

**BILL SUMMARY**  
1<sup>st</sup> Session of the 56<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1898</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	<b>7160</b>
<b>Author:</b>	<b>Rep. Strohm</b>
<b>Date:</b>	<b>3/20/2017</b>
<b>Impact:</b>	<b>Tax Commission:</b>

**No Impact on  
Income Tax Collections**

**Research Analysis**

The committee substitute for HB1898 amends a tax credit for contributions to a scholarship-granting organization or educational improvement grant organization. The measure modifies the allocation of the \$5 million annual cap and extends the carryover period for unused credit from three to five years.

Prepared By: Quyen Do

**Fiscal Analysis**

From the Tax Commission:

The Proposed Committee Substitute for HB 1898 proposes to amend 68 O.S. § 2357.206 which relates to the Credit for Contributions to a Scholarship-Granting Organization / Credit for Contributions to an Educational Improvement Grant Organization. This measure proposes to modify the allocation of the annual cap and allow for the carryover of capped credits, and extend the carryover period from three (3) years to five (5) years.

This measure proposes to modify the allocation of the annual cap. Effective for tax year 2017 and subsequent tax years, if total combined credits claimed for contributions to one organization exceed the cap for that organization, credits not claimed for the other organization may be allocated to the first organization, but no more than \$5 million in total credits may be claimed annually. Beginning for tax year 2016, credits earned, but not allowed due to the application of statewide caps will be considered suspended and may be used in the next immediate tax year and applied to the next year's statewide cap. The carryover of unused credits is also extended from the current three (3) years to five (5) years.

There is no impact on income tax collections as a result of this measure.

<sup>1</sup> Taxpayers who make an eligible contribution and make a written commitment to contribute the same amount for an additional year, the credit will be 75% of the amount of the contributions for each year.

<sup>2</sup> The Tax Commission has determined that for tax year 2016, the cap will not be exceeded and no adjustment to the credit percentages is required.

Prepared By: Mark Tygret

**Other Considerations**

None.

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