

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 683

6 By: Paxton

7 COMMITTEE SUBSTITUTE

8 An Act relating to education; amending Section 2,  
9 Chapter 278, O.S.L. 2023, as last amended by Section  
10 2, Chapter 295, O.S.L. 2025 (70 O.S. Supp. 2025,  
11 Section 28-101), which relates to the Oklahoma  
12 Parental Choice Tax Credit Act; modifying definition;  
13 expanding qualifying expenses eligible for credit;  
14 requiring submission of receipt or list to claim  
15 certain qualifying expenses; prohibiting taxpayer  
16 from claiming multiple authorized credits for the  
17 same eligible student; expanding authority to conduct  
18 audit for qualifying expense claims; modifying  
19 certain reporting requirements; updating statutory  
20 language; and providing an effective date.

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

22 SECTION 1. AMENDATORY Section 2, Chapter 278, O.S.L.  
23 2023, as last amended by Section 2, Chapter 295, O.S.L. 2025 (70  
24 O.S. Supp. 2025, Section 28-101), is amended to read as follows:

Section 28-101. A. As used in the Oklahoma Parental Choice Tax  
Credit Act:

1. "Accrediting association" means a recognized legal entity  
that meets the accreditation requirements set by the State Board of

1 Education, another accrediting association approved by the State  
2 Board of Education, or a legal entity that accredits education  
3 organizations in multiple states, whose purpose is to verify that an  
4 education program meets or exceeds predetermined criteria, and  
5 monitor the education organization during the time it is accredited  
6 by completing regular reevaluations and on-site inspections of the  
7 education program;

8 2. "Commission" means the Oklahoma Tax Commission;

9 3. "Curriculum" means a complete course of study for a  
10 particular content area or grade level;

11 4. "Department" means the State Department of Education;

12 5. "Education service provider" means a person, business,  
13 public school district, public charter school, magnet school, or  
14 organization that provides educational goods ~~and/or~~ or services to  
15 eligible students in this state;

16 6. "Eligible student" means a resident of this state who is  
17 eligible to enroll in a public school in this state. Eligible  
18 student shall include a student who is enrolled in and attends or is  
19 expected to enroll in a private school in this state accredited by  
20 the State Board of Education or another accrediting association or a  
21 student who is educated pursuant to the other means of education  
22 exception provided for in subsection A of Section 10-105 of this  
23 title;

24

1       7. "Qualified expense" for the purpose of claiming the credit  
2 authorized by paragraph 1 of subsection C of this section means  
3 tuition and fees at a private school in this state accredited by the  
4 State Board of Education or another accrediting association. Such  
5 private school shall comply with the provisions of subsection L of  
6 this section. Provided, the amount of tuition and fees considered a  
7 qualified expense pursuant to this paragraph shall not include  
8 tuition and fees paid with any scholarship or tuition and fees  
9 discounted or otherwise reduced by the school. For the purpose of  
10 claiming the credit authorized by paragraph 1 of subsection C of  
11 this section and for eligible students enrolled or expected to  
12 enroll in a public or private school in this state, qualified  
13 expenses also include the following:

- 14       a. tuition and fees for learning programs, including  
15       summer learning programs,
- 16       b. academic tutoring services provided by an individual  
17       or a private academic tutoring facility,
- 18       c. textbooks, curriculum, or other instructional  
19       materials including, but not limited to, supplemental  
20       materials or associated online instruction required by  
21       an education service provider,
- 22       d. fees for nationally standardized assessments  
23       including, but not limited to, assessments used to  
24       determine college admission and advanced placement

1 examinations as well as tuition and fees for tutoring  
2 or preparatory courses for the assessments, and  
3 e. online educational programs;

4 8. "Qualified expense" for the purpose of claiming the credit  
5 authorized by paragraph 2 of subsection C of this section means the  
6 following expenditures:

- 7 a. tuition and fees for nonpublic learning programs,  
8 online or in person,  
9 b. academic tutoring services provided by an individual  
10 or a private academic tutoring facility,  
11 c. textbooks, curriculum, or other instructional  
12 materials including, but not limited to, supplemental  
13 materials or associated online instruction required by  
14 an education service provider, and  
15 d. fees for nationally standardized assessments  
16 including, but not limited to, assessments used to  
17 determine college admission and advanced placement  
18 examinations as well as tuition and fees for tutoring  
19 or preparatory courses for the assessments; and

20 9. "Taxpayer" means a biological or adoptive parent,  
21 grandparent, aunt, uncle, legal guardian, custodian, or other person  
22 with legal authority to act on behalf of an eligible student.

23 B. There is hereby created the Oklahoma Parental Choice Tax  
24 Credit Program to provide an income tax credit to a taxpayer for

1 qualified expenses to support the education of eligible students in  
2 this state.

3 C. For the tax year 2024 and subsequent tax years, and fiscal  
4 year 2026 and subsequent fiscal years, there shall be allowed  
5 against the tax imposed by Section 2355 of Title 68 of the Oklahoma  
6 Statutes a credit for any Oklahoma taxpayer who incurs a qualified  
7 expense on behalf of an eligible student, to be administered subject  
8 to the following amounts:

9 1. If the eligible student attends a private school in this  
10 state accredited by the State Board of Education or another  
11 accrediting association or claims any other qualified expense, as  
12 defined in paragraph 7 of subsection A of this section, the annual  
13 maximum credit amount for tax year 2024, fiscal year 2026, and each  
14 subsequent fiscal year shall be:

15 a. Seven Thousand Five Hundred Dollars (\$7,500.00) or the  
16 amount of tuition and fees for the private school,  
17 whichever is less, if the combined adjusted gross  
18 income of the parents or legal guardians of the  
19 eligible student during the second preceding tax year  
20 does not exceed Seventy-five Thousand Dollars  
21 (\$75,000.00),

22 b. Seven Thousand Dollars (\$7,000.00) or the amount of  
23 tuition and fees for the private school, whichever is  
24 less, if the combined adjusted gross income of the

1 parents or legal guardians of the eligible student  
2 during the second preceding tax year is more than  
3 Seventy-five Thousand Dollars (\$75,000.00) but does  
4 not exceed One Hundred Fifty Thousand Dollars  
5 (\$150,000.00),

6 c. Six Thousand Five Hundred Dollars (\$6,500.00) or the  
7 amount of tuition and fees for the private school,  
8 whichever is less, if the combined adjusted gross  
9 income of the parents or legal guardians of the  
10 eligible student during the second preceding tax year  
11 is more than One Hundred Fifty Thousand Dollars  
12 (\$150,000.00) but does not exceed Two Hundred Twenty-  
13 five Thousand Dollars (\$225,000.00),

14 d. Six Thousand Dollars (\$6,000.00) or the amount of  
15 tuition and fees for the private school, whichever is  
16 less, if the combined adjusted gross income of the  
17 parents or legal guardians of the eligible student  
18 during the second preceding tax year is more than Two  
19 Hundred Twenty-five Thousand Dollars (\$225,000.00) but  
20 does not exceed Two Hundred Fifty Thousand Dollars  
21 (\$250,000.00), or

22 e. Five Thousand Dollars (\$5,000.00) or the amount of  
23 tuition and fees for the private school, whichever is  
24 less, if the combined adjusted gross income of the

1 parents or legal guardians of the eligible student  
2 during the second preceding tax year is more than Two  
3 Hundred Fifty Thousand Dollars (\$250,000.00);

4 2. For tax year 2024 and subsequent tax years, the maximum  
5 credit amount shall be One Thousand Dollars (\$1,000.00) in qualified  
6 expenses per eligible student in each tax year if the eligible  
7 student is educated pursuant to the other means of education  
8 exception provided for in subsection A of Section 10-105 of this  
9 title. To claim the credit, the taxpayer shall submit to the  
10 Commission receipts for qualified expenses as defined by paragraph 8  
11 of subsection A of this section;

12 3. If the eligible student attends a private school in this  
13 state, accredited by the State Board of Education or another  
14 accrediting association, that exclusively serves students  
15 experiencing homelessness, the credit amount shall be Seven Thousand  
16 Five Hundred Dollars (\$7,500.00) or the amount of the cost to  
17 educate the eligible student at the private school, whichever is  
18 less;

19 4. If the eligible student attends a private school in this  
20 state, accredited by the State Board of Education or another  
21 accrediting association, that primarily serves financially  
22 disadvantaged students, the credit amount shall be the maximum  
23 credit amount authorized by paragraph 1 of this subsection or the  
24 amount of the cost to educate the eligible student at the private

1 school, whichever is less. The cost to educate the eligible student  
2 shall be equal to the average cost to educate all students attending  
3 the private school, which shall be calculated by dividing the  
4 private school's total expenditures in the previous year by the  
5 total enrollment in the previous school year. A private school  
6 shall be deemed to be primarily serving financially disadvantaged  
7 students if ninety percent (90%) of the private school's admissions  
8 are based on enrolling students whose gross family income is two  
9 hundred fifty percent (250%) of the federal poverty threshold or  
10 below;

11 5. The taxpayer shall retain all receipts of qualified expenses  
12 as proof of the amounts paid each tax year the credit is claimed and  
13 shall submit them to the Commission upon request;

14 6. 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; and

17 7. Credits claimed by a taxpayer pursuant to the provisions of  
18 this section shall not be used to offset or pay the following:

- 19 a. delinquent tax liability,
- 20 b. accrued penalty or interest from the failure to file a  
21 report or return,
- 22 c. accrued penalty or interest from the failure to pay a  
23 state tax within the statutory period allowed for its  
24 payment,

1 d. tax liability of the taxpayer from any prior tax year,  
2 or

3 e. any debt, unpaid fine, final judgment, or claim filed  
4 with the Commission by a qualified entity as defined  
5 in Section 205.2 of Title 68 of the Oklahoma Statutes.

6 D. 1. a. For tax year 2024, the total amount of credits  
7 authorized by paragraph 1 of subsection C of this  
8 section shall not exceed One Hundred Fifty Million  
9 Dollars (\$150,000,000.00).

10 b. For the period of January 1, 2025, through June 30,  
11 2025, the total amount of credits authorized by  
12 paragraph 1 of subsection C of this section shall not  
13 exceed One Hundred Million Dollars (\$100,000,000.00).  
14 The Commission shall not require a taxpayer who  
15 received a credit pursuant to paragraph 1 of  
16 subsection C of this section in tax year 2024 to  
17 reapply for a credit payable during the period  
18 described in this subparagraph. The Commission shall  
19 base the credit amount payable for ~~the~~ spring 2025 on  
20 the fall 2024 installment disbursement payment amount.

21 c. For fiscal year 2026 and subsequent fiscal years, the  
22 total amount of credits authorized by paragraph 1 of  
23 subsection C of this section shall not exceed Two  
24 Hundred Fifty Million Dollars (\$250,000,000.00).

1           2. For tax year 2026 and subsequent tax years, the total amount  
2 of credits authorized by paragraph 2 of subsection C of this section  
3 shall not exceed Five Million Dollars (\$5,000,000.00). The Oklahoma  
4 Tax Commission shall annually calculate and publish a percentage by  
5 which the credits authorized by this section shall be reduced so the  
6 total amount of credits used to offset tax does not exceed the  
7 annual limit. The formula to be used for the percentage adjustment  
8 shall be Five Million Dollars (\$5,000,000.00) divided by the amount  
9 of credit claimed in the second preceding tax year. In the event  
10 the total tax credits authorized by this section exceed the annual  
11 limit in any tax year, the ~~Tax~~ Commission shall permit any excess  
12 but shall factor such excess into the percentage adjustment formula  
13 for subsequent tax years.

14           3. If a taxpayer, on behalf of an eligible student in the  
15 program, chooses not to participate, is no longer eligible to  
16 participate, or chooses to forgo participation in the program for  
17 any reason, the credit authorized by paragraph 1 of subsection C of  
18 this section but not used and not reallocated pursuant to paragraph  
19 3 of subsection H of this section shall be added to the subsequent  
20 fiscal year limitation as provided in paragraph 1 of this  
21 subsection.

22           E. The Commission shall prescribe applications for the purposes  
23 of claiming the credits authorized by the Oklahoma Parental Choice  
24 Tax Credit Act and a deadline by which applications shall be

1 submitted. A taxpayer claiming the credit authorized by paragraph 1  
2 of subsection C of this section shall submit an application  
3 prescribed by the Commission to receive the credit based on the  
4 enrollment verification form submitted pursuant to this subsection,  
5 but in no event shall a payment exceed the amount of the credit  
6 authorized by paragraph 1 of subsection C of this section. If an  
7 eligible taxpayer provides documentation on the application that he  
8 or she is a recipient of income-based government benefits including  
9 the Supplemental Nutrition Assistance Program (SNAP), Temporary  
10 Assistance for Needy Families (TANF), or the Oklahoma Medicaid  
11 Program commonly known as SoonerCare, the eligible taxpayer shall  
12 not be required to provide additional income verification. The  
13 Department of Human Services and the Oklahoma Health Care Authority  
14 shall, upon request by the Oklahoma Tax Commission, verify whether  
15 an applicant receives income-based government benefits. The  
16 taxpayer shall provide authorization for the Oklahoma Tax Commission  
17 to disclose application data to the Department of Human Services  
18 ~~and/or~~ or the Oklahoma Health Care Authority, and for the Department  
19 of Human Services ~~and/or~~ or the Oklahoma Health Care Authority to  
20 provide confirmation of benefits to the Oklahoma Tax Commission for  
21 purposes of verifying that the taxpayer is a current recipient of  
22 SNAP, TANF, or Oklahoma Medicaid Program benefits; provided, the  
23 information shall not be used for any other purpose. A taxpayer  
24 claiming the credit authorized by paragraph 1 of subsection C of

1 this section shall submit to the Commission an enrollment  
2 verification form from the private school in which the eligible  
3 student is enrolled or is expected to enroll with the tuition and  
4 fees to be charged the taxpayer for the applicable school year or  
5 receipts or other proof of purchase or an itemized list of expenses  
6 intended to be purchased for any other qualified expense, as defined  
7 in paragraph 7 of subsection A of this section. In reviewing  
8 applications submitted by eligible taxpayers to determine whether  
9 they qualify for a credit authorized by paragraph 1 of subsection C  
10 of this section, the Commission shall give first preference in  
11 making payments to taxpayers who qualify pursuant to subparagraphs a  
12 and b of paragraph 1 of subsection C of this section. The  
13 Commission shall give second preference in making payments to  
14 taxpayers who qualify and have received the credit in the prior  
15 year. For credits issued in the 2026-2027 school year and  
16 subsequent school years, the application period shall be open March  
17 15 through June 15 prior to the beginning of each school year. For  
18 any eligible student whose parents or legal guardians have a  
19 combined adjusted gross income that does not exceed One Hundred  
20 Fifty Thousand Dollars (\$150,000.00) or qualified and received  
21 credit in the prior year, applications shall be submitted to the  
22 Commission within the first sixty (60) days of the opening of the  
23 application period to receive priority consideration. For students  
24

1 enrolled in the full school year, the full credit amount authorized  
2 for the school year shall be paid no later than August 30.

3 F. Taxpayers claiming the credit shall:

4 1. Only claim the credit for qualified expenses as defined in  
5 paragraphs 7 and 8 of subsection A of this section to provide an  
6 education for an eligible student;

7 2. Ensure no other person is claiming a credit for the eligible  
8 student;

9 3. Not claim the credit for an eligible student who enrolls as  
10 a full-time student in a public school district, public charter  
11 school, public virtual charter school, or magnet school;

12 4. Comply with rules and requirements established by the  
13 Commission for administration of the Oklahoma Parental Choice Tax  
14 Credit Program; ~~and~~

15 5. Not claim the credits authorized by both paragraphs 1 and 2  
16 of subsection C of this section for the same eligible student; and

17 6. Notify the Commission not later than thirty (30) days after  
18 the date on which the eligible student:

19 a. enrolls in a public school, including an open-  
20 enrollment charter school,

21 b. enrolls in a nonaccredited private school,

22 c. graduates from high school, or

23 d. is no longer utilizing credits authorized by paragraph  
24 1 of subsection C of this section for any reason.

1 G. Eligible students may accept a scholarship from the Lindsey  
2 Nicole Henry Scholarships for Students with Disabilities Program  
3 created by Section 13-101.2 of this title while participating in the  
4 Oklahoma Parental Choice Tax Credit Program.

5 H. 1. The Commission shall have the authority to conduct an  
6 audit or contract for the auditing of receipts or claims for  
7 qualified expenses submitted pursuant to subparagraphs a through e  
8 of paragraph 7 of subsection A of this section and paragraph 2 of  
9 subsection C of this section.

10 2. The Commission shall be authorized to recapture the credits  
11 otherwise authorized by the provisions of the Oklahoma Parental  
12 Choice Tax Credit Act on a prorated basis if an audit conducted  
13 pursuant to this subsection shows that the credit was claimed for  
14 expenditures that were not qualified expenses or it finds that the  
15 taxpayer has claimed an eligible student who no longer attends a  
16 private school or has enrolled in a public school in the state.

17 3. The Commission shall be authorized to reallocate credits for  
18 the current application year to the next eligible taxpayer in line  
19 when a taxpayer, on behalf of an eligible student in the program,  
20 chooses not to participate, is no longer eligible to participate, or  
21 chooses to forgo participation in the program for any reason no  
22 later than September 1 following the opening of the application  
23 period of each year.

24

1           4. The Commission shall provide notification of approval status  
2 to applicants within thirty (30) days of closure of the application  
3 window. Notice to applicants with an eligible student, whose  
4 parents or legal guardians have a combined adjusted gross income of  
5 more than One Hundred Fifty Thousand Dollars (\$150,000.00), shall be  
6 sent within thirty (30) days or no later than thirty (30) days after  
7 the last day of the priority consideration period.

8           I. In the event of a failure of revenue pursuant to the  
9 Oklahoma State Finance Act, the tax credits otherwise authorized in  
10 subsection C of this section shall be reduced proportionately to the  
11 reduction in the amount of money appropriated to the State Board of  
12 Education for the financial support of public schools for the fiscal  
13 year in which the failure of revenue occurs.

14           J. The Commission shall make available on its website to be  
15 updated monthly:

16           1. The total amount of credits claimed each year pursuant to  
17 paragraphs 1 through 4 of subsection C of this section;

18           2. The amount of credits claimed and number of students awarded  
19 each fiscal year pursuant to paragraph 1 of subsection C of this  
20 section disaggregated by income categories and qualifying  
21 expenditure categories;

22           3. The total amount of credits claimed and number of students  
23 awarded who attended a public school in the semester immediately  
24

1 preceding the school year for which the application is made each  
2 year; and

3 4. The total number of applications denied and total amount of  
4 credits the denied applications represent for each fiscal year.

5 K. Credits received pursuant to the Oklahoma Parental Choice  
6 Tax Credit Act shall not constitute taxable income to a taxpayer who  
7 received the credit on behalf of an eligible student.

8 L. No later than June 15 of each year, each participating  
9 private school shall electronically provide information to confirm  
10 student enrollment and tuition information for the fall and spring  
11 semesters of the preceding school year and any other information  
12 requested by the Oklahoma Tax Commission. Failure to provide this  
13 information may result in denial of private school participation in  
14 subsequent school years.

15 M. An eligible and participating private school as of April 15,  
16 2025, shall have until March 1, 2027, to meet the accreditation  
17 requirements of this section.

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

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