
BILL/VERSION:	SB 1391 / Introduced	ANALYST:	MK
AUTHORS:	Senator Jech	DATE:	1/27/2026
TAX(ES):	Income Tax		
SUBJECT(S):	Parental Choice Tax Credit		
EFFECTIVE DATE:	November 1, 2026	Emergency	<input checked="" type="checkbox"/>

ESTIMATED REVENUE IMPACT:
FY27: None.
FY28: Potential increase in income tax collections of \$97 million.¹

ANALYSIS: The Introduced Version of SB 1391 proposes to amend the *Oklahoma Parental Choice Tax Credit Act* (70 O.S. §§ 28-101) by eliminating the credit for taxpayers with federal adjusted gross income (AGI) over \$150,000 beginning with FY28. Additionally, this measure would require private schools to administer assessments required by 70 O.S. § 1210.508(E)¹ for eligible students for whom a taxpayer has successfully claimed the PCTC to maintain eligibility as a qualifying private school.

Oklahoma Tax Commission data² for the 2025-2026 school year shows that \$249.1 million was expended on private school tuition.³ Of that amount \$97.2 million went to recipients with federal AGI in excess of \$150,000.

The Tax Commission apportions sufficient individual income tax collections to the Parental Choice Program fund on a monthly basis. These apportioned amounts are ultimately refunded to taxpayers, thereby decreasing net income tax collections. The total amount apportioned and refunded would decrease if this measure is enacted.

¹ The potential increase in income tax collections assumes no new claimants and no increases in tuition.

² https://oklahoma.gov/content/dam/ok/en/tax/documents/resources/reports/pctc/2026/PCTC_Report_01022026.pdf

³ An additional \$2.7 million was expended for financially disadvantaged and homeless students.

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DATE	MARIE SCHUBLE, DIVISION DIRECTOR
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DATE	JOSEPH P. GAPPA, FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted. This estimate reflects current available data as of the date of issuance and is subject to revision if additional information becomes known.

CURRENT LAW: Under current law, The Parental Choice Tax Credit program provides a refundable income tax credit for eligible Oklahoma taxpayers who pay, or expect to pay, qualified expenses such as tuition and fees to an eligible private school on behalf of an eligible student that attends or plans to attend an eligible private school during that tax year.ⁱⁱ

Private school tuition tax credit payments are capped by income:

- \$7,500: AGI up to \$75k or receive SNAP/TANF/SoonerCare
- \$7,000: AGI \$75k to \$150k
- \$6,500: AGI \$150k to \$225k
- \$6,000: AGI \$225k to \$250k
- \$5,000: AGI over \$250k

The credit has an annual FY cap of \$250 million.

ⁱ Per 70 O.S. § 1210.508 the statewide student assessment system must include assessments in: English Language Arts and mathematics in grades three through eight and at least once in high school, during the grade span of nine through twelve; science not less than once during each grade span of three through five, six through nine, and ten through twelve, and United States History, with an emphasis on civics, not less than once during the grade span of nine through twelve. The statewide student assessment system may include assessments in reading, writing, and mathematics in certain grades as determined by the State Board of Education, and contingent upon the availability of funds, an additional nationally recognized college- and career-readiness assessment or assessments as recommended by the State Department of Education which will be administered to students in high school at no cost to the student.

ⁱⁱ Additionally, the PCTC program offers parents a refundable income tax credit of up to \$1,000 for qualified home school expenditures per child which is claimed on the parent's income tax return. The home school expenditures credit is not affected by this measure.