

**OKLAHOMA TAX COMMISSION**

FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT  
FIRST REGULAR SESSION, FIFTY-FIFTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: March 16, 2015

BILL NUMBER: HB 1693

STATUS AND DATE OF BILL: Engrossed Bill 3/11/15

AUTHORS: House Calvey Senate Loveless

TAX TYPE (S): Income Tax SUBJECT: Credit

PROPOSAL: Amendatory

HB 1693 proposes to amend 68 O.S. §2357.206 which relates to the *Credit for Contributions to a Scholarship-Granting Organization* and the *Credit for Contributions to an Educational Improvement Grant Organization*. Under this proposal, if a taxpayer makes an eligible contribution and makes a written commitment to contribute the same amount for an additional year, the credit will be seventy-five percent (75%) of the amount of the contributions for each year.

EFFECTIVE DATE: January 1, 2016

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 16: -0-

FY 17: -0-

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 16: -0-

Mar. 16, 2015  
DATE

Rick Miller  
DIVISION DIRECTOR

lrh

3-7-15  
DATE

Reece Womack  
REECE WOMACK, ECONOMIST

3/17/15  
DATE

[Signature]  
FOR THE COMMISSION

**ATTACHMENT TO FISCAL IMPACT –  
HB 1693[Engrossed] Prepared: March 16, 2015**

HB 1693 proposes to amend 68 O.S. §2357.206 which relates to the *Credit for Contributions to a Scholarship-Granting Organization* and the *Credit for Contributions to an Educational Improvement Grant Organization*.

***CURRENT LAW:***

Under current law the credit for individual taxpayers is fifty percent (50%) of the amount donated not to exceed One Thousand Dollars (\$1,000) for each taxpayer or Two Thousand Dollars (\$2,000) for married taxpayers filing jointly; however, credits claimed based on allocations to partners, shareholders, members and other equity owners of pass-through entities are not subject to this limitation. The credit for any taxpayer which is a legal business entity including limited and general partnerships, corporations, subchapter S corporations and limited liability companies is fifty percent (50%) of the total contributions made during the taxable year not to exceed One Hundred Thousand Dollars (\$100,000) per entity.

If a taxpayer makes an eligible contribution and makes a written commitment to contribute the same amount for two (2) additional consecutive years, the credit amount is seventy-five percent (75%) of the amount of the contribution the first year, and fifty percent (50%) of the amount of the contributions the following two (2) years.

The aggregate credits cannot exceed \$3.5 million annually for donations to an eligible scholarship-granting organization and \$1.5 million annually for donations to an educational improvement grant organization.

***PROPOSED LAW:***

Under this proposal, if a taxpayer makes an eligible contribution and makes a written commitment to contribute the same amount for an additional year, the credit will be seventy-five percent (75%) of the amount of the contributions for each year. Also, this measure amends the following definitions:

- "Eligible special needs student" has been amended to include a child who has been provided services under an Individual Family Service Plan through the SoonerStart program and is eligible for school district services, and a child who has a significant disability that will affect their learning and has been approved by the board of a scholarship-granting organization.
- "Educational scholarships" has been amended to include scholarships to an eligible student to cover the educational costs of a qualified school which does not charge tuition, which enrolls special populations of student and which is accredited by the State Board of Education or an accrediting association approved by the Board.
- "Qualified school" and "Qualified school for eligible special needs students" have been amended to include early childhood schools, including schools which provide special educational programs for three-year-olds or prekindergarten educational programs for four-year-olds.
- "Early childhood education program" has been amended to include a special educational program for eligible special needs students who are three (3) years of age.

No change to revenue is anticipated as the annual statutory caps remain unchanged.