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**BILL/VERSION:** SB 685 / INTRODUCED

**ANALYST:** LH

**AUTHORS:** Sen. Paxton

**DATE:** 1/20/2025

**TAX(ES):** Income Tax

**SUBJECT(S):** Credit

**EFFECTIVE DATE:** Nov. 1, 2025

**Emergency** ☐

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**ESTIMATED REVENUE IMPACT:**

**FY26: \$0**

**FY27: \$0**

**ANALYSIS:** SB 685 proposes amendments to the homeschool tax credit cap in the Parental Choice Tax Credit Act (70 O.S. § 28-101). Beginning in tax year 2026, the proposal authorizes the Oklahoma Tax Commission (OTC) to annually calculate and publish an adjustment percentage for homeschool credits to ensure the total credits used to offset taxes do not exceed the annual limit. The adjustment percentage will be calculated by dividing \$5 million by the amount of credit claimed two tax years prior. If tax credits exceed the annual limit in any year, the OTC will allow the excess but incorporate it into the adjustment percentage formula for future tax years.

1/20/25

DATE

*Huan Gong*

DR. HUAN GONG, CHIEF TAX ECONOMIST

1/21/25

DATE

*Marie Schuble*

MARIE SCHUBLE, DIVISION DIRECTOR

2/13/25

DATE

*Joseph P. Gappa*

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.*