

**BILL SUMMARY**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 2621</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>7339</b>
<b>Author:</b>	<b>Rep. Echols</b>
<b>Date:</b>	<b>2/13/2019</b>
<b>Impact:</b>	<b>Tax Commission: Unknown Decrease in Income Tax Revenue (Unknown at This Time)</b>

**Research Analysis**

HB2621, as introduced, modifies the Oklahoma Equal Opportunity Scholarship Act to expand eligibility for the program to any public school that is located within a public school district with fewer than 8500 students.

The measure also increases the annual cap on the amount of tax credits that can be authorized to \$30 million for donations to eligible scholarship-granting organizations and \$30 million for donations to eligible educational improvement grant organizations.

Currently, individuals and businesses can receive a tax credit equal to 50-75% of the amount contributed to an eligible scholarship-granting organization or educational improvement grant organization. Furthermore, the tax credit is limited to \$1000 per individual donor, \$2000 for joint filers and \$100,000 for businesses.

Prepared By: Quyen Do

**Fiscal Analysis**

Analysis provided by the Tax Commission:

**Proposed Law:**

Beginning with tax year 2019, this measure proposes to increase the annual credit cap for contributions to eligible scholarship-granting organizations from \$3.5 million to \$30 million, and for contributions to eligible educational improvement grant organizations from \$1.5 million to \$30 million. This measure modifies the definition of "eligible school", by removing language that an eligible school not be located within ten (10) miles of another qualifying school or public school and increasing the size of the public school district student level to eight thousand five hundred (8,500) up from the current four thousand five hundred (4,500).

**Revenue Impact:**

This measure allows a potential additional \$26.5 million in credits for contributions to a scholarship-granting organization and an additional \$28.5 million in credits for contributions to an educational improvement grant organization for tax year 2019. If total combined credits claimed for contributions to one organization exceed the cap for that organization, credits not claimed for the other organization may be allocated to the first organization, but no more than \$60 million in total credits may be claimed annually.

An unknown decrease in state revenue is expected for FY20.

Prepared By: Mark Tygret

**Other Considerations**

None.