

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

SENATE BILL 1391

By: Jech

AS INTRODUCED

An Act relating to income tax credit; amending Section 2, Chapter 278, O.S.L. 2023, as last amended by Section 2, Chapter 295, O.S.L. 2025 (70 O.S. Supp. 2025, Section 28-101), which relates to the Oklahoma Parental Choice Tax Credit Act; modifying income limitations for certain fiscal years; modifying income limitation to receive priority consideration for certain school years; requiring participating private school to administer certain assessments to certain students; updating statutory language; and providing an effective date.

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

SECTION 1. AMENDATORY Section 2, Chapter 278, O.S.L. 2023, as last amended by Section 2, Chapter 295, O.S.L. 2025 (70 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 Education, another accrediting association approved by the State Board of Education, or a legal entity that accredits education

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

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

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

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

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

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

22 7. "Qualified expense" for the purpose of claiming the credit  
23 authorized by paragraph 1 of subsection C of this section means  
24 tuition and fees at a private school in this state accredited by the  
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1 State Board of Education or another accrediting association. Such  
2 private school shall comply with the provisions of subsection L of  
3 this section. Provided, the amount of tuition and fees considered a  
4 qualified expense pursuant to this paragraph shall not include  
5 tuition and fees paid with any scholarship or tuition and fees  
6 discounted or otherwise reduced by the school;

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

- 10 a. tuition and fees for nonpublic learning programs,  
11 online or in person,
- 12 b. academic tutoring services provided by an individual  
13 or a private academic tutoring facility,
- 14 c. textbooks, curriculum, or other instructional  
15 materials including, but not limited to, supplemental  
16 materials or associated online instruction required by  
17 an education service provider, and
- 18 d. fees for nationally standardized assessments  
19 including, but not limited to, assessments used to  
20 determine college admission and advanced placement  
21 examinations as well as tuition and fees for tutoring  
22 or preparatory courses for the assessments; and  
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1        9. "Taxpayer" means a biological or adoptive parent,  
2        grandparent, aunt, uncle, legal guardian, custodian, or other person  
3        with legal authority to act on behalf of an eligible student.

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

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

14       1. If the eligible student attends a private school in this  
15       state accredited by the State Board of Education or another  
16       accrediting association, the annual maximum credit amount for tax  
17       year 2024, fiscal year 2026, and each subsequent fiscal year shall  
18       be:

19           a. Seven Thousand Five Hundred Dollars (\$7,500.00) or the  
20           amount of tuition and fees for the private school,  
21           whichever is less, if the combined adjusted gross  
22           income of the parents or legal guardians of the  
23           eligible student during the second preceding tax year  
24           24

1 does not exceed Seventy-five Thousand Dollars  
2 (\$75,000.00),

3 b. Seven Thousand Dollars (\$7,000.00) or the amount of  
4 tuition and fees for the private school, whichever is  
5 less, if the combined adjusted gross income of the  
6 parents or legal guardians of the eligible student  
7 during the second preceding tax year is more than  
8 Seventy-five Thousand Dollars (\$75,000.00) but does  
9 not exceed One Hundred Fifty Thousand Dollars  
10 (\$150,000.00),

11 c. for tax years 2024 and 2025 and for fiscal years 2026  
12 and 2027, Six Thousand Five Hundred Dollars  
13 (\$6,500.00) or the amount of tuition and fees for the  
14 private school, whichever is less, if the combined  
15 adjusted gross income of the parents or legal  
16 guardians of the eligible student during the second  
17 preceding tax year is more than One Hundred Fifty  
18 Thousand Dollars (\$150,000.00) but does not exceed Two  
19 Hundred Twenty-five Thousand Dollars (\$225,000.00),

20 d. for tax years 2024 and 2025 and for fiscal years 2026  
21 and 2027, Six Thousand Dollars (\$6,000.00) or the  
22 amount of tuition and fees for the private school,  
23 whichever is less, if the combined adjusted gross  
24 income of the parents or legal guardians of the

1 eligible student during the second preceding tax year  
2 is more than Two Hundred Twenty-five Thousand Dollars  
3 (\$225,000.00) but does not exceed Two Hundred Fifty  
4 Thousand Dollars (\$250,000.00), or  
5 e. for tax years 2024 and 2025 and for fiscal years 2026  
6 and 2027, Five Thousand Dollars (\$5,000.00) 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 Two Hundred Fifty Thousand Dollars  
12 (\$250,000.00);

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

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

4 4. If the eligible student attends a private school in this  
5 state, accredited by the State Board of Education or another  
6 accrediting association, that primarily serves financially  
7 disadvantaged students, the credit amount shall be the maximum  
8 credit amount authorized by paragraph 1 of this subsection or the  
9 amount of the cost to educate the eligible student at the private  
10 school, whichever is less. The cost to educate the eligible student  
11 shall be equal to the average cost to educate all students attending  
12 the private school, which shall be calculated by dividing the  
13 private school's total expenditures in the previous year by the  
14 total enrollment in the previous school year. A private school  
15 shall be deemed to be primarily serving financially disadvantaged  
16 students if ninety percent (90%) of the private school's admissions  
17 are based on enrolling students whose gross family income is two  
18 hundred fifty percent (250%) of the federal poverty threshold or  
19 below;

20 5. The taxpayer shall retain all receipts of qualified expenses  
21 as proof of the amounts paid each tax year the credit is claimed and  
22 shall submit them to the Commission upon request;  
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1       6. If the credit exceeds the tax imposed by Section 2355 of  
2 Title 68 of the Oklahoma Statutes, the excess amount shall be  
3 refunded to the taxpayer; and

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

- 6           a. delinquent tax liability,
- 7           b. accrued penalty or interest from the failure to file a  
8           report or return,
- 9           c. accrued penalty or interest from the failure to pay a  
10           state tax within the statutory period allowed for its  
11           payment,
- 12           d. tax liability of the taxpayer from any prior tax year,  
13           or
- 14           e. any debt, unpaid fine, final judgment, or claim filed  
15           with the Commission by a qualified entity as defined  
16           in Section 205.2 of Title 68 of the Oklahoma Statutes.

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

21           b. For the period of January 1, 2025, through June 30,  
22           2025, the total amount of credits authorized by  
23           paragraph 1 of subsection C of this section shall not  
24           exceed One Hundred Million Dollars (\$100,000,000.00).



1           The Commission shall not require a taxpayer who  
2           received a credit pursuant to paragraph 1 of  
3           subsection C of this section in tax year 2024 to  
4           reapply for a credit payable during the period  
5           described in this subparagraph. The Commission shall  
6           base the credit amount payable for ~~the~~ spring 2025 on  
7           the fall 2024 installment disbursement payment amount.

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

12          2. For tax year 2026 and subsequent tax years, the total amount  
13          of credits authorized by paragraph 2 of subsection C of this section  
14          shall not exceed Five Million Dollars (\$5,000,000.00). The Oklahoma  
15          Tax Commission shall annually calculate and publish a percentage by  
16          which the credits authorized by this section shall be reduced so the  
17          total amount of credits used to offset tax does not exceed the  
18          annual limit. The formula to be used for the percentage adjustment  
19          shall be Five Million Dollars (\$5,000,000.00) divided by the amount  
20          of credit claimed in the second preceding tax year. In the event  
21          the total tax credits authorized by this section exceed the annual  
22          limit in any tax year, the ~~Tax~~ Commission shall permit any excess  
23          but shall factor such excess into the percentage adjustment formula  
24          for subsequent tax years.

1       3. If a taxpayer, on behalf of an eligible student in the  
2 program, chooses not to participate, is no longer eligible to  
3 participate, or chooses to forgo participation in the program for  
4 any reason, the credit authorized by paragraph 1 of subsection C of  
5 this section but not used and not reallocated pursuant to paragraph  
6 3 of subsection H of this section shall be added to the subsequent  
7 fiscal year limitation as provided in paragraph 1 of this  
8 subsection.

9       E. The Commission shall prescribe applications for the purposes  
10 of claiming the credits authorized by the Oklahoma Parental Choice  
11 Tax Credit Act and a deadline by which applications shall be  
12 submitted. A taxpayer claiming the credit authorized by paragraph 1  
13 of subsection C of this section shall submit an application  
14 prescribed by the Commission to receive the credit based on the  
15 enrollment verification form submitted pursuant to this subsection,  
16 but in no event shall a payment exceed the amount of the credit  
17 authorized by paragraph 1 of subsection C of this section. If an  
18 eligible taxpayer provides documentation on the application that he  
19 or she is a recipient of income-based government benefits including  
20 the Supplemental Nutrition Assistance Program (SNAP), Temporary  
21 Assistance for Needy Families (TANF), or the Oklahoma Medicaid  
22 Program commonly known as SoonerCare, the eligible taxpayer shall  
23 not be required to provide additional income verification. The  
24 Department of Human Services and the Oklahoma Health Care Authority

1 shall, upon request by the Oklahoma Tax Commission, verify whether  
2 an applicant receives income-based government benefits. The  
3 taxpayer shall provide authorization for the Oklahoma Tax Commission  
4 to disclose application data to the Department of Human Services  
5 ~~and/or~~ or the Oklahoma Health Care Authority, and for the Department  
6 of Human Services ~~and/or~~ or the Oklahoma Health Care Authority to  
7 provide confirmation of benefits to the Oklahoma Tax Commission for  
8 purposes of verifying that the taxpayer is a current recipient of  
9 SNAP, TANF, or Oklahoma Medicaid Program benefits; provided, the  
10 information shall not be used for any other purpose. A taxpayer  
11 claiming the credit authorized by paragraph 1 of subsection C of  
12 this section shall submit to the Commission an enrollment  
13 verification form from the private school in which the eligible  
14 student is enrolled or is expected to enroll with the tuition and  
15 fees to be charged the taxpayer for the applicable school year. In  
16 reviewing applications submitted by eligible taxpayers to determine  
17 whether they qualify for a credit authorized by paragraph 1 of  
18 subsection C of this section, the Commission shall give first  
19 preference in making payments to taxpayers who qualify pursuant to  
20 subparagraphs a and b of paragraph 1 of subsection C of this  
21 section. The Commission shall give second preference in making  
22 payments to taxpayers who qualify and have received the credit in  
23 the prior year. For credits issued in the 2026-2027 school year and  
24 subsequent school years, the application period shall be open March

1 15 through June 15 prior to the beginning of each school year. For  
2 any eligible student whose parents or legal guardians have a  
3 combined adjusted gross income that does not exceed One Hundred  
4 Fifty Thousand Dollars (\$150,000.00), for school year 2026-2027, and  
5 Seventy-five Thousand Dollars (\$75,000.00), for school year 2027-  
6 2028 and subsequent school years, or qualified and received credit  
7 in the prior year, applications shall be submitted to the Commission  
8 within the first sixty (60) days of the opening of the application  
9 period to receive priority consideration. For students enrolled in  
10 the full school year, the full credit amount authorized for the  
11 school year shall be paid no later than August 30.

12 F. Taxpayers claiming the credit shall:

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

16 2. Ensure no other person is claiming a credit for the eligible  
17 student;

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

21 4. Comply with rules and requirements established by the  
22 Commission for administration of the Oklahoma Parental Choice Tax  
23 Credit Program; and  
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1       5. Notify the Commission not later than thirty (30) days after  
2 the date on which the eligible student:

- 3           a. enrolls in a public school, including an open-  
4               enrollment charter school,
- 5           b. enrolls in a nonaccredited private school,
- 6           c. graduates from high school, or
- 7           d. is no longer utilizing credits authorized by paragraph  
8               1 of subsection C of this section for any reason.

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

13       H. 1. The Commission shall have the authority to conduct an  
14 audit or contract for the auditing of receipts for qualified  
15 expenses submitted pursuant to paragraph 2 of subsection C of this  
16 section.

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

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

8        4. The Commission shall provide notification of approval status  
9 to applicants within thirty (30) days of closure of the application  
10 window. Notice to applicants with an eligible student, whose  
11 parents or legal guardians have a combined adjusted gross income of  
12 more than One Hundred Fifty Thousand Dollars (\$150,000.00), for  
13 school year 2026-2027, and Seventy-five Thousand Dollars  
14 (\$75,000.00), for school year 2027-2028 and subsequent school years,  
15 shall be sent within thirty (30) days or no later than thirty (30)  
16 days after the last day of the priority consideration period.

17        I. In the event of a failure of revenue pursuant to the  
18 Oklahoma State Finance Act, the tax credits otherwise authorized in  
19 subsection C of this section shall be reduced proportionately to the  
20 reduction in the amount of money appropriated to the State Board of  
21 Education for the financial support of public schools for the fiscal  
22 year in which the failure of revenue occurs.

23        J. The Commission shall make available on its website to be  
24 updated monthly:

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

3        2. The amount of credits claimed and number of students awarded  
4 each fiscal year pursuant to paragraph 1 of subsection C of this  
5 section disaggregated by income categories;

6        3. The total amount of credits claimed and number of students  
7 awarded who attended a public school in the semester immediately  
8 preceding the school year for which the application is made each  
9 year; and

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

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

15       L. No later than June 15 of each year, each participating  
16 private school shall electronically provide information to confirm  
17 student enrollment and tuition information for the fall and spring  
18 semesters of the preceding school year and any other information  
19 requested by the Oklahoma Tax Commission. Failure to provide this  
20 information may result in denial of private school participation in  
21 subsequent school years.

22       M. An eligible and participating private school as of April 15,  
23 2025, shall have until March 1, 2027, to meet the accreditation  
24 requirements of this section.

1        N. For the 2027-2028 school year and subsequent school years,  
2 each participating private school shall administer the assessments  
3 required by subsection E of Section 1210.508 of this title to  
4 eligible students for whom a taxpayer has successfully claimed tax  
5 credits pursuant to this section. Failure to comply with the  
6 provisions of this subsection shall result in denial of private  
7 school participation in subsequent school years.

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

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