

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
SENATE BILL NO. 600

By: Rader of the Senate

and

Pfeiffer of the House

COMMITTEE SUBSTITUTE

[ scholarships - Oklahoma Equal Opportunity Education  
Scholarship Act - higher education institution  
foundations - tax credits -  
emergency ]

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 2357.206, as  
amended by Section 1, Chapter 49, O.S.L. 2022 (68 O.S. Supp. 2022,  
Section 2357.206), is amended to read as follows:

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

B. 1. Except as provided in subsection ~~G~~ H of this section,  
after August 26, 2011, there shall be allowed a credit for any

1 taxpayer who makes a contribution to an eligible scholarship-  
2 granting organization.

3 The credit shall be equal to fifty percent (50%) of the total  
4 amount of contributions made during a taxable year, not to exceed  
5 One Thousand Dollars (\$1,000.00) for single individuals, Two  
6 Thousand Dollars (\$2,000.00) for married individuals filing jointly,  
7 or One Hundred Thousand Dollars (\$100,000.00) for any taxpayer which  
8 is a legal business entity including limited and general  
9 partnerships, corporations, subchapter S corporations and limited  
10 liability companies, plus any suspended credits pursuant to  
11 subparagraph ~~d~~ e of paragraph 2 of subsection ~~I~~ J of this section;  
12 provided, if total credits claimed pursuant to this paragraph exceed  
13 the cap amount established pursuant to paragraphs 1 and 2 of  
14 subsection ~~E~~ F of this section, the credit shall be equal to the  
15 taxpayer's proportionate share of the cap for the taxable year, as  
16 determined pursuant to subsection ~~I~~ J of this section.

17 2. For any taxpayer who makes a contribution to an eligible  
18 scholarship-granting organization and makes a written commitment to  
19 contribute the same amount for an additional year, the credit for  
20 the first year and the additional year shall be equal to seventy-  
21 five percent (75%) of the total amount of the contribution made  
22 during a taxable year, not to exceed the amounts established in  
23 paragraph 1 of this subsection for the taxable year in which the  
24 credit provided in this subsection is claimed. The taxpayer shall

1 provide evidence of the written commitment to the Oklahoma Tax  
2 Commission at the time of filing the refund claim.

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

18 4. On or before April 30, 2024, and once every two (2) years  
19 thereafter, such scholarship-granting organization and educational  
20 improvement grant organization shall electronically submit to the  
21 Oklahoma Tax Commission, the Governor, President Pro Tempore of the  
22 Oklahoma State Senate, the Speaker of the Oklahoma House of  
23 Representatives, and the chairs and vice chairs of the education  
24 committees of the Senate and House of Representatives an audited

1 financial statement for the organization along with information  
2 detailing the benefits, successes, or failures of the program, and  
3 make publicly available on its website the financial statement and  
4 information submitted pursuant to this paragraph.

5 C. 1. Except as provided in subsection G H of this section,  
6 after August 26, 2011, there shall be allowed a credit for any  
7 taxpayer who makes a contribution to an eligible educational  
8 improvement grant organization. Except as otherwise provided by  
9 paragraph 2 of this subsection, the credit shall be equal to fifty  
10 percent (50%) of the total amount of contributions made during a  
11 taxable year, not to exceed One Thousand Dollars (\$1,000.00) for  
12 single 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, plus any suspended  
17 credits pursuant to subparagraph d e of paragraph 2 of subsection I  
18 J of this section; provided, if total credits claimed pursuant to  
19 this paragraph exceed the cap amount established pursuant to  
20 paragraphs 3 and 4 of subsection E F of this section, the credit  
21 shall be equal to the taxpayer's proportionate share of the cap for  
22 the taxable year, as determined pursuant to subsection I J of this  
23 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 cap amount established  
7 in paragraphs 3 and 4 of subsection ~~E~~ F of this section for the  
8 taxable year in which the credit provided in this paragraph is  
9 claimed; provided, if total credits claimed pursuant to this  
10 paragraph exceed the cap established pursuant to paragraphs 3 and 4  
11 of subsection ~~E~~ F of this section, the credit shall be equal to the  
12 taxpayer's proportionate share of the cap for the taxable year, as  
13 determined pursuant to subsection ~~F~~ J of this section. The taxpayer  
14 shall provide evidence of the written commitment to the Oklahoma Tax  
15 Commission at the time of filing the refund claim.

16        3. The credits authorized pursuant to the provisions of this  
17 subsection shall be allocable to the partners, shareholders,  
18 members, or other equity owners of a taxpayer that is authorized to  
19 be 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. For contributions made on or after January 1, 2022,  
8 there shall be allowed a credit for any taxpayer who makes a  
9 contribution to an eligible public school foundation or public  
10 school district. Except as otherwise provided by paragraph 2 of  
11 this subsection, the credit shall be equal to fifty percent (50%) of  
12 the total amount of contributions made during a taxable year, not to  
13 exceed One Thousand Dollars (\$1,000.00) for single individuals, Two  
14 Thousand Dollars (\$2,000.00) for married individuals filing jointly,  
15 or One Hundred Thousand Dollars (\$100,000.00) for any taxpayer which  
16 is a legal business entity including limited and general  
17 partnerships, corporations, subchapter S corporations and limited  
18 liability companies; provided, if total credits claimed pursuant to  
19 this paragraph exceed the cap amount established pursuant to  
20 paragraph 4 of subsection ~~E~~ F of this section, the credit shall be  
21 equal to the taxpayer's proportionate share of the cap for the  
22 taxable year, as determined pursuant to subsection ~~F~~ J of this  
23 section.  
24

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

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

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

4. On or before April 30, 2024, and once every four (4) years thereafter, such eligible public school foundation and public school district shall submit to the Oklahoma Tax Commission, the Governor, President Pro Tempore of the Oklahoma State Senate, and the Speaker of the Oklahoma House of Representatives an audited financial statement for the organization along with information detailing the benefits, successes, or failures of the programs.

E. 1. For contributions made on or after January 1, 2024, there shall be allowed a credit for any taxpayer who makes a contribution to an eligible higher education institution foundation. Except as otherwise provided by paragraph 2 of this subsection, the credit shall be equal to fifty percent (50%) of the total amount of contributions made during a taxable year, not to exceed One Thousand Dollars (\$1,000.00) for single individuals, Two Thousand Dollars (\$2,000.00) for married individuals filing jointly, or One Hundred Thousand Dollars (\$100,000.00) for any taxpayer which is a legal business entity including limited and general partnerships,



1 corporations, subchapter S corporations, and limited liability  
2 companies; provided, if total credits claimed pursuant to this  
3 paragraph exceed the cap amount established pursuant to paragraph 5  
4 of subsection F of this section, the credit shall be equal to the  
5 taxpayer's proportionate share of the cap for the taxable year, as  
6 determined pursuant to subsection J of this section.

7 2. Except as otherwise provided by paragraph 1 of this  
8 subsection, for any taxpayer who makes a contribution to an eligible  
9 higher education institution foundation and makes a written  
10 commitment to contribute the same amount for an additional year, the  
11 credit for the first year and the additional year shall be equal to  
12 seventy-five percent (75%) of the total amount of the contribution  
13 made during a taxable year, not to exceed the cap amount established  
14 in paragraph 5 of subsection F of this section for the taxable year  
15 in which the credit provided in this paragraph is claimed. The  
16 taxpayer shall provide evidence of the written commitment to the  
17 Oklahoma Tax Commission at the time of filing the refund claim;  
18 provided, if total credits claimed pursuant to this paragraph exceed  
19 the cap amount established pursuant to paragraph 5 of subsection F  
20 of this section, the credit shall be equal to the taxpayer's  
21 proportionate share of the cap for the taxable year, as determined  
22 pursuant to subsection J of this section.

23 3. The credits authorized pursuant to the provisions of this  
24 subsection shall be allocable to the partners, shareholders,

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

14 4. On or before April 30, 2026, and once every four (4) years  
15 thereafter, each eligible higher education institution foundation  
16 shall submit to the Oklahoma Tax Commission, the Governor, President  
17 Pro Tempore of the Oklahoma State Senate, and the Speaker of the  
18 Oklahoma House of Representatives an audited financial statement for  
19 the foundation along with information detailing the benefits,  
20 successes, or failures of the program.

21 F. Except as otherwise provided pursuant to subsection  $\pm$  J of  
22 this section:

23 1. The total credits authorized pursuant to subsection B of  
24 this section for all taxpayers for tax years 2017 through 2021 shall

1 not exceed Three Million Five Hundred Thousand Dollars  
2 (\$3,500,000.00) annually;

3 2. The total credits authorized pursuant to subsection B of  
4 this section for all taxpayers for tax years 2022 and subsequent tax  
5 years shall not exceed Twenty-five Million Dollars (\$25,000,000.00)  
6 annually;

7 3. The total credits authorized pursuant to subsection C of  
8 this section for all taxpayers for tax years 2017 through 2021 shall  
9 not exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00)  
10 annually;

11 4. The total credits authorized pursuant to subsections C and D  
12 of this section for all taxpayers for tax year 2022 and subsequent  
13 tax years shall not exceed Twenty-five Million Dollars  
14 (\$25,000,000.00) annually. ~~In~~ Except as otherwise provided pursuant  
15 to subparagraph c of paragraph 2 of subsection J of this section, in  
16 addition to the cap amount prescribed by this paragraph, the credit  
17 amount shall also be limited to Two Hundred Thousand Dollars  
18 (\$200,000.00) of credits per public school district annually; and

19 5. The total credits authorized pursuant to subsection E of  
20 this section for all taxpayers for tax year 2024 and subsequent tax  
21 years shall not exceed Twenty-five Million Dollars (\$25,000,000.00)  
22 annually. Except as otherwise provided pursuant to subparagraph d  
23 of paragraph 2 of subsection J of this section, in addition to the  
24 cap amount prescribed by this paragraph, the credit amount shall

1 also be limited to Six Million Dollars (\$6,000,000.00) of credits  
2 per public higher education institution annually; and

3 6. The cap on total credits provided for in this subsection  
4 shall be allocated by the Tax Commission as provided in subsection ~~F~~  
5 J of this section.

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

18 ~~G.~~ H. Any tax credits which are earned by a taxpayer pursuant  
19 to this section during the time period beginning August 26, 2011,  
20 through December 31, 2012, may not be claimed for any period prior  
21 to the taxable year beginning January 1, 2013. No credits which  
22 accrue during the time period beginning August 26, 2011, through  
23 December 31, 2012, may be used to file an amended tax return for any  
24 taxable year prior to the taxable year beginning January 1, 2013.

~~H.~~ I. As used in this section:

1. "Eligible student" means a child of school age who is lawfully present in the United States and who is a member of a household in which the total annual income during the preceding tax year does not exceed an amount equal to three hundred percent (300%) of the income standard used to qualify for a free or reduced-price school lunch or who, during the immediately preceding school year, attended or, by virtue of the location of such student's place of residence, was eligible to attend a public school in this state which has been identified for school improvement as determined by the State Board of Education pursuant to the requirements of the No Child Left Behind Act of 2001, P.L. No. 107-110. Once a student has received an educational scholarship, as defined in paragraph 3 of this subsection, the student and any siblings who are members of the same household shall remain eligible until they graduate from high school or reach twenty-one (21) years of age, whichever occurs first;

2. "Eligible special needs student" means a child who has been provided services under an Individualized Family Service Plan through the SoonerStart program and during transition was evaluated and determined to be eligible for school district services, a child of school age who has attended public school in our state with an individualized education program pursuant to the Individuals With Disabilities Education Act, 20 U.S.C.A., Section 1400 et seq., or a

1 child who has been diagnosed by a clinical professional as having a  
2 significant disability that will affect learning and who has been  
3 approved by the board of a scholarship-granting organization;

4 3. "Educational scholarships" means:

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

1 to Section 3-104 of Title 70 of the Oklahoma Statutes,

2 ~~or~~

3 c. scholarships to an eligible special needs student of  
4 up to Twenty-five Thousand Dollars (\$25,000.00) to  
5 cover all or part of the tuition, fees, and  
6 transportation costs of a qualified school for  
7 eligible special needs students which is accredited by  
8 the State Board of Education or an accrediting  
9 association approved by the Board pursuant to Section  
10 3-104 of Title 70 of the Oklahoma Statutes, or

11 d. scholarships to an eligible public higher education  
12 institution student to cover all or part of the  
13 tuition and fees for undergraduate courses at an  
14 institution authorized by the Oklahoma State Regents  
15 for Higher Education;

16 4. "Low-income eligible student" means an eligible student or  
17 eligible special needs student who qualifies for a free or reduced-  
18 price lunch;

19 5. "Qualified school" means an early childhood, elementary, or  
20 secondary private school in this state including schools which  
21 provide special educational programs for three-year-olds or  
22 prekindergarten educational programs for four-year-olds, which:  
23  
24

- a. is accredited by the State Board of Education or an accrediting association approved by the Board pursuant to Section 3-104 of Title 70 of the Oklahoma Statutes,
- b. is in compliance with all applicable health and safety laws and codes,
- c. has a stated policy against discrimination in admissions on the basis of race, color, national origin, or disability, and
- d. ensures academic accountability to parents and guardians of students through regular progress reports;

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

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

- a. is a nonprofit entity exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
- b. distributes periodic scholarship payments as checks made out to an eligible student's or eligible special



- 1 needs student's parent or guardian and mailed to the  
2 qualified school where the student is enrolled,
- 3 c. spends no more than ten percent (10%) of its annual  
4 revenue on expenditures other than educational  
5 scholarships as defined in paragraph 3 of this  
6 subsection,
- 7 d. spends each year a portion of its expenditures on  
8 educational scholarships for low-income eligible  
9 students, as defined in paragraph 4 of this  
10 subsection, in an amount equal to or greater than the  
11 percentage of low-income eligible students in the  
12 state,
- 13 e. ensures that scholarships are portable during the  
14 school year and can be used at any qualified school  
15 that accepts the eligible student or at any qualified  
16 school for special needs students that accepts the  
17 eligible special needs student,
- 18 f. registers with the Oklahoma Tax Commission as a  
19 scholarship-granting organization, and
- 20 g. has policies in place to:
- 21 (1) carry out criminal background checks on all  
22 employees and board members to ensure that no  
23 individual is involved with the organization who  
24

1                   might reasonably pose a risk to the appropriate  
2                   use of contributed funds, and

3                   (2) maintain full and accurate records with respect  
4                   to the receipt of contributions and expenditures  
5                   of those contributions and supply such records  
6                   and any other documentation required by the Tax  
7                   Commission to demonstrate financial  
8                   accountability;

9           8. "Annual revenue" means the total amount or value of  
10       contributions received by an organization from taxpayers awarded  
11       credits during the organization's fiscal year and all amounts earned  
12       from interest or investments;

13           9. "Public school" means public schools as defined in Section  
14       1-106 of Title 70 of the Oklahoma Statutes;

15           10. "Eligible public school district" means any public school;

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

21           12. "Innovative educational program" means an advanced academic  
22       or academic improvement program that is not part of the regular  
23       coursework of a public school but that enhances the curriculum or  
24

1 academic program of the school or provides early childhood education  
2 programs to students;

3 13. "Educational improvement grant" means a grant to an  
4 eligible public school to implement an innovative educational  
5 program for students including the ability for multiple public  
6 schools to make an application and be awarded a grant to jointly  
7 provide an innovative educational program;

8 14. "Educational improvement grant organization" means an  
9 organization which:

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

22 15. "Eligible public school foundation" means a nonprofit  
23 entity formed pursuant to the laws of this state and is exempt from  
24 federal income taxation pursuant to either Section 501(c)(3) or

1 Section 509(a) of the Internal Revenue Code of 1986, as amended.

2 Each public school foundation ~~must~~ shall be approved by the local  
3 board of education prior to accepting qualifying donations;

4 16. "Eligible public higher education institution student"

5 means a student who is enrolled in a public higher education

6 institution in the state, who is lawfully present in the United

7 States, and who is a member of a household in which the total annual

8 income during the preceding tax year does not exceed an amount equal

9 to three hundred percent (300%) of the income standard used to

10 qualify for a free or reduced-price school lunch; and

11 17. "Eligible higher education institution foundation" means a

12 nonprofit entity formed pursuant to the laws of this state that is

13 exempt from federal income taxation pursuant to either Section 501

14 (c) (3) or Section 509(a) of the Internal Revenue Code of 1986, as

15 amended, and is formed for the primary purpose of supporting a

16 public higher education institution. Each public higher education

17 institution foundation shall be approved by the governing board of

18 the higher education institution prior to accepting qualifying

19 donations.

20 ~~I.~~ J. Total credits authorized by this section shall be  
21 allocated as follows:

22 1. By January 10 of the year immediately following each

23 calendar year, a scholarship-granting organization, an educational

24 improvement grant organization, an eligible public school

1 foundation, ~~or~~ a public school district, or an eligible higher  
2 education institution foundation which accepts contributions  
3 pursuant to this section shall provide electronically to the Tax  
4 Commission information on each contribution accepted during such  
5 taxable year. At least once each taxable year, the entity making  
6 the report shall notify each contributor that Oklahoma law provides  
7 for a total, statewide cap on the amount of income tax credits  
8 allowed annually;

9       2.   a.   If the Tax Commission determines the total combined  
10           credits claimed for contributions made to scholarship-  
11           granting organizations during the most recently  
12           completed calendar year by all taxpayers are in excess  
13           of the statewide cap amount provided in paragraphs 1  
14           and 2 of subsection ~~F~~ F of this section, the Tax  
15           Commission shall first allocate any amount of credits  
16           not claimed for contributions made to organizations  
17           authorized pursuant to subsections C ~~and~~, D, and E of  
18           this section, then shall determine the percentage of  
19           the contribution which establishes the proportionate  
20           share of the credit which may be claimed by any  
21           taxpayer so that the total maximum credits authorized  
22           by this section are not exceeded.

23       b.   If the Tax Commission determines the total combined  
24           credits claimed for contributions made to

1 organizations authorized pursuant to subsections C  
2 ~~and, D, and E~~ of this section during the most recently  
3 completed calendar year by all taxpayers are in excess  
4 of the statewide cap amount provided in paragraphs 3  
5 ~~and, 4, and 5~~ of subsection ~~E~~ F of this section, the  
6 Tax Commission shall first allocate any amount of  
7 credits not claimed for contributions made to  
8 scholarship-granting organizations, then shall  
9 determine the percentage of the contribution which  
10 establishes the proportionate share of the credit  
11 which may be claimed by any taxpayer so that the  
12 maximum credits authorized by this section are not  
13 exceeded.

14 c. If the Tax Commission determines the total combined  
15 credits claimed for contributions made to  
16 organizations authorized pursuant to subsections C and  
17 D of this section during the most recently completed  
18 calendar year by all taxpayers are in excess of the  
19 per public school district cap of Two Hundred Thousand  
20 Dollars (\$200,000.00) pursuant to paragraph 4 of  
21 subsection ~~E~~ F of this section, the Tax Commission  
22 shall first allocate any amount of credits not claimed  
23 for contributions made to other organizations  
24 authorized pursuant to subsections C and D of this

1 section, then shall determine the percentage of the  
2 contribution which establishes the proportionate share  
3 of the credit which may be claimed by any taxpayer so  
4 that the maximum credits authorized by this section  
5 are not exceeded.

6 d. If the Tax Commission determines the total combined  
7 credits claimed for contributions made to  
8 organizations authorized pursuant to subsection E of  
9 this section during the most recently completed  
10 calendar year by all taxpayers are in excess of the  
11 per higher education institution cap of Six Million  
12 Dollars (\$6,000,000.00) pursuant to paragraph 5 of  
13 subsection F of this section, the Tax Commission shall  
14 first allocate any amount of credits not claimed for  
15 contributions made to other organizations authorized  
16 pursuant to subsection E of this section, then shall  
17 determine the percentage of the contribution which  
18 establishes the proportionate share of the credit  
19 which may be claimed by any taxpayer so that the  
20 maximum credits authorized by this section are not  
21 exceeded.

22 e. Beginning for tax year 2016, credits earned, but not  
23 allowed due to the application of statewide caps  
24 provided in subsection ~~E~~ F of this section will be

1           considered suspended and authorized to be used in the  
2           next immediate tax year and applied to the next year's  
3           statewide cap; and

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

11          ~~J.~~ K. No tax credits authorized by this section shall be used  
12          to reduce the tax liability of the taxpayer to less than zero (0).

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

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

- 21               a. enables the Tax Commission to confirm that the  
22               organization is a nonprofit entity exempt from  
23               taxation pursuant to the provisions of the Internal  
24



Revenue Code, 26 U.S.C., Section 501(c)(3) or Section 509(a), and

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

2. The Tax Commission shall review and approve or disapprove the application, in consultation with the State Department of Education or the Oklahoma State Regents for Higher Education.

3. In order to maintain eligibility under this section, an organization authorized pursuant to subsections C and D of this section shall annually report the following information to the Tax Commission and publish on its website by September 1 of each year:

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

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

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

- 1           d.    where the organization collects information on a  
2                county-by-county basis, and
- 3           e.    the total number and total amount of grants made  
4                during the immediately preceding school year for  
5                innovative educational programs at public school by  
6                each county in which the organization made grants.

7           4.   In order to maintain eligibility under this section, an  
8 organization authorized pursuant to subsection E of this section  
9 shall annually report the following information to the Tax  
10 Commission and publish on its website by September 1 of each year:

- 11           a.    the name of the higher education institution  
12                scholarship program or programs and the total amount  
13                of funds distributed by the foundation through those  
14                programs during the immediately preceding school year,
- 15           b.    a description of how the scholarship funds were  
16                utilized during the immediately preceding school year,  
17                and
- 18           c.    the total number and total amount of scholarships  
19                granted during the immediately preceding school year.

20           5.   The information required under ~~paragraph~~ paragraphs 3 and 4  
21 of this subsection shall be submitted on a form provided by the Tax  
22 Commission. No later than May 1 of each year, the Tax Commission  
23 shall annually distribute sample forms together with the forms on  
24

1 which the reports are required to be made to each approved  
2 organization.

3 ~~5.~~ 6. The Tax Commission shall not require any other  
4 information be provided by an organization, except as expressly  
5 authorized in this section.

6 ~~M.~~ N. 1. Beginning in 2023 for the 2022-2023 academic year, in  
7 order to maintain registration, a scholarship-granting organization  
8 shall annually report to the Tax Commission by September 1 of each  
9 year the following information regarding the educational  
10 scholarships funded by the organization in the previous academic  
11 year:

- 12 a. the name and address of the scholarship-granting  
13 organization,
- 14 b. the names of the qualifying schools that received  
15 funding for educational scholarships, the total amount  
16 of funds paid to each qualifying school, and the total  
17 number of scholarship recipients enrolled in each  
18 qualifying school,
- 19 c. the total number and total dollar amount of  
20 contributions received during the previous academic  
21 year,
- 22 d. the total number and total dollar amount of  
23 educational scholarships awarded and funded during the  
24 previous academic year,

- 1           e.    the total number, total dollar amount, and percentage  
2               of educational scholarships awarded and funded during  
3               the previous academic year disaggregated into the  
4               following categories:
- 5               (1)   low-income eligible students,  
6               (2)   students who during the immediately preceding  
7                    school year attended or who were eligible by  
8                    virtue of the residence of the student to attend  
9                    a public school in the state which was identified  
10                  for school improvement by the State Board of  
11                  Education,  
12               (3)   eligible special needs students, and  
13               (4)   students who were first-time recipients of a  
14                    scholarship including information about the type  
15                    of public or private school the student was  
16                    enrolled in during the entire previous academic  
17                  year,
- 18          f.    the percentage of annual revenue received by the  
19               organization from donations which qualify for tax  
20               credits pursuant to this section which was not  
21               expended on scholarships,
- 22          g.    disaggregated data reported under this subsection  
23               shall be redacted if reporting would allow for  
24               identification of specific children, and shall be

1 reported in accordance with the Student Data  
2 Accessibility, Transparency and Accountability Act of  
3 2013, ~~division~~ subparagraph b of subparagraph  
4 paragraph 2 of subsection C of Section 3-168 of Title  
5 70 of the Oklahoma Statutes, and the Family  
6 Educational Rights and Privacy Act of 1974 (FERPA), 20  
7 U.S.C., Section 1232g, and

8 h. the percentage of the total amount of education  
9 scholarship expenditures spent on low-income eligible  
10 students.

11 2. The Tax Commission shall make available on its website:

12 a. the information submitted by the scholarship-granting  
13 organization pursuant to paragraph 1 of this  
14 subsection,

15 b. a list of participating schools, and

16 c. all other application information submitted to the Tax  
17 Commission by a scholarship-granting organization,  
18 except that information which would violate the  
19 privacy of an individual.

20 3. A scholarship-granting organization shall annually submit  
21 verification to the Tax Commission that the organization still meets  
22 the criteria set forth in paragraph 7 of subsection ~~#~~ I of this  
23 section.  
24

1       ~~N.~~ O. Contributions made pursuant to subsections B, C, and D of  
2 this section shall not be used by the Legislature to reduce the  
3 amount appropriated for the financial support of public schools.

4       ~~Θ.~~ P. In consultation with the State Department of Education  
5 and the Oklahoma State Regents for Higher Education, the Tax  
6 Commission shall promulgate rules necessary to implement the  
7 Oklahoma Equal Opportunity Education Scholarship Act. The rules  
8 shall include procedures for the registration of a scholarship-  
9 granting organization, an educational improvement grant  
10 organization, a public school foundation, ~~or~~ public school district,  
11 or public higher education institution foundation for purposes of  
12 determining if the organization meets the requirements of the  
13 Oklahoma Equal Opportunity Education Scholarship Act or for the  
14 revocation of the registration of an organization, if applicable,  
15 and for notice as required in subsection ~~±~~ J of this section.

16       SECTION 2. It being immediately necessary for the preservation  
17 of the public peace, health or safety, an emergency is hereby  
18 declared to exist, by reason whereof this act shall take effect and  
19 be in full force from and after its passage and approval.

20  
21       59-1-8285           EK           04/19/23

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