

1 ENGROSSED HOUSE  
2 BILL NO. 1760

By: Kerbs of the House

3 and

4 Pugh of the Senate

5  
6  
7 [ revenue - taxation - credit - foundations - cap -  
8 contribution - entities - year - institutions -  
9 definitions - eligibility - rules ]  
10  
11

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

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

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

18 B. 1. Except as provided in subsection G H of this section,  
19 after August 26, 2011, there shall be allowed a credit for any  
20 taxpayer who makes a contribution to an eligible scholarship-  
21 granting organization.

22 The credit shall be equal to fifty percent (50%) of the total  
23 amount of contributions made during a taxable year, not to exceed  
24 One Thousand Dollars (\$1,000.00) for single individuals, Two

1 Thousand Dollars (\$2,000.00) for married individuals filing jointly,  
2 or One Hundred Thousand Dollars (\$100,000.00) for any taxpayer which  
3 is a legal business entity including limited and general  
4 partnerships, corporations, subchapter S corporations and limited  
5 liability companies, plus any suspended credits pursuant to  
6 subparagraph ~~d~~ e of paragraph 2 of subsection ~~F~~ J of this section;  
7 provided, if total credits claimed pursuant to this paragraph exceed  
8 the cap amount established pursuant to paragraphs 1 and 2 of  
9 subsection ~~E~~ F of this section, the credit shall be equal to the  
10 taxpayer's proportionate share of the cap for the taxable year, as  
11 determined pursuant to subsection ~~F~~ J of this section.

12 2. For any taxpayer who makes a contribution to an eligible  
13 scholarship-granting organization and makes a written commitment to  
14 contribute the same amount for an additional year, the credit for  
15 the first year and the additional year shall be equal to seventy-  
16 five percent (75%) of the total amount of the contribution made  
17 during a taxable year, not to exceed the amounts established in  
18 paragraph 1 of this subsection for the taxable year in which the  
19 credit provided in this subsection is claimed. The taxpayer shall  
20 provide evidence of the written commitment to the Oklahoma Tax  
21 Commission at the time of filing the refund claim.

22 3. The credits authorized pursuant to the provisions of this  
23 subsection shall be allocable to the partners, shareholders,  
24 members, or other equity owners of a taxpayer that is authorized to

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

13 4. On or before April 30, 2024, and once every two (2) years  
14 thereafter, such scholarship-granting organization and educational  
15 improvement grant organization shall electronically submit to the  
16 Oklahoma Tax Commission, the Governor, President Pro Tempore of the  
17 Oklahoma State Senate, the Speaker of the Oklahoma House of  
18 Representatives, and the chairs and vice chairs of the education  
19 committees of the Senate and House of Representatives an audited  
20 financial statement for the organization along with information  
21 detailing the benefits, successes, or failures of the program, and  
22 make publicly available on its website the financial statement and  
23 information submitted pursuant to this paragraph.

1 C. 1. Except as provided in subsection G H of this section,  
2 after August 26, 2011, there shall be allowed a credit for any  
3 taxpayer who makes a contribution to an eligible educational  
4 improvement grant organization. Except as otherwise provided by  
5 paragraph 2 of this subsection, the credit shall be equal to fifty  
6 percent (50%) of the total amount of contributions made during a  
7 taxable year, not to exceed One Thousand Dollars (\$1,000.00) for  
8 single individuals, Two Thousand Dollars (\$2,000.00) for married  
9 individuals filing jointly, or One Hundred Thousand Dollars  
10 (\$100,000.00) for any taxpayer which is a legal business entity  
11 including limited and general partnerships, corporations, subchapter  
12 S corporations and limited liability companies, plus any suspended  
13 credits pursuant to subparagraph ~~d~~ e of paragraph 2 of subsection ~~I~~  
14 J of this section; provided, if total credits claimed pursuant to  
15 this paragraph exceed the cap amount established pursuant to  
16 paragraphs 3 and 4 of subsection ~~E~~ F of this section, the credit  
17 shall be equal to the taxpayer's proportionate share of the cap for  
18 the taxable year, as determined pursuant to subsection ~~I~~ J of this  
19 section.

20 2. For any taxpayer who makes a contribution to an eligible  
21 educational improvement grant organization and makes a written  
22 commitment to contribute the same amount for an additional year, the  
23 credit for the first year and the additional year shall be equal to  
24 seventy-five percent (75%) of the total amount of the contribution

1 made during a taxable year, not to exceed the cap amount established  
2 in paragraphs 3 and 4 of subsection ~~E~~ F of this section for the  
3 taxable year in which the credit provided in this paragraph is  
4 claimed; provided, if total credits claimed pursuant to this  
5 paragraph exceed the cap established pursuant to paragraphs 3 and 4  
6 of subsection ~~E~~ F of this section, the credit shall be equal to the  
7 taxpayer's proportionate share of the cap for the taxable year, as  
8 determined pursuant to subsection ~~F~~ J of this section. The taxpayer  
9 shall provide evidence of the written commitment to the Oklahoma Tax  
10 Commission at the time of filing the refund claim.

11 3. The credits authorized pursuant to the provisions of this  
12 subsection shall be allocable to the partners, shareholders,  
13 members, or other equity owners of a taxpayer that is authorized to  
14 be treated as a partnership for purposes of federal income tax  
15 reporting for the taxable year for which the tax credits authorized  
16 by this subsection are claimed on the applicable return, together  
17 with required schedules, forms, or reports of the partners,  
18 shareholders, members, or other equity owners of the taxpayer. Tax  
19 credits which are allocated to such equity owners shall only be  
20 limited in amount for the income tax return of a natural person or  
21 persons based upon the limitation of the total credit amount to the  
22 entity from which the tax credits have been allocated and shall not  
23 be limited to One Thousand Dollars (\$1,000.00) for single  
24

1 individuals or limited to Two Thousand Dollars (\$2,000.00) for  
2 married persons filing a joint return.

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

20 2. Except as otherwise provided by paragraph 1 of this  
21 subsection, for any taxpayer who makes a contribution to an eligible  
22 public school foundation or public school district and makes a  
23 written commitment to contribute the same amount for an additional  
24 year, the credit for the first year and the additional year shall be

1 equal to seventy-five percent (75%) of the total amount of the  
2 contribution made during a taxable year, not to exceed the cap  
3 amount established in paragraph 4 of subsection ~~E~~ F of this section  
4 for the taxable year in which the credit provided in this paragraph  
5 is claimed. The taxpayer shall provide evidence of the written  
6 commitment to the Oklahoma Tax Commission at the time of filing the  
7 refund claim; provided, if total credits claimed pursuant to this  
8 paragraph exceed the cap amount established pursuant to paragraph 4  
9 of subsection ~~E~~ F of this section, the credit shall be equal to the  
10 taxpayer's proportionate share of the cap for the taxable year, as  
11 determined pursuant to subsection ~~F~~ J of this section.

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

1 individuals or limited to Two Thousand Dollars (\$2,000.00) for  
2 married persons filing a joint return.

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

10 E. 1. For contributions made on or after January 1, 2026,  
11 there shall be allowed a credit for any taxpayer who makes a  
12 contribution to an eligible higher education institution fund.  
13 Except as otherwise provided by paragraph 2 of this subsection, the  
14 credit shall be equal to fifty percent (50%) of the total amount of  
15 contributions made during a taxable year, not to exceed One Thousand  
16 Dollars (\$1,000.00) for single individuals, Two Thousand Dollars  
17 (\$2,000.00) for married individuals filing jointly, or One Hundred  
18 Thousand Dollars (\$100,000.00) for any taxpayer which is a legal  
19 business entity including limited and general partnerships,  
20 corporations, subchapter S corporations, and limited liability  
21 companies; provided, if total credits claimed pursuant to this  
22 paragraph exceed the cap amount established pursuant to paragraph 5  
23 of subsection F of this section, the credit shall be equal to the  
24



1 taxpayer's proportionate share of the cap for the taxable year, as  
2 determined pursuant to subsection J of this section.

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

20 3. The credits authorized pursuant to the provisions of this  
21 subsection shall be allocable to the partners, shareholders,  
22 members, or other equity owners of a taxpayer that is authorized to  
23 be treated as a partnership for purposes of federal income tax  
24 reporting for the taxable year for which the tax credits authorized

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

11 4. On or before April 30, 2028, and once every four (4) years  
12 thereafter, each eligible higher education institution foundation  
13 shall submit to the Oklahoma Tax Commission, the Governor, President  
14 Pro Tempore of the Oklahoma State Senate, and the Speaker of the  
15 Oklahoma House of Representatives an audited financial statement for  
16 the foundation along with information detailing the benefits,  
17 successes, or failures of the program.

18 F. Except as otherwise provided pursuant to subsection F of  
19 this section:

20 1. The total credits authorized pursuant to subsection B of  
21 this section for all taxpayers for tax years 2017 through 2021 shall  
22 not exceed Three Million Five Hundred Thousand Dollars  
23 (\$3,500,000.00) annually;

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

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

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

17        5. The total credits authorized pursuant to subsection E of  
18 this section for all taxpayers for tax year 2026 and subsequent tax  
19 years shall not exceed Twenty-five Million Dollars (\$25,000,000.00)  
20 annually. The cap amount set forth by this paragraph shall be  
21 independent of the cap amounts set forth in paragraphs 1 through 4  
22 of this subsection and shall not be construed in any way to limit,  
23 reduce, or otherwise impact the cap amounts set forth in paragraphs  
24 1 through 4 of this subsection. Except as otherwise provided

1 pursuant to subparagraph d of paragraph 2 of subsection J of this  
2 section, in addition to the cap amount prescribed by this paragraph,  
3 the credit amount shall also be limited to Seven Million Five  
4 Hundred Thousand Dollars (\$7,500,000.00) of credits per public  
5 higher education institution annually; and

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

9 ~~F.~~ G. 1. For credits claimed for eligible contributions made  
10 during tax year 2014 and thereafter, a credit shall not be allowed  
11 by the Oklahoma Tax Commission for contributions made to a  
12 scholarship-granting organization or an educational improvement  
13 grant organization if that organization's percentage of funds  
14 actually awarded to an eligible student is less than ninety percent  
15 (90%). For purposes of this section, the "percentage of funds  
16 actually awarded to an eligible student" shall be determined by  
17 dividing the total amount of funds actually awarded as educational  
18 scholarships or educational improvement grants over the most recent  
19 twenty-four (24) months by the total amount available to award as  
20 educational scholarships or educational improvement grants over the  
21 most recent twenty-four (24) months.

22 2. For credits claimed for eligible contributions made during  
23 tax year 2026 and thereafter, a credit shall not be allowed by the  
24 Oklahoma Tax Commission for contributions made to an eligible higher

1 education institution foundation if that foundation's percentage of  
2 funds actually awarded to eligible public higher education  
3 institution students is less than ninety percent (90%). For  
4 purposes of this section, the "percentage of funds actually awarded  
5 to eligible public higher education institution students" shall be  
6 determined by dividing the total amount of funds actually awarded  
7 for scholarships for eligible public higher education institution  
8 students to cover all or part of the tuition and fees for  
9 undergraduate courses at a public higher education institution over  
10 the most recent twenty-four (24) months by the total amount of  
11 scholarships for eligible public higher education institution  
12 students to cover all or part of the tuition and fees for  
13 undergraduate courses at a public higher education institution  
14 available to award over the most recent twenty-four (24) months.

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

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

23 1. "Eligible student" means a child of school age who is  
24 lawfully present in the United States and who is a member of a

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

15       2. "Eligible special needs student" means a child who has been  
16 provided services under an Individualized Family Service Plan  
17 through the SoonerStart program and during transition was evaluated  
18 and determined to be eligible for school district services, a child  
19 of school age who has attended public school in our state with an  
20 individualized education program pursuant to the Individuals With  
21 Disabilities Education Act, 20 U.S.C.A., Section 1400 et seq., or a  
22 child who has been diagnosed by a clinical professional as having a  
23 significant disability that will affect learning and who has been  
24 approved by the board of a scholarship-granting organization;

1        3. "Educational scholarships" means:

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

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

9           4.    "Low-income eligible student" means an eligible student or  
10           eligible special needs student who qualifies for a free or reduced-  
11           price lunch;

12           5.    "Qualified school" means an early childhood, elementary, or  
13           secondary private school in this state including schools which  
14           provide special educational programs for three-year-olds or  
15           prekindergarten educational programs for four-year-olds, which:

- 16           a.    is accredited by the State Board of Education or an  
17                   accrediting association approved by the Board pursuant  
18                   to Section 3-104 of Title 70 of the Oklahoma Statutes,
- 19           b.    is in compliance with all applicable health and safety  
20                   laws and codes,
- 21           c.    has a stated policy against discrimination in  
22                   admissions on the basis of race, color, national  
23                   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 needs student's parent or guardian and mailed to the qualified school where the student is enrolled,
- c. spends no more than ten percent (10%) of its annual revenue on expenditures other than educational scholarships as defined in paragraph 3 of this subsection,
- d. spends each year a portion of its expenditures on educational scholarships for low-income eligible students, as defined in paragraph 4 of this

1 subsection, in an amount equal to or greater than the  
2 percentage of low-income eligible students in the  
3 state,

4 e. ensures that scholarships are portable during the  
5 school year and can be used at any qualified school  
6 that accepts the eligible student or at any qualified  
7 school for special needs students that accepts the  
8 eligible special needs student,

9 f. registers with the Oklahoma Tax Commission as a  
10 scholarship-granting organization, and

11 g. has policies in place to:

12 (1) carry out criminal background checks on all  
13 employees and board members to ensure that no  
14 individual is involved with the organization who  
15 might reasonably pose a risk to the appropriate  
16 use of contributed funds, and

17 (2) maintain full and accurate records with respect  
18 to the receipt of contributions and expenditures  
19 of those contributions and supply such records  
20 and any other documentation required by the Tax  
21 Commission to demonstrate financial  
22 accountability;

23 8. "Annual revenue" means the total amount or value of  
24 contributions received by an organization from taxpayers awarded

1 credits during the organization's fiscal year and all amounts earned  
2 from interest or investments;

3 9. "Public school" means public schools as defined in Section  
4 1-106 of Title 70 of the Oklahoma Statutes;

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

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

11 12. "Innovative educational program" means an advanced academic  
12 or academic improvement program that is not part of the regular  
13 coursework of a public school but that enhances the curriculum or  
14 academic program of the school or provides early childhood education  
15 programs to students;

16 13. "Educational improvement grant" means a grant to an  
17 eligible public school to implement an innovative educational  
18 program for students including the ability for multiple public  
19 schools to make an application and be awarded a grant to jointly  
20 provide an innovative educational program;

21 14. "Educational improvement grant organization" means an  
22 organization which:  
23  
24

- 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), and
- b. contributes at least ninety percent (90%) of its annual receipts as grants to eligible schools for innovative educational programs. For purposes of this subparagraph, an educational improvement grant organization contributes its annual cash receipts when it expends or otherwise irrevocably encumbers those funds for expenditure during the then current fiscal year of the organization or during the next succeeding fiscal year of the organization; ~~and~~

15. "Eligible public school foundation" means a nonprofit entity formed pursuant to the laws of this state and is exempt from federal income taxation pursuant to either Section 501(c)(3) or Section 509(a) of the Internal Revenue Code of 1986, as amended. Each public school foundation ~~must~~ shall be approved by the local board of education prior to accepting qualifying donations;

16. "Eligible public higher education institution student" means a student who receives a scholarship from an eligible higher education institution fund;

17. "Eligible higher education institution foundation" means a nonprofit entity formed pursuant to the laws of this state that is exempt from federal income taxation pursuant to either Section

1 501(c)(3) or Section 509(a) of the Internal Revenue Code of 1986, as  
2 amended, and is formed for the primary purpose of supporting a  
3 public higher education institution. Each eligible higher education  
4 institution foundation shall be approved by the governing board of  
5 the public higher education institution prior to accepting  
6 qualifying donations;

7 18. "Eligible higher education institution fund" means a  
8 scholarship fund established at a public higher education  
9 institution that is restricted for the sole purpose of awarding  
10 scholarships to a student enrolled at such institution, who meets  
11 the total annual income limitations set forth in paragraph 1 of  
12 subsection I of this section; and

13 19. "Public higher education institution" means an institution  
14 authorized by the Oklahoma State Regents for Higher Education.

15 ~~F.~~ J. Total credits authorized by this section shall be  
16 allocated as follows:

17 1. By January ~~10~~ 31 of the year immediately following each  
18 calendar year, a scholarship-granting organization, an educational  
19 improvement grant organization, an eligible public school  
20 foundation, ~~or a public school district,~~ or an eligible higher  
21 education institution foundation which accepts contributions  
22 pursuant to this section shall provide electronically to the Tax  
23 Commission information on each eligible contribution accepted during  
24 such taxable year. At least once each taxable year, the entity

1 making the report shall notify each contributor that Oklahoma law  
2 provides for a total, statewide cap on the amount of income tax  
3 credits allowed annually;

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

18        b.    If the Tax Commission determines the total combined  
19               credits claimed for contributions made to  
20               organizations authorized pursuant to subsections C and  
21               D of this section during the most recently completed  
22               calendar year by all taxpayers are in excess of the  
23               statewide cap amount provided in paragraphs 3 and 4 of  
24               subsection ~~E~~ F of this section, the Tax Commission

1 shall first allocate any amount of credits not claimed  
2 for contributions made to scholarship-granting  
3 organizations, then shall determine the percentage of  
4 the contribution which establishes the proportionate  
5 share of the credit which may be claimed by any  
6 taxpayer so that the maximum credits authorized by  
7 this section are not exceeded.

8 c. If the Tax Commission determines the total combined  
9 credits claimed for contributions made to  
10 organizations authorized pursuant to subsections C and  
11 D of this section during the most recently completed  
12 calendar year by all taxpayers are in excess of the  
13 per public school district cap of Two Hundred Thousand  
14 Dollars (\$200,000.00) pursuant to paragraph 4 of  
15 subsection ~~E~~ F of this section, the Tax Commission  
16 shall first allocate any amount of credits not claimed  
17 for contributions made to other organizations  
18 authorized pursuant to subsections C and D of this  
19 section, then shall determine the percentage of the  
20 contribution which establishes the proportionate share  
21 of the credit which may be claimed by any taxpayer so  
22 that the maximum credits authorized by this section  
23 are not exceeded.

1           d.   If the Tax Commission determines the total combined  
2               credits claimed for contributions made to  
3               organizations authorized pursuant to subsection E of  
4               this section during the most recently completed  
5               calendar year by all taxpayers are in excess of the  
6               per public higher education institution cap of Seven  
7               Million Five Hundred Thousand Dollars (\$7,500,000.00)  
8               pursuant to paragraph 5 of subsection F of this  
9               section, the Tax Commission shall first allocate any  
10              amount of credits not claimed for contributions made  
11              to other organizations authorized pursuant to  
12              subsection E of this section, then shall determine the  
13              percentage of the contribution which establishes the  
14              proportionate share of the credit which may be claimed  
15              by any taxpayer so that the maximum credits authorized  
16              by this section are not exceeded.

17           e.   Beginning for tax year 2016, credits earned, but not  
18               allowed due to the application of statewide caps  
19               provided in subsection ~~E~~ F of this section will be  
20               considered suspended and authorized to be used in the  
21               next immediate tax year and applied to the next year's  
22               statewide cap; and

23           3.   The Tax Commission shall publish the percentage of the  
24               contribution which may be claimed as a credit by contributors for



1 the most recently completed calendar year on the Tax Commission  
2 website no later than February 15 of each calendar year for  
3 contributions made the previous year. Each organization authorized  
4 pursuant to subsections B, C, ~~and D,~~ and E of this section shall  
5 notify contributors of that amount annually.

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

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

11 ~~L.~~ M. 1. In order to qualify under this section, each  
12 organization authorized pursuant to subsections C and D of this  
13 section shall submit an application with information to the Oklahoma  
14 Tax Commission on a form prescribed by the Tax Commission that:

- 15 a. enables the Tax Commission to confirm that the  
16 organization is a nonprofit entity exempt from  
17 taxation pursuant to the provisions of the Internal  
18 Revenue Code, 26 U.S.C., Section 501(c)(3) or Section  
19 509(a), and  
20 b. describes the proposed innovative educational program  
21 or programs supported by the organization.

22 2. The Tax Commission shall review and approve or disapprove  
23 the application, in consultation with the State Department of  
24 Education.

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

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

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

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

17          d. where the organization collects information on a  
18 county-by-county basis, and

19          e. the total number and total amount of grants made  
20 during the immediately preceding school year for  
21 innovative educational programs at public school by  
22 each county in which the organization made grants.

23       4. In order to maintain eligibility under this section, an  
24 organization authorized pursuant to subsection E of this section

1 shall annually report the following information to the Tax  
2 Commission and publish on its website by September 1 of each year:

3 a. the name of the eligible public higher education fund  
4 and the total amount of funds distributed by the  
5 foundation from such fund during the immediately  
6 preceding school year,

7 b. a description of how the scholarship funds were  
8 utilized during the immediately preceding school year,  
9 and

10 c. the total number and total amount of such scholarships  
11 granted during the immediately preceding school year.

12 5. The information required under ~~paragraph~~ paragraphs 3 and 4  
13 of this subsection shall be submitted on a form provided by the Tax  
14 Commission. No later than May 1 of each year, the Tax Commission  
15 shall annually distribute sample forms together with the forms on  
16 which the reports are required to be made to each approved  
17 organization.

18 ~~5.~~ 6. The Tax Commission shall not require any other  
19 information be provided by an organization, except as expressly  
20 authorized in this section.

21 ~~M.~~ N. 1. Beginning in 2023 for the 2022-2023 academic year, in  
22 order to maintain registration, a scholarship-granting organization  
23 shall annually report to the Tax Commission by September 1 of each  
24 year the following information regarding the educational

1 scholarships funded by the organization in the previous academic  
2 year:

- 3           a.    the name and address of the scholarship-granting  
4                   organization,
- 5           b.    the names of the qualifying schools that received  
6                   funding for educational scholarships, the total amount  
7                   of funds paid to each qualifying school, and the total  
8                   number of scholarship recipients enrolled in each  
9                   qualifying school,
- 10          c.    the total number and total dollar amount of  
11                   contributions received during the previous academic  
12                   year,
- 13          d.    the total number and total dollar amount of  
14                   educational scholarships awarded and funded during the  
15                   previous academic year,
- 16          e.    the total number, total dollar amount, and percentage  
17                   of educational scholarships awarded and funded during  
18                   the previous academic year disaggregated into the  
19                   following categories:
  - 20                   (1)   low-income eligible students,
  - 21                   (2)   students who during the immediately preceding  
22                           school year attended or who were eligible by  
23                           virtue of the residence of the student to attend  
24                           a public school in the state which was identified

1                   for school improvement by the State Board of  
2                   Education,

3           (3)   eligible special needs students, and

4           (4)   students who were first-time recipients of a  
5                   scholarship including information about the type  
6                   of public or private school the student was  
7                   enrolled in during the entire previous academic  
8                   year,

9           f.    the percentage of annual revenue received by the  
10               organization from donations which qualify for tax  
11               credits pursuant to this section which was not  
12               expended on scholarships,

13          g.    disaggregated data reported under this subsection  
14               shall be redacted if reporting would allow for  
15               identification of specific children, and shall be  
16               reported in accordance with the Student Data  
17               Accessibility, Transparency and Accountability Act of  
18               2013, ~~division~~ subparagraph b of subparagraph  
19               paragraph 2 of subsection C of Section 3-168 of Title  
20               70 of the Oklahoma Statutes, and the Family  
21               Educational Rights and Privacy Act of 1974 (FERPA), 20  
22               U.S.C., Section 1232g, and

1           h.     the percentage of the total amount of education  
2                 scholarship expenditures spent on low-income eligible  
3                 students.

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

5           a.   the information submitted by the scholarship-granting  
6                 organization pursuant to paragraph 1 of this  
7                 subsection,

8           b.   a list of participating schools, and

9           c.   all other application information submitted to the Tax  
10                Commission by a scholarship-granting organization,  
11                except that information which would violate the  
12                privacy of an individual.

13           3.   A scholarship-granting organization shall annually submit  
14                verification to the Tax Commission that the organization still meets  
15                the criteria set forth in paragraph 7 of subsection ~~H~~ I of this  
16                section.

17           ~~N.~~ O.   Contributions made pursuant to subsections B, C, and D of  
18                this section shall not be used by the Legislature to reduce the  
19                amount appropriated for the financial support of public schools.  
20                Contributions made pursuant to subsection E of this section shall  
21                not be used by the Legislature to reduce the amount appropriated for  
22                the financial support of public higher education institutions.

23           ~~O.~~ P.   In consultation with the State Department of Education  
24                and the Oklahoma State Regents for Higher Education, the Tax

1 Commission shall promulgate rules necessary to implement the  
2 Oklahoma Equal Opportunity Education Scholarship Act. The rules  
3 shall include procedures for the registration of a scholarship-  
4 granting organization, an educational improvement grant  
5 organization, a public school foundation, ~~or~~ public school district,  
6 or eligible higher education institution foundation for purposes of  
7 determining if the organization meets the requirements of the  
8 Oklahoma Equal Opportunity Education Scholarship Act or for the  
9 revocation of the registration of an organization, if applicable,  
10 and for notice as required in subsection ~~F~~ J of this section.

11 Passed the House of Representatives the 27th day of March, 2025.

12

13

14

\_\_\_\_\_  
Presiding Officer of the House  
of Representatives

15

16 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2025.

17

18

19

\_\_\_\_\_  
Presiding Officer of the Senate

20

21

22

23

24