

Fiscal Impact
1st Session of the 59th Legislature

Bill No.:	HB 1935
Version:	CS
Author:	Sen. Treat
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Fiscal Analysis

The Committee Substitute for HB 1935 creates the Oklahoma Parental Choice Tax Credit Act and the Oklahoma Parental Choice Tax Credit Program. The measure provides a refundable income tax credit for taxpayers on behalf of eligible students. The credit is capped at \$7,500 per student per year for expenses related to private schooling. The credit additionally has a household adjusted gross income cap of \$250,000. There are approximately 38,000 students that attend private schooling. With an assumption that 33% of students live in a family with income lower than the cap of \$250,000, there are approximately 12,700 students who would qualify for the credit. That amount of credit that would be anticipated to be used would be \$93,750,000.

38,000 students X 0.33 = 12,540 (round to 12,500 students)
12,500 students X \$7,500 credit = \$93,750,000

The CS for HB 1935 also provides a refundable credit of up to \$1,000 for families of students that are homeschooled. The credit has a requirement that receipts for eligible expenses must be turned into the Oklahoma Tax Commission before the credit can be taken. There are approximately 33,000 families that homeschool children. With an assumption of 5,000 families taken use of the credit, the anticipated impact would be \$5,000,000

The total impact of the \$7,500 private school credit and the \$1,000 homeschool family expense credit is:

$\$93,750,000 + \$5,000,000 = \$98,750,000$

There will be an unknown amount of public school students who will enroll in private schools. Therefore there is an unknown cost related to those students.

FY'24 Impact: \$98,750,000.00

Full Year Impact: \$98,750,000.00

Prepared by: Senate Fiscal Staff