

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB3396</b>
<b>Version:</b>	<b>Introduced</b>
<b>Request Number:</b>	<b>9232</b>
<b>Author:</b>	<b>Speaker McCall</b>
<b>Date:</b>	<b>2/6/2024</b>
<b>Impact:</b>	<b>FY24: Unknown Decrease to income tax collections</b>
	<b>FY25: Unknown Decrease to income tax collections</b>

**Research Analysis**

HB3396 exempts from taxable income any funds received pursuant to the Parental Choice Tax Credit.

Prepared By: Quyen Do

**Fiscal Analysis**

Officials for the Oklahoma Tax Commission have analyzed the impact of this measure as follows:

HB 3396 proposes to amend 68 O.S. § 2358 to exempt payments pursuant to the Parental Choice Tax Credit (PCTC) Act from taxable income, effective for taxable years beginning on or after January 1, 2024.

**EFFECTIVE DATE:** November 1, 2024

**REVENUE IMPACT:**

Following passage of HB 1934 in 2023, PCTC installment payments are set to begin in tax year 2024, which shall not exceed \$150 million. Assuming the maximum \$150 million in tax credits are authorized, that could potentially result in an increase of \$4.65 million<sup>1</sup> in income tax revenue. Assuming tax credit payments are considered taxable income, exempting the PCTC payments from taxable income would result in an unknown decrease in income tax revenue.

**FY 25:** Unknown decrease in income tax revenue.

**FY 26:** Unknown decrease in income tax revenue.

Prepared By: John McPhetridge, House Fiscal Director

**Other Considerations**

None.

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