

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	SB684
Version:	FA1
Request Number:	13622
Author:	Speaker Hilbert
Date:	5/7/2025
Impact:	No impact

Research Analysis

The floor substitute for SB684 amends numerous provisions of the Parental Choice Tax Credit Act. The measure:

- defines *accrediting association* as a legal entity that meets the accreditation requirements set by the State Board of Education (SBOE) or another accrediting association approved by the SBOE;
- directs the Oklahoma Tax Commission (OTC) to annually calculate and apply a percentage adjustment formula for the \$5 million cap for the homeschooler tax credit;
- Allows unused private school credits to be reallocated to the next fiscal year limits when a taxpayer loses eligibility or chooses to forgo participation in the program. If the credit is forsaken prior to September 1, it can be reallocated for the current application year to the next eligible taxpayer;
- removes the requirement that the private school credit be paid in two installments and requires the full credit amount to be paid by August 30;
- requires the Department of Human Services and Oklahoma Health Care Authority to verify an applicant's eligibility for income-based benefits when requested by the OTC;
- Sets the application period for the 2026-2027 school year and subsequent years for March 15 through June 15;
- Grants priority consideration for claimants that received a private school credit in the prior year. First priority goes to those with an combined adjusted gross income below \$150,000 and second priority goes to those that received the credit in the prior year, regardless of income;
- Requires participating private schools to electronically provide student enrollment information to the OTC by June 15 of each year. Failure to provide the required information may result in denial of private school participation in the program in subsequent school years; and
- Establishes a March 1, 2027 deadline for current participating schools to meet the program accreditation requirements.

DIFFERENCE BETWEEN FLOOR SUBSTITUTE AND ENGROSSED VERSION:

The floor substitute adds subsection M, which establishes a March 1, 2027 deadline for current participating schools to meet the program accreditation requirements.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, SB684 modifies the provisions of the Parental Choice Tax Credit Act.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT: This measure is not expected to impact state income tax collections.

FY26: \$0

ANALYSIS: The Floor Amendment (Req. No. 13622) for SB 684 provides that an eligible and participating private school as of April 15, 2025, will have until March 1, 2027, to meet the accreditation requirements.

SB 684 proposes several amendments to the Parental Choice Tax Credit Act (70 O.S. § 28-101):

- Defines accrediting association.
- Provides a calculation for the homeschool credit cap of \$5 million- dividing \$5 million by the amount of credit claimed two tax years prior.
- Requires DHS and the OHCA to verify whether tax credit applicants receive income-based government benefits, when requested by the OTC.
- Eliminates the current requirement that the private school credit be disbursed in 2 equal installments for private school tuition and fees.
- Sets an application period from March 15 through June 15 prior to the school year.
- Prioritizes credits for eligible students of taxpayers who received the credit in the prior year, regardless of the income of the taxpayer.
- Limits OTC's requirement of reallocation of unused credits before September 1, and any unused credits after that time are added to the subsequent year's fiscal cap.
- Requires participating private schools to submit electronic reports to the OTC by June 15 of each year. These reports must confirm student enrollment and tuition information for the previous fall and spring semesters, along with any other information requested by the OTC.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.