

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

SENATE BILL 1471

By: Paxton

AS INTRODUCED

An Act relating to income tax credit; providing income tax credit for certain qualifying educational expenses; limiting amount of credit claimed; providing for carryover and specifying carryover period; prohibiting itemized deductions of expenses claimed as credit; defining terms; authorizing Oklahoma Tax Commission to require certain documentation; requiring promulgation of rules; prohibiting requirement that certain schools or organizations provide documents; requiring Tax Commission to submit report by certain date; requiring cabinet secretary to submit report to certain committee chairs by within certain time period; 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 2357.207 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For tax year 2023 and subsequent tax years, there shall be allowed for any taxpayer a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for qualifying educational expenses incurred during the tax year for any family with a child

1 who is eligible to be enrolled in a public school in this state and
2 who qualifies as the taxpayer's dependent for federal tax purposes.

3 B. The maximum education expenses tax credit allowable for each
4 taxable year including carryover credits allowed by subsection C of
5 this section, shall be Two Thousand Five Hundred Dollars
6 (\$2,500.00).

7 C. If the amount of the allowable credit pursuant to subsection
8 A of this section exceeds the maximum allowable credit pursuant to
9 subsection B of this section, such excess may be carried over, in
10 order, to each of the two (2) subsequent taxable years.

11 D. Amounts claimed under this section shall not be itemized as
12 deductions for the same tax year when computing Oklahoma taxable
13 income.

14 E. As used in this section:

15 1. "Academic instruction" means instruction in reading,
16 writing, mathematics, science, history, art, music, geography,
17 civics, economics, literature, philosophy, religion, foreign
18 languages, and related subjects;

19 2. "Close relatives" refers to a person's children,
20 grandchildren, mother, father, brothers, sisters, aunts, or uncles
21 whether by blood, marriage, or adoption;

22 3. "Qualifying educational expenses" include:

23 a. tuition and fees for concurrent enrollment as
24 described in Section 628.13 of Title 70 of the
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Oklahoma Statutes for a student who meets the requirements set forth in subsection C of that section,

- b. tuition and other instructional fees charged by a qualified school,
- c. costs associated with activities at a qualified school including the cost of fees, clothing, and equipment required to participate in athletic teams, musical groups, clubs, or similar school activities,
- d. tuition and other instructional fees charged for tutoring, private instruction, or remedial education services for the purposes of academic instruction and not provided by a close relative,
- e. costs associated with the provision of instruction by other means in prekindergarten through grade twelve directed by the parent or guardian including the cost of computer equipment, software, online instruction, cooperative educational programs, textbooks, workbooks, curricula, and other written materials used primarily for academic instruction, and
- f. costs associated with activities comparable to those defined in subparagraph c of this paragraph for a student being educated by other means in

1 prekindergarten through grade twelve directed by the
2 parent or guardian; and

3 4. "Qualified school" means either a public elementary or
4 secondary school or a private educational program that can be used
5 to satisfy the state's compulsory school attendance requirements.

6 SECTION 2. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 2357.208 of Title 68, unless
8 there is created a duplication in numbering, reads as follows:

9 A. The Oklahoma Tax Commission may require the taxpayer to
10 submit with the tax return copies of such receipts or similar
11 financial documentation as may be necessary to confirm the
12 taxpayer's statement of the allowable credit.

13 B. The Tax Commission shall promulgate rules and develop tax
14 forms, directions, and worksheets as necessary to implement the
15 provisions of this act. The rules shall modify the state tax forms,
16 directions, and worksheets to provide a reasonably convenient way
17 for taxpayers to claim a credit under this act.

18 C. The Tax Commission shall not require any school or other
19 organization to provide documentation or otherwise act to verify
20 claims for a credit under this act.

21 SECTION 3. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 2357.209 of Title 68, unless
23 there is created a duplication in numbering, reads as follows:

1 A. The Oklahoma Tax Commission shall determine the total amount
2 of credits claimed under this act on all state income tax returns
3 and the type and amount of expenses for the credits claimed for each
4 tax year and shall report the same to the cabinet secretary with
5 applicable authority. The report shall be submitted to the cabinet
6 secretary by the end of the calendar year following the tax year.

7 B. Within sixty (60) days prior to the start of each
8 legislative session, the cabinet secretary with applicable authority
9 shall present a report to the Chair of the Senate Finance Committee
10 and the Chair of the House Appropriations and Budget Committee
11 projecting the total dollar amount of credits expected to be claimed
12 under this act on returns for the current tax year and the following
13 tax year as of the date of the report.

14 SECTION 4. This act shall become effective November 1, 2022.

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