

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

HOUSE BILL 3351

By: McCall and McBride

AS INTRODUCED

An Act relating to revenue and taxation; defining terms; creating tax credit for parent donations to teachers; limiting credit amount per child; limiting application of credit; authorizing carryover; setting total annual credits cap; authorizing Oklahoma Tax Commission to promulgate rules; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.501 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Child" means a person under eighteen (18) years of age who is enrolled part-time or full-time at a public preschool or a public elementary or secondary school which is primarily used for classroom instruction;

2. "Classroom teacher" means a person employed by a school district to teach students specifically identified classes for

specifically identified subjects during the course of a semester,
and who holds a valid certificate or license issued by and in
accordance with the rules and regulations of the State Board of
Education; and

3. "Parent" means the natural or adoptive parent or legal
guardian of a child.

B. For taxable years beginning after December 31, 2022, there
shall be allowed a credit against the tax imposed pursuant to
Section 2355 of Title 68 of the Oklahoma Statutes in the amount of
one hundred percent (100%) of the total amount of monetary donations
made by a parent directly to his or her child's classroom teacher
during a taxable year.

C. The credit authorized pursuant to this section shall not
exceed One Thousand Dollars (\$1,000.00) per child per taxable year.

D. The credit authorized pursuant to this section may not be
used to reduce the tax liability of the taxpayer to less than zero
(0).

E. To the extent not used, the credit authorized by this
section may be carried over, in order, to each of the three (3)
subsequent taxable years.

F. The total credits authorized pursuant to this section for
all taxpayers shall not exceed Five Million Dollars (\$5,000,000.00)
annually. In the event the total tax credits authorized by this
section exceed Five Million Dollars (\$5,000,000.00) in any calendar

1 year, the Tax Commission shall permit any excess over Five Million
2 Dollars (\$5,000,000.00), but shall factor such excess into the
3 percentage adjustment formula for subsequent years. The Tax
4 Commission shall annually calculate and publish by the first day of
5 the affected year a percentage by which the credits authorized by
6 this section shall be reduced so the total amount of credits used to
7 offset tax does not exceed Five Million Dollars (\$5,000,000.00) per
8 year. The formula to be used for the percentage adjustment shall be
9 Five Million Dollars (\$5,000,000.00) divided by the credits claimed
10 in the second preceding year.

11 G. In consultation with the State Department of Education, the
12 Oklahoma Tax Commission shall promulgate rules necessary to
13 implement and administer the credit authorized in this section. The
14 rules shall include a process for a parent to anonymously make
15 monetary donations to his or her child's classroom teacher.

16 SECTION 2. This act shall become effective January 1, 2023.
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