

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 COMMITTEE SUBSTITUTE
4 FOR
5 SENATE BILL NO. 1776

By: Pugh

6
7 COMMITTEE SUBSTITUTE

8 An Act relating to income tax; providing tax credit
9 for teachers attaining certain years of service with
10 a school district; prescribing credit amount and
11 requirements; providing exception for certain
12 eligibility requirement; authorizing the Oklahoma Tax
13 Commission to conduct audit to determine eligibility;
14 requiring the recapture of credit if a taxpayer
15 becomes ineligible; making the credit refundable;
16 providing for codification; and providing an
17 effective date.

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

19 SECTION 1. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 2357.49 of Title 68, unless
21 there is created a duplication in numbering, reads as follows:

22 A. For tax year 2027 and subsequent tax years, there shall be
23 allowed against the tax imposed by Section 2355 of Title 68 of the
24 Oklahoma Statutes, a credit for any individual who is certified to
teach in this state and has begun teaching the eighth consecutive
year for a public school district in this state during the tax year.

1 The credit allowed shall be in the amount of Ten Thousand Dollars
2 (\$10,000.00).

3 B. Any taxpayer claiming the credit authorized by this section
4 shall continue to teach in the same school district for the
5 remainder of the eighth year, plus three (3) more consecutive years,
6 to remain eligible for the credit. Provided, if the taxpayer became
7 unemployed due to a reduction in force by the school district,
8 death, or a documented medical hardship, the taxpayer shall remain
9 eligible. The Commission may conduct an audit to verify the
10 eligibility of a taxpayer that has claimed the credit authorized
11 pursuant to this section. The Commission shall recapture the
12 credits otherwise authorized by the provisions of this section if an
13 audit conducted shows that the taxpayer became ineligible.

14 C. If the credit exceeds the tax imposed by Section 2355 of
15 Title 68 of the Oklahoma Statutes, the excess amount shall be
16 refunded to the taxpayer.

17 SECTION 2. This act shall become effective November 1, 2026.

18

19 60-2-3657 QD 2/13/2026 2:29:30 PM

20

21

22

23

24