

1 **SENATE FLOOR VERSION**

2 February 23, 2026

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 683

By: Paxton and Seifried

6
7 An Act relating to education; amending Section 2,
8 Chapter 278, O.S.L. 2023, as last amended by Section
9 2, Chapter 295, O.S.L. 2025 (70 O.S. Supp. 2025,
10 Section 28-101), which relates to the Oklahoma
11 Parental Choice Tax Credit Act; modifying definition;
12 expanding qualifying expenses eligible for credit;
13 requiring submission of receipt or list to claim
14 certain qualifying expenses; prohibiting taxpayer
15 from claiming multiple authorized credits for the
16 same eligible student; expanding authority to conduct
17 audit for qualifying expense claims; modifying
18 certain reporting requirements; updating statutory
19 language; and providing an effective date.

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

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

24 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
Education, another accrediting association approved by the State

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

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

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

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

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

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

23 7. "Qualified expense" for the purpose of claiming the credit
24 authorized by paragraph 1 of subsection C of this section means

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

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

1 e. online educational programs;

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

5 a. tuition and fees for nonpublic learning programs,
6 online or in person,

7 b. academic tutoring services provided by an individual
8 or a private academic tutoring facility,

9 c. textbooks, curriculum, or other instructional
10 materials including, but not limited to, supplemental
11 materials or associated online instruction required by
12 an education service provider, and

13 d. fees for nationally standardized assessments
14 including, but not limited to, assessments used to
15 determine college admission and advanced placement
16 examinations as well as tuition and fees for tutoring
17 or preparatory courses for the assessments; and

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

21 B. There is hereby created the Oklahoma Parental Choice Tax
22 Credit Program to provide an income tax credit to a taxpayer for
23 qualified expenses to support the education of eligible students in
24 this state.

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

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

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

20 b. Seven Thousand Dollars (\$7,000.00) or the amount of
21 tuition and fees for the private school, whichever is
22 less, if the combined adjusted gross income of the
23 parents or legal guardians of the eligible student
24 during the second preceding tax year is more than

1 Seventy-five Thousand Dollars (\$75,000.00) but does
2 not exceed One Hundred Fifty Thousand Dollars
3 (\$150,000.00),

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

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

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

1 during the second preceding tax year is more than Two
2 Hundred Fifty Thousand Dollars (\$250,000.00);

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

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

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

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

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

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

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

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

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.

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.

19 COMMITTEE REPORT BY: COMMITTEE ON REVENUE AND TAXATION
20 February 23, 2026 - DO PASS AS AMENDED BY CS
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