

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 HOUSE BILL 2910

By: Johns

4  
5  
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2011, Section 2357.206, as last amended by  
9 Section 1, Chapter 288, O.S.L. 2017 (68 O.S. Supp.  
10 2019, Section 2357.206), which relates to the  
11 Oklahoma Equal Opportunity Education Scholarship Act;  
12 modifying entities to which certain organizations are  
13 to submit financial statements; requiring the Tax  
14 Commission to publish certain financial statements;  
15 creating a tax credit for certain individual and  
16 corporate contributions to eligible public school  
17 districts or eligible public school foundations;  
18 providing for limits to certain tax credits;  
19 requiring public school districts to account annually  
20 for revenue and expenditures related to the receipt  
21 of certain contributions; requiring public school  
22 foundations to submit financial statements once every  
23 four years, beginning on a certain date; defining  
24 terms; amending references; requiring annual  
reporting by scholarship-granting organizations,  
beginning on a certain date; enumerating the content  
of annual reports by scholarship-granting  
organizations; requiring the Tax Commission to  
publish certain reports; requiring scholarship-  
granting organizations to submit certain information;  
and providing an effective date.

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

1 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2357.206, as  
2 last amended by Section 1, Chapter 288, O.S.L. 2017 (68 O.S. Supp.  
3 2019, Section 2357.206), is amended to read as follows:

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

6 B. 1. Except as provided in subsection ~~F~~ G of this section,  
7 after August 26, 2011, there shall be allowed a credit for any  
8 taxpayer who makes a contribution to an eligible scholarship-  
9 granting organization. The credit shall be equal to fifty percent  
10 (50%) of the total amount of contributions made during a taxable  
11 year, not to exceed One Thousand Dollars (\$1,000.00) for single  
12 individuals, Two Thousand Dollars (\$2,000.00) for married  
13 individuals filing jointly, or One Hundred Thousand Dollars  
14 (\$100,000.00) for any taxpayer which is a legal business entity  
15 including limited and general partnerships, corporations, subchapter  
16 S corporations and limited liability companies; provided, if total  
17 credits claimed pursuant to this paragraph exceed the caps  
18 established pursuant to paragraph 1 of subsection ~~D~~ F of this  
19 section, the credit shall be equal to the taxpayer's proportionate  
20 share of the cap for the taxable year, as determined pursuant to  
21 subsection ~~H~~ J of this section.

22 2. For any taxpayer who makes a contribution to an eligible  
23 scholarship-granting organization and makes a written commitment to  
24 contribute the same amount for an additional year, the credit for

1 the first year and the additional year shall be equal to seventy-  
2 five percent (75%) of the total amount of the contribution made  
3 during a taxable year, not to exceed the amounts established in  
4 paragraph 1 of this subsection for the taxable year in which the  
5 credit provided in this subsection is claimed. The taxpayer shall  
6 provide evidence of the written commitment to the Oklahoma Tax  
7 Commission at the time of filing the refund claim.

8 3. The credits authorized pursuant to the provisions of this  
9 subsection shall be allocable to the partners, shareholders, members  
10 or other equity owners of a taxpayer that is authorized to be  
11 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 December 31, 2017, and once every four (4)  
24 years thereafter, such scholarship-granting organization and

1 educational improvement ~~granting~~ grant organization shall submit to  
2 the Oklahoma Tax Commission, Governor, President Pro Tempore of the  
3 Senate and the Speaker of the House of Representatives, an audited  
4 financial statement for the organization along with information  
5 detailing the benefits, successes or failures of the program. The  
6 Tax Commission shall publish and make publicly available on its  
7 website the financial statement and information submitted pursuant  
8 to this paragraph.

9 C. 1. Except as provided in subsection ~~F~~ G of this section,  
10 after August 26, 2011, there shall be allowed a credit for any  
11 taxpayer who makes a contribution to an eligible educational  
12 improvement grant organization. The credit shall be equal to fifty  
13 percent (50%) of the total amount of contributions made during a  
14 taxable year, not to exceed One Thousand Dollars (\$1,000.00) for  
15 single individuals, Two Thousand Dollars (\$2,000.00) for married  
16 individuals filing jointly, or One Hundred Thousand Dollars  
17 (\$100,000.00) for any taxpayer which is a legal business entity  
18 including limited and general partnerships, corporations, subchapter  
19 S corporations and limited liability companies; provided, if total  
20 credits claimed pursuant to this paragraph exceed the cap  
21 established pursuant to paragraph ~~±~~ 2 of subsection ~~Ð~~ F of this  
22 section, the credit shall be equal to the taxpayer's proportionate  
23 share of the cap for the taxable year, as determined pursuant to  
24 subsection ~~H~~ J of this section.

1           2. For any taxpayer who makes a contribution to an eligible  
2 educational improvement grant organization and makes a written  
3 commitment to contribute the same amount for an additional year, the  
4 credit for the first year and the additional year shall be equal to  
5 seventy-five percent (75%) of the total amount of the contribution  
6 made during a taxable year, not to exceed the amounts established in  
7 paragraph ~~4~~ 2 of ~~this~~ subsection F of this section for the taxable  
8 year in which the credit provided in this subsection is claimed;  
9 provided, if total credits claimed pursuant to this paragraph exceed  
10 the cap established pursuant to paragraph 3 of this subsection, the  
11 credit shall be equal to the taxpayer's proportionate share of the  
12 cap for the taxable year, as determined pursuant to subsection ~~H~~ J  
13 of this section. The taxpayer shall provide evidence of the written  
14 commitment to the Oklahoma Tax Commission at the time of filing the  
15 refund claim.

16           3. The credits authorized pursuant to the provisions of this  
17 subsection shall be allocable to the partners, shareholders, members  
18 or other equity owners of a taxpayer that is authorized to be  
19 treated as a partnership for purposes of federal income tax  
20 reporting for the taxable year for which the tax credits authorized  
21 by this subsection are claimed on the applicable return, together  
22 with required schedules, forms or reports of the partners,  
23 shareholders, members or other equity owners of the taxpayer. Tax  
24 credits which are allocated to such equity owners shall only be

1 limited in amount for the income tax return of a natural person or  
2 persons based upon the limitation of the total credit amount to the  
3 entity from which the tax credits have been allocated and shall not  
4 be limited to One Thousand Dollars (\$1,000.00) for single  
5 individuals or limited to Two Thousand Dollars (\$2,000.00) for  
6 married persons filing a joint return.

7 D. 1. Beginning November 1, 2020, there shall be allowed a  
8 credit for any taxpayer who makes a contribution to an eligible  
9 public school district. The credit shall be equal to fifty percent  
10 (50%) of the total amount of contributions made during a taxable  
11 year, not to exceed One Thousand Dollars (\$1,000.00) for single  
12 individuals, Two Thousand Dollars (\$2,000.00) for married  
13 individuals filing jointly, or One Hundred Thousand Dollars  
14 (\$100,000.00) for any taxpayer that is a legal business entity,  
15 including limited and general partnerships, corporations, subchapter  
16 S corporations, and limited liability companies; provided, if the  
17 total credits claimed pursuant to this paragraph exceed the caps  
18 established pursuant to paragraph 2 of subsection F of this section,  
19 the credit shall be equal to the taxpayer's proportionate share of  
20 the cap for the taxable year, as determined pursuant to subsection J  
21 of this section.

22 2. For any taxpayer who makes a contribution to an eligible  
23 public school district and makes a written commitment to contribute  
24 the same amount for the following year, the credit for the first

1 year and the second year shall be equal to seventy-five percent  
2 (75%) of the total amount of the contribution made during a taxable  
3 year, not to exceed the amounts established in paragraph 2 of  
4 subsection F of this section for the taxable year in which the  
5 credit provided in this subsection is claimed. The taxpayer shall  
6 provide evidence of the written commitment to the Oklahoma Tax  
7 Commission at the time of filing the refund claim.

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 the 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. Each eligible public school district to which contributions  
24 have been made for purposes of the tax credit authorized by this

1 subsection shall annually account for all revenue and expenditures  
2 through the Oklahoma Cost Accounting System (OCAS).

3 E. 1. Beginning November 1, 2020, there shall be allowed a tax  
4 credit for any taxpayer who makes a contribution to an eligible  
5 public school foundation. The credit shall be equal to fifty  
6 percent (50%) of the total amount of contributions made during a  
7 taxable year, not to exceed One Thousand Dollars (\$1,000.00) for  
8 single individuals, Two Thousand Dollars (\$2,000.00) for married  
9 individuals filing jointly, or One Hundred Thousand Dollars  
10 (\$100,000.00) for any taxpayer that is a legal business entity,  
11 including limited and general partnerships, corporations, subchapter  
12 S corporations, and limited liability companies; provided, if the  
13 total credits claimed pursuant to this paragraph exceed the caps  
14 established pursuant to paragraph 2 of subsection F of this section,  
15 the credits shall be equal to the taxpayer's proportionate share of  
16 the cap for the taxable year, as determined pursuant to subsection J  
17 of this section.

18 2. For any taxpayer who makes a contribution to an eligible  
19 public school foundation and makes a written commitment to  
20 contribute the same amount for the following year, the credit for  
21 the first year and the second year shall be equal to seventy-five  
22 percent (75%) of the total amount of the contribution made during a  
23 taxable year, not to exceed the amounts established in paragraph 2  
24 of subsection F of this section for the taxable year in which the

1 credit provided in this subsection is claimed. The taxpayer shall  
2 provide evidence of the written commitment to the Oklahoma Tax  
3 Commission at the time of filing the refund claim.

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

19 4. On or before December 31, 2021, and once every four (4) years  
20 thereafter, each eligible public school foundation shall submit to  
21 the Governor, President Pro Tempore of the Senate, and the Speaker  
22 of the House of Representatives an audited financial statement for  
23 the organization along with information detailing the benefits,  
24 successes, or failures of the programs.

1        F. Except as otherwise provided pursuant to subsection ~~H~~ J of  
2 this section, for tax years 2017 and thereafter:

3            1. The total credits authorized pursuant to subsection B of  
4 this section for all taxpayers shall not exceed Three Million Five  
5 Hundred Thousand Dollars (\$3,500,000.00) annually;

6            2. The total credits authorized pursuant to ~~subsection~~  
7 subsections C, D, and E of this section for all taxpayers shall not  
8 exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00)  
9 annually and shall be limited to One Hundred Thousand Dollars  
10 (\$100,000.00) of credits per public school district annually; and

11            3. The cap on total credits provided for in this subsection  
12 shall be allocated by the Tax Commission as provided in subsection ~~H~~  
13 J of this section.

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

1 award as educational scholarships or educational improvement grants  
2 over the most recent twenty-four (24) months.

3 ~~F.~~ H. Any tax credits which are earned by a taxpayer pursuant  
4 to this section during the time period beginning on the effective  
5 date of this act through December 31, 2012, may not be claimed for  
6 any period prior to the taxable year beginning January 1, 2013. No  
7 credits which accrue during the time period beginning on the  
8 effective date of this act through December 31, 2012, may be used to  
9 file an amended tax return for any taxable year prior to the taxable  
10 year beginning January 1, 2013.

11 ~~G.~~ I. As used in this section:

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

1 same household shall remain eligible until they graduate from high  
2 school or reach twenty-one (21) years of age, whichever occurs  
3 first;

4 2. "Eligible special needs student" means a child who has been  
5 provided services under an Individual Family Service Plan through  
6 the SoonerStart program and during transition was evaluated and  
7 determined to be eligible for school district services, a child of  
8 school age who has attended public school in our state with an  
9 individualized education program pursuant to the Individuals With  
10 Disabilities Education Act, 20 U.S.C.A., Section 1400 et seq. or a  
11 child who has been diagnosed by a clinical professional as having a  
12 significant disability that will affect learning and who has been  
13 approved by the board of a scholarship-granting organization;

14 3. "Educational scholarships" means:

15 a. scholarships to an eligible student of up to Five  
16 Thousand Dollars (\$5,000.00) or eighty percent (80%)  
17 of the statewide annual average per-pupil expenditure  
18 as determined by the National Center for Education  
19 Statistics, U.S. Department of Education, whichever is  
20 greater, to cover all or part of the tuition, fees and  
21 transportation costs of a qualified school which is  
22 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,

1 b. scholarships to an eligible student of up to Five  
2 Thousand Dollars (\$5,000.00) or eighty percent (80%)  
3 of the statewide annual average per-pupil expenditure  
4 as determined by the National Center for Education  
5 Statistics, U.S. Department of Education, whichever is  
6 greater, to cover the educational costs of a qualified  
7 school which does not charge tuition, which enrolls  
8 special populations of students and which is  
9 accredited by the State Board of Education or an  
10 accrediting association approved by the Board pursuant  
11 to Section 3-104 of Title 70 of the Oklahoma Statutes,  
12 ~~or~~

13 c. scholarships to an eligible special needs student of  
14 up to Twenty-five Thousand Dollars (\$25,000.00) to  
15 cover all or part of the tuition, fees and  
16 transportation costs of a qualified school for  
17 eligible special needs students which is accredited by  
18 the State Board of Education or an accrediting  
19 association approved by the Board pursuant to Section  
20 3-104 of Title 70 of the Oklahoma Statutes, or

21 d. scholarships to a low-income eligible student of  
22 either up to Five Thousand Dollars (\$5,000.00) or  
23 ninety percent (90%) of the statewide annual average  
24 per-pupil expenditure as determined by the National

1 Center for Education Statistics or the United States  
2 Department of Education, whichever is greater, to  
3 cover all or part of the tuition, fees, and  
4 transportation costs of a qualified school that is  
5 accredited by the State Board of Education or an  
6 accrediting association approved by the Board pursuant  
7 to Section 3-104 of Title 70 of the Oklahoma Statutes;

8 4. "Low-income eligible student" means an eligible student or  
9 eligible special needs student who qualifies for a free or reduced-  
10 price lunch;

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

- 15 a. is accredited by the State Board of Education or an  
16 accrediting association approved by the Board pursuant  
17 to Section 3-104 of Title 70 of the Oklahoma Statutes,
  - 18 b. is in compliance with all applicable health and safety  
19 laws and codes,
  - 20 c. has a stated policy against discrimination in  
21 admissions on the basis of race, color, national  
22 origin or disability, and
- 23  
24

1           d. ensures academic accountability to parents and  
2           guardians of students through regular progress  
3           reports;

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

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

11           a. is a nonprofit entity exempt from taxation pursuant to  
12           the provisions of the Internal Revenue Code, 26  
13           U.S.C., Section 501(c)(3),

14           b. distributes periodic scholarship payments as checks  
15           made out to an eligible student's or eligible special  
16           needs student's parent or guardian and mailed to the  
17           qualified school where the student is enrolled,

18           c. spends no more than ten percent (10%) of its annual  
19           revenue on expenditures other than educational  
20           scholarships as defined in paragraph 3 of this  
21           subsection,

22           d. spends each year a portion of its expenditures on  
23           educational scholarships for low-income eligible  
24           students, as defined in paragraph 4 of this

1 subsection, in an amount equal to or greater than the  
2 percentage of low-income eligible students in the  
3 state,

4 e. ensures that scholarships are portable during the  
5 school year and can be used at any qualified school  
6 that accepts the eligible student or at any qualified  
7 school for special needs students that accepts the  
8 eligible special needs student,

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

11 g. has policies in place to:

12 (1) carry out criminal background checks on all  
13 employees and board members to ensure that no  
14 individual is involved with the organization who  
15 might reasonably pose a risk to the appropriate  
16 use of contributed funds, and

17 (2) maintain full and accurate records with respect  
18 to the receipt of contributions and expenditures  
19 of those contributions and supply such records  
20 and any other documentation required by the Tax  
21 Commission to demonstrate financial  
22 accountability;

23 8. "Annual revenue" means the total amount or value of  
24 contributions received by an organization from taxpayers awarded

1 credits during the organization's fiscal year and all amounts earned  
2 from interest or investments;

3 9. "Public school" means public schools as defined in Section  
4 1-106 of Title 70 of the Oklahoma Statutes;

5 10. "Eligible public school" means any public school ~~that is~~  
6 ~~not located within a ten-mile radius of a qualified school in this~~  
7 ~~state, or any public school that is located within a ten-mile radius~~  
8 ~~of a qualified school in this state but offers grade-level~~  
9 ~~instruction different from the qualified school or any public school~~  
10 ~~located within a public school district with fewer than four~~  
11 ~~thousand five hundred (4,500) students district as defined in~~  
12 Section 1-108 of Title 70 of the Oklahoma Statutes;

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

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

23 13. "Educational improvement grant" means a grant to an  
24 eligible public school to implement an innovative educational

1 program for students, including the ability for multiple public  
2 schools to make an application and be awarded a grant to jointly  
3 provide an innovative educational program; ~~and~~

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

- 6 a. is a nonprofit entity exempt from taxation pursuant to  
7 the provisions of the Internal Revenue Code, 26  
8 U.S.C., Section 501(c)(3), and  
9 b. contributes at least ninety percent (90%) of its  
10 annual receipts as grants to eligible schools for  
11 innovative educational programs. For purposes of this  
12 subparagraph, an educational improvement grant  
13 organization contributes its annual cash receipts when  
14 it expends or otherwise irrevocably encumbers those  
15 funds for expenditure during the then current fiscal  
16 year of the organization or during the next succeeding  
17 fiscal year of the organization; and

18 15. "Eligible public school foundation" means a nonprofit  
19 entity formed pursuant to Oklahoma law but which is exempt from  
20 federal income taxation pursuant to either Section 501(c)(3) or  
21 Section 509(a) of the Internal Revenue Code of 1986, as amended.

22 Each public school foundation must be approved by the local board of  
23 education prior to accepting qualifying donations pursuant to this  
24 section.

1       ~~H.~~ J. Total credits authorized by this section shall be  
2 allocated as follows:

3       1. By January 10 of the year immediately following each  
4 calendar year, a scholarship-granting organization ~~or,~~ an  
5 educational improvement grant organization ~~which,~~ a public school  
6 district, or an eligible public school foundation that accepts  
7 contributions pursuant to this section shall provide electronically  
8 to the Tax Commission information on each contribution accepted  
9 during such taxable year. At least once each taxable year, the  
10 ~~scholarship-granting organization or the educational improvement~~  
11 ~~grant organization~~ entity making the report shall notify each  
12 contributor that Oklahoma law provides for a total, statewide cap on  
13 the amount of income tax credits allowed annually;

14       2.    a. If the Tax Commission determines the total combined  
15 credits claimed for contributions made to scholarship-  
16 granting organizations during the most recently  
17 completed calendar year by all taxpayers are in excess  
18 of the statewide caps provided in paragraph 1 of  
19 subsection ~~D~~ F of this section, the Tax Commission  
20 shall first allocate any amount of credits not claimed  
21 for contributions made to ~~educational improvement-~~  
22 ~~granting~~ organizations authorized pursuant to  
23 subsections C, D, and E of this section, then shall  
24 determine the percentage of the contribution which

1 establishes the proportionate share of the credit  
2 which may be claimed by any taxpayer so that the total  
3 maximum credits authorized by this section are not  
4 exceeded.

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

19 c. Beginning for tax year 2016, credits earned, but not  
20 allowed due to the application of statewide caps  
21 provided in subsection ~~D~~ F of this section will be  
22 considered suspended and authorized to be used in the  
23 next immediate tax year and applied to the next year's  
24 statewide cap; and

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

9           ~~I. The credit~~ K. No tax credits authorized by this section  
10 shall ~~not~~ be used to reduce the tax liability of the taxpayer to  
11 less than zero (0).

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

15           ~~K. M.~~ M. 1. In order to qualify under this section, ~~an~~  
16 ~~educational improvement grant~~ each organization pursuant to  
17 subsections C and E of this section shall submit an application with  
18 information to the Oklahoma Tax Commission on a form prescribed by  
19 the Tax Commission that:

20           a. enables the Tax Commission to confirm that the  
21 organization is a nonprofit entity exempt from  
22 taxation pursuant to the provisions of the Internal  
23 Revenue Code, 26 U.S.C., Section 501(c)(3) or Section  
24 509(a), and

1           b.     describes the proposed innovative educational program  
2                     or programs supported by the organization.

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

6           3.     In order to maintain eligibility under this section, an  
7 ~~educational improvement grant~~ organization pursuant to subsections C  
8 and E of this section shall annually report the following  
9 information to the Tax Commission by September 1 of each year:

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

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

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

22           d.     where the organization collects information on a  
23                     county-by-county basis, and  
24

1 e. the total number and total amount of grants made  
2 during the immediately preceding school year for  
3 innovative educational programs at public school by  
4 each county in which the organization made grants.

5 4. The information required under paragraph 3 of this  
6 subsection shall be submitted on a form provided by the Tax  
7 Commission. No later than May 1 of each year, the Tax Commission  
8 shall annually distribute sample forms together with the forms on  
9 which the reports are required to be made to each approved  
10 organization.

11 5. The Tax Commission shall not require any other information  
12 be provided by an organization, except as expressly authorized in  
13 this section.

14 §. N. 1. Beginning September 1, 2021, with records related to  
15 the 2020-2021 school year, and annually thereafter, in order to  
16 maintain registration, every scholarship-granting organization shall  
17 report to the Tax Commission the following information regarding the  
18 educational scholarships funded by the organization in the previous  
19 academic year:

20 a. the name and address of the scholarship-granting  
21 organization,

22 b. the names of the qualifying schools that received  
23 funding for educational scholarships, the total amount  
24 of funds paid to each qualifying school, and the total

1 number of scholarship recipients enrolled in each  
2 qualifying school,

3 c. the total number and total dollar amount of  
4 contributions received during the previous academic  
5 year,

6 d. the total number and dollar amount of educational  
7 scholarships awarded and funded during the previous  
8 academic year,

9 e. the total number, total dollar amount, and percentage  
10 of educational scholarships awarded and funded during  
11 the previous academic year disaggregated into the  
12 following categories:

13 (1) students who qualify for the federal free and  
14 reduced-price lunch program,

15 (2) students who, during the immediately preceding  
16 school year, were eligible by virtue of the  
17 residence of the student to attend a public  
18 school that was identified for school improvement  
19 by the State Board of Education,

20 (3) eligible special needs students, and

21 (4) students who were first-time recipients of a  
22 scholarship, including information about the type  
23 of public or private school the student was  
24

1                   enrolled in during the entire previous academic  
2                   year,

3       f. the percentage of the total amount of education  
4       scholarship expenditures spent on low-income eligible  
5       students,

6       g. the percentage of annual revenue received by the  
7       organization from donations that qualify for tax  
8       credits pursuant to this section that was not expended  
9       on scholarships, and

10      h. disaggregated data reported pursuant to this  
11      subsection shall be reported in accordance with the  
12      Student Data Accessibility, Transparency, and  
13      Accountability Act of 2013 and the Family Educational  
14      Rights and Privacy Act of 1974 (FERPA).

15      2. The Tax Commission shall publish and make available on its  
16      website:

17      a. the information submitted by the scholarship-granting  
18      organization pursuant to paragraph 1 of this  
19      subsection,

20      b. a list of participating schools, and

21      c. all other application information submitted to the Tax  
22      Commission by a scholarship-granting organization,  
23      except that information the publication of which would  
24      violate the privacy of an individual.

1       3. A scholarship-granting organization shall annually submit  
2 verification to the Tax Commission that the organization still meets  
3 the criteria set forth in paragraph 7 of subsection I of this  
4 section.

5       0. In consultation with the State Department of Education, the  
6 Tax Commission shall promulgate rules necessary to implement this  
7 act. The rules shall include procedures for the registration of a  
8 scholarship-granting organization ~~or,~~ an educational improvement  
9 grant organization, or a public school foundation for purposes of  
10 determining if the organization meets the requirements of this act  
11 or for the revocation of the registration of an organization, if  
12 applicable, and for notice as required in subsection ~~H~~ J of this  
13 section.

14       SECTION 2. This act shall become effective November 1, 2020.

15  
16       57-2-10414       AB       01/06/20

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