant to  
18 subsection E of this section, then shall determine the  
19 percentage of the contribution which establishes the  
20 proportionate share of the credit which may be claimed  
21 by any taxpayer so that the maximum credits authorized  
22 by this section are not exceeded.

23 e. Beginning for tax year 2016, credits earned, but not  
24 allowed due to the application of statewide caps

1 provided in subsection ~~F~~ F of this section will be  
2 considered suspended and authorized to be used in the  
3 next immediate tax year and applied to the next year's  
4 statewide cap; and

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

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

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

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

- 21 a. enables the Tax Commission to confirm that the  
22 organization is a nonprofit entity exempt from  
23 taxation pursuant to the provisions of the Internal  
24

1 Revenue Code, 26 U.S.C., Section 501(c)(3) or Section  
2 509(a), and

3 b. describes the proposed innovative educational program  
4 or programs supported by the organization.

5 2. The Tax Commission shall review and approve or disapprove  
6 the application, in consultation with the State Department of  
7 Education.

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

12 a. the name of the innovative educational program or  
13 programs and the total amount of the grant or grants  
14 made to those programs during the immediately  
15 preceding school year,

16 b. a description of how each grant was utilized during  
17 the immediately preceding school year and a  
18 description of any demonstrated or expected innovative  
19 educational improvements,

20 c. the names of the public school and school districts  
21 where innovative educational programs that received  
22 grants during the immediately preceding school year  
23 were implemented,  
24

- 1           d.    where the organization collects information on a  
2                    county-by-county basis, and
- 3           e.    the total number and total amount of grants made  
4                    during the immediately preceding school year for  
5                    innovative educational programs at public school by  
6                    each county in which the organization made grants.

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

11           a.    the name of the eligible public higher education fund  
12                    and the total amount of funds distributed by the  
13                    foundation from such fund during the immediately  
14                    preceding school year,

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

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

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

1 which the reports are required to be made to each approved  
2 organization.

3 ~~5.~~ 6. The Tax Commission shall not require any other  
4 information be provided by an organization, except as expressly  
5 authorized in this section.

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

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

1 e. the total number, total dollar amount, and percentage  
2 of educational scholarships awarded and funded during  
3 the previous academic year disaggregated into the  
4 following categories:

5 (1) low-income eligible students,

6 (2) students who during the immediately preceding  
7 school year attended or who were eligible by  
8 virtue of the residence of the student to attend  
9 a public school in the state which was identified  
10 for school improvement by the State Board of  
11 Education,

12 (3) eligible special needs students, and

13 (4) students who were first-time recipients of a  
14 scholarship including information about the type  
15 of public or private school the student was  
16 enrolled in during the entire previous academic  
17 year,

18 f. the percentage of annual revenue received by the  
19 organization from donations which qualify for tax  
20 credits pursuant to this section which was not  
21 expended on scholarships,

22 g. disaggregated data reported under this subsection  
23 shall be redacted if reporting would allow for  
24 identification of specific children, and shall be

1 reported in accordance with the Student Data  
2 Accessibility, Transparency and Accountability Act of  
3 2013, ~~division~~ subparagraph b of ~~subparagraph~~  
4 paragraph 2 of subsection C of Section 3-168 of Title  
5 70 of the Oklahoma Statutes, and the Family  
6 Educational Rights and Privacy Act of 1974 (FERPA), 20  
7 U.S.C., Section 1232g, and

8 h. the percentage of the total amount of education  
9 scholarship expenditures spent on low-income eligible  
10 students.

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

12 a. the information submitted by the scholarship-granting  
13 organization pursuant to paragraph 1 of this  
14 subsection,

15 b. a list of participating schools, and

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

20 3. A scholarship-granting organization shall annually submit  
21 verification to the Tax Commission that the organization still meets  
22 the criteria set forth in paragraph 7 of subsection # I of this  
23 section.

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

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

19       SECTION 2.       AMENDATORY       68 O.S. 2021, Section 5011, is  
20 amended to read as follows:

21       Section 5011. A. Except as otherwise provided by this section,  
22 beginning with the calendar year 1990 and for each calendar year  
23 through 1998, and for calendar year 2003, any individual who is a  
24 resident of and is domiciled in this state during the entire

1 calendar year for which the filing is made and whose gross household  
2 income for such year does not exceed Twelve Thousand Dollars  
3 (\$12,000.00) may file a claim for sales tax relief.

4 B. For calendar years 1999, 2002 and 2004, any individual who  
5 is a resident of and is domiciled in this state during the entire  
6 calendar year for which the filing is made may file a claim for  
7 sales tax relief if the gross household income for such year does  
8 not exceed the following amounts:

9 1. For an individual not subject to the provisions of paragraph  
10 2 of this subsection and claiming no allowable personal exemption  
11 other than the allowable personal exemption for that individual or  
12 the spouse of that individual, Fifteen Thousand Dollars  
13 (\$15,000.00); or

14 2. For an individual claiming one or more allowable personal  
15 exemptions other than the allowable personal exemption for that  
16 individual or the spouse of that individual, an individual with a  
17 physical disability constituting a substantial handicap to  
18 employment, or an individual who is sixty-five (65) years of age or  
19 older at the close of the tax year, Thirty Thousand Dollars  
20 (\$30,000.00).

21 C. For calendar years 2000, 2001, 2005 ~~and following~~ through  
22 2024, an individual who is a resident of and is domiciled in this  
23 state during the entire calendar year for which the filing is made  
24

1 may file a claim for sales tax relief if the gross household income  
2 for such year does not exceed the following amounts:

3 1. For an individual not subject to the provisions of paragraph  
4 2 of this subsection and claiming no allowable personal exemption  
5 other than the allowable personal exemption for that individual or  
6 the spouse of that individual, Twenty Thousand Dollars (\$20,000.00);  
7 or

8 2. For an individual claiming one or more allowable personal  
9 exemptions other than the allowable personal exemption for that  
10 individual or the spouse of that individual, an individual with a  
11 physical disability constituting a substantial handicap to  
12 employment, or an individual who is sixty-five (65) years of age or  
13 older at the close of the tax year, Fifty Thousand Dollars  
14 (\$50,000.00).

15 D. ~~The amount of the claim filed pursuant to the Sales Tax~~  
16 ~~Relief Act shall be Forty Dollars (\$40.00) multiplied by the number~~  
17 ~~of allowable personal exemptions.~~ For calendar year 2025 and  
18 following, an individual who is a resident of and is domiciled in  
19 this state during the entire calendar year for which the filing is  
20 made may file a claim for sales tax relief if the gross household  
21 income for such year does not exceed the following amounts:

22 1. For a single filer or married filing separately claiming no  
23 allowable personal exemption other than the allowable personal  
24

1 exemption for that individual, Fifty-five Thousand Dollars  
2 (\$55,000.00);

3 2. For a single filer or married filing separately claiming no  
4 allowable personal exemption other than the allowable personal  
5 exemption for that individual who is sixty-five (65) years of age or  
6 older, Seventy-five Thousand Dollars (\$75,000.00);

7 3. For a single filer with a disability, Seventy-five Thousand  
8 Dollars (\$75,000.00);

9 4. For a family filing head of household, married filing  
10 jointly, married filing separately with at least one dependent, or  
11 widowed, Seventy-five Thousand Dollars (\$75,000.00).

12 E. For calendar year 2025 and thereafter, the amount of the  
13 claim filed pursuant to the Sales Tax Relief Act shall be Two  
14 Hundred Dollars (\$200.00) multiplied by the number of allowable  
15 personal exemptions.

16 F. The amount of the credit provided in subsection E shall be  
17 reduced by a percent of gross household income in excess of the  
18 income limitations provided in subsection D. The amount of credit  
19 shall be reduced as follows:

20 1. If the gross household income, as provided in paragraph 1 of  
21 subsection D of this section, exceeds Fifty-five Thousand Dollars  
22 (\$55,000.00), the credit amount shall be reduced, but not below zero  
23 (0), by one percent (1%) of gross household income in excess of  
24 Fifty-five Thousand Dollars (\$55,000.00);

1        2. If the gross household income, as provided in paragraph 2 or  
2 paragraph 3 of subsection D of this section, exceeds Seventy-five  
3 Thousand Dollars (\$75,000.00), the credit amount shall be reduced,  
4 but not below zero (0), by one-half percent (0.5%) of gross  
5 household income in excess of the Seventy-five Thousand Dollars  
6 (\$75,000.000);

7        3. If the gross household income, as provided in paragraph 4 of  
8 subsection D of this section, exceeds Seventy-five Thousand Dollars  
9 (\$75,000.00), the credit amount shall be reduced, but not below zero  
10 (0), by one and one-half percent (1.5%) of gross household income in  
11 excess of Seventy-five Thousand Dollars (\$75,000.000);

12        G. As used in the Sales Tax Relief Act, "allowable personal  
13 exemption" means a personal exemption to which the taxpayer would be  
14 entitled pursuant to the provisions of the Oklahoma Income Tax Act,  
15 except for:

16        1. The exemptions such taxpayer would be entitled to pursuant  
17 to Section 2358 of this title if such taxpayer or spouse is blind or  
18 sixty-five (65) years of age or older at the close of the tax year;

19        2. An exemption for a person convicted of a felony if during  
20 all or any part of the calendar year for which the claim is filed  
21 such person was an inmate in the custody of the Department of  
22 Corrections; or

1           3. An exemption for a person if during all or any part of the  
2 calendar year for which the claim is filed such person resided  
3 outside of this state;

4           ~~F.~~ H. A person convicted of a felony shall not be permitted to  
5 file a claim for sales tax relief pursuant to the provisions of  
6 Sections 5010 through 5016 of this title for the period of time  
7 during which the person is an inmate in the custody of the  
8 Department of Corrections. Such period of time shall include the  
9 entire calendar year if the person is in the custody of the  
10 Department of Corrections during any part of the calendar year. The  
11 provisions of this subsection shall not prohibit all other members  
12 of the household of an inmate from filing a claim based upon the  
13 personal exemptions to which the household members would be entitled  
14 pursuant to the provisions of the Oklahoma Income Tax Act.

15           ~~F.~~ I. The Department of Corrections shall withhold up to fifty  
16 percent (50%) of any money inmates receive for claims made pursuant  
17 to the Sales Tax Relief Act prior to September 1, 1991, for costs of  
18 incarceration.

19           ~~G.~~ J. For purposes of Section 139.105 of Title 17 of the  
20 Oklahoma Statutes, the gross household income of any individual who  
21 may file a claim for sales tax relief shall not exceed Twelve  
22 Thousand Dollars (\$12,000.00).

23           SECTION 3. This act shall become effective July 1, 2025.  
24

1       SECTION 4. It being immediately necessary for the preservation  
2 of the public peace, health or safety, an emergency is hereby  
3 declared to exist, by reason whereof this act shall take effect and  
4 be in full force from and after its passage and approval.

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6       60-1-13337       AQH       03/13/25

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