

TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 50. INCOME

RULEMAKING ACTION: Notice of proposed **PERMANENT** rulemaking.

PROPOSED RULES:

Chapter 50. Income

Subchapter 1. General Provisions

710:50-1-7. Requests for copies of income tax returns [AMENDED]

Subchapter 3. Returns and Reports

Part 5. FILING STATUS; ELECTIONS; ACCOUNTING PERIODS AND METHODS

710:50-3-41. Deceased taxpayer [AMENDED]

Subchapter 15. Oklahoma Taxable Income

Part 3. EXEMPTIONS

710:50-15-36. Parental Choice Tax Credit payments [AMENDED]

Part 5. OTHER ADJUSTMENTS TO INCOME

710:50-15-53. Oklahoma net operating loss for individual returns [AMENDED]

710:50-15-62. Agricultural commodity processing facility income/investment exclusion [AMENDED]

Part 7. CREDITS AGAINST TAX

710:50-15-83. Limitation of credits allowed by the Oklahoma Quality Jobs Program, the Small Employer Quality Jobs Incentive Acts and the 21st Century Quality Jobs Incentive Act [AMENDED]

710:50-15-91. Credit for employers incurring expenses for the provision of child care services [REVOKED]

710:50-15-92. Credit for manufacturers of advanced small wind turbines [REVOKED]

710:50-15-105. Credit for research and development [REVOKED]

710:50-15-109. Credit for qualified employers and employees of the aerospace sector [AMENDED]

710:50-15-111. Wire transfer fee credit [REVOKED]

710:50-15-113. Qualified independent biomedical research institute or qualified cancer research center credit [AMENDED]

710:50-15-118. Credit for nonrecurring adoption expenses [AMENDED]

710:50-15-120. Caring for Caregivers Credit [AMENDED]

710:50-15-121. Faculty Preceptorship Credit [NEW]

Part 9. OKLAHOMA PARENTAL CHOICE TAX CREDIT

710:50-15-171. Definitions [AMENDED]

710:50-15-172. Private school tax credit [AMENDED]

710:50-15-173. Homeschool tax credit [AMENDED]

710:50-15-174. Credit for students attending an accredited private school exclusively serving students experiencing homelessness [AMENDED]

710:50-15-175. Credit for students attending an accredited private school primarily serving financially disadvantaged students [AMENDED]

710:50-15-176. Protest [NEW]
Subchapter 17. Oklahoma Taxable Income for Corporations
Part 5. DETERMINATION OF TAXABLE CORPORATE INCOME
710:50-17-51. Adjustments to arrive at Oklahoma taxable income for corporations [AMENDED]
Subchapter 23. Fiduciary Reporting
710:50-23-1. Fiduciaries [AMENDED]
Subchapter 25. Bankruptcy
710:50-25-1. General provisions; bankruptcy [AMENDED]

SUMMARY:

As part of the Tax Commission's ongoing review of its rules, numerous proposed amendments to existing rules have been developed to implement recent legislation. All legislative references are to the First Regular Session of the 60th Legislature (2025) unless otherwise indicated.

The proposed amendment to Section 710:50-1-7 establishes a fee for obtaining certified copies of Oklahoma income tax returns and removes the certified mail option.

The proposed amendment to Section 710:50-3-41 is necessary to conform to the layout of Oklahoma individual income tax returns.

The proposed amendment to Section 710:50:15-36 clarifies that Parental Choice Tax Credit payments are exempt from Oklahoma taxable income when these payments are included in federal taxable income. [70:28-101]

The proposed amendment to Section 710:50:15-53 updates a statutory citation.

The proposed amendment to Section 710:50-15-62 clarifies the corporate income tax rate for investments made on or after January 1, 2022 [68:2355(E)].

The proposed amendment to Section 710:50:15-83 removes the reference to a sunsetted credit [68:54003].

The proposed revocation of Section 710:50-15-91 is necessary due to the repeal of the income tax credit for employers incurring expenses for the provision of childcare services [68:2357.26].

The proposed revocation of Section 710:50-15-92 is necessary due to the sunset of the income tax credit for manufacturers of advanced wind turbines and services [68:2357.32B].

The proposed revocation of Section 710:50-15-104 is necessary due to the sunset of the income tax credit for construction of energy-efficient residential property [68:2357.46].

The proposed revocation of Section 710:50-15-105 is necessary due to the repeal of the income tax credit for research and development [68:54006].

The proposed amendment to Section 710:50-15-109 implements the provisions of SB 287, which extends the sunset date for aerospace sector income tax credits from tax year 2025 to tax year 2031 [68:2357.302 - 2357.304].

The proposed revocation of Section 710:50-15-111 is necessary due to the repeal of the wire transfer fee credit [68:2357.401].

The proposed amendment to Section 710:50-15-113 implements the provisions of SB 301, which amended the independent biomedical research institute income tax credit and the cancer research center income tax credit [68:2357.45].

The proposed amendment to Section 710:50-15-118 implements the provisions of HB 2610, which amended the income tax credit for nonrecurring adoption expenses [68:2357.601].

The proposed amendment to Section 710:50-15-120 clarifies that only expenses incurred in the taxable year are eligible for the tax credit for that taxable year [68:2357.801].

The proposed promulgation of Section 710:50-15-121 implements the provisions of HB 3351 [2024] which created a new income tax credit for a faculty preceptor who conducts a preceptorship rotation. [68:2357.409]

The proposed amendments to Sections 710:50-15-171 through 710:50-15-175, relating to the Parental Choice Tax Credit Act, implement the provisions of SB 684 requiring that a school must be in Oklahoma, providing that the amount of the credit is net of scholarships and discounts, setting timelines for applications, reallocation, and credit payments, and creating priority status for prior credit recipients. Additional proposed changes clarify the homeschool expenses eligible for the credit and processes for tuition adjustments and school transfers [70:28-101].

The proposed promulgation of Section 710:50-15-176 implements the provisions of HB 1279, which establishes an expedited protest process for taxpayers whose applications for Parental Choice Tax Credits have been denied [68:221].

The proposed amendment to Section 710:50-17-51 provides guidance to taxpayers who choose to elect out of the net operating loss carryback and provide clarity in how NCTI is treated for Oklahoma purposes to maintain conformity with federal law. [68:2358].

The proposed amendment to Section 710:50-23-1 removes a reference to an Oklahoma estate tax form.

The proposed amendment to Section 710:50-25-1 removes a reference to a line number on OTC Form 513.

Other sections may be amended to clarify policy, improve readability, correct clerical errors, remove obsolete language, update or correct citations, update contact information, and ensure accurate internal cross-references, which do not change the interpretation or intent of the rules.

AUTHORITY: 68 O.S. §§ 203, 2357.409, 2357.601, and 2357.801; 70 O.S. § 28-102; Oklahoma Tax Commission

COMMENT PERIOD: Persons wishing to present their views in writing may do so by January 6, 2026, at the following address: Oklahoma Tax Commission, Tax Policy and Research Division, Oklahoma City, Oklahoma 73194, Attention: Corey Jager, or by email to OTCadminrules@tax.ok.gov.

PUBLIC HEARING: A public hearing is scheduled for 9 a.m., on Tuesday, January 6, 2026, at the Oklahoma Tax Commission, in Conference Room 6, located on the 28th Floor, 123 Robert S. Kerr Ave, Oklahoma City, Oklahoma. Those wishing to make oral comments at the public hearing should request placement on the docket well in advance of the hearing date by calling (405) 521-3133. Time limitations may be imposed on oral presentations to ensure that all persons who have filed written requests for placement on the docket will have an opportunity to speak.

To facilitate entry into the building, those wishing to appear should contact the Tax Policy and Research Division at (405) 521-3133 at least 24 hours prior to the hearing date to complete their visitor pre-registration. To gain access to the hearing, attendees must register at the information desk in the lobby by presenting a driver license or other photo identification.

REQUEST FOR COMMENTS FROM BUSINESS ENTITIES: Although nothing in this rulemaking action has been determined to adversely impact small business, the Oklahoma Tax Commission requests that, pursuant to 75 O.S. § 303(B)(6), business entities affected by these rules provide the OTC, within the comment period, in dollar amounts, if possible, information on any increase in direct costs, such as fees, and indirect costs, such as those associated with reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed rules.

COPIES OF PROPOSED RULES: Copies of the proposed rules may be obtained from the below listed contact person. The proposed rules may also be viewed on the agency's website at tax.ok.gov.

RULE IMPACT STATEMENT: Pursuant to 75 O.S. § 303(D), a Rule Impact Statement is available from the below listed contact person. The Rule Impact Statement may also be viewed on the agency's website at tax.ok.gov.

CONTACT PERSON: Corey Jager, Agency Liaison, Tax Policy Division, Oklahoma Tax Commission, Oklahoma City, Oklahoma 73194; Telephone number: (405) 521-4155; Email: corey.jager@tax.ok.gov

CHAPTER 50. INCOME

SUBCHAPTER 1. GENERAL PROVISIONS

710:50-1-7. Requests for ~~Copies of Income Tax Returns~~copies of income tax returns

(a) To obtain a copy of a previously filed Oklahoma income tax return, submit Form 599 to: Oklahoma Tax Commission Oklahoma City, OK 73194. Include the following information:

- (1) Tax year(s) requested;
- (2) Social Security Number (SSN) or Employer Identification Number (EIN); and
- (3) For joint income tax returns, provide both SSNs or EINs.

(b) The copying fees are \$5.00 per copy for each Oklahoma return and an additional \$2.00 for each certified copy. ~~The fee for mailing by certified mail is \$7.00.~~ Full payment, made payable to the Oklahoma Tax Commission, must be included with the request. Enter the SSN or EIN and "Form 599 Request" on the check or money order.

SUBCHAPTER 3. RETURNS AND REPORTS

PART 5. FILING STATUS; ELECTIONS; ACCOUNTING PERIODS AND METHODS

710:50-3-41. Deceased taxpayer

If a taxpayer died during the tax year (or following year before filing a return for the tax year), the executor, administrator or surviving spouse must file an Oklahoma ~~Income Tax Return~~ income tax return for the decedent. ~~Enter the date of death following the first name of decedent.~~

SUBCHAPTER 15. OKLAHOMA TAXABLE INCOME

PART 3. EXEMPTIONS

710:50-15-36. Parental Choice Tax Credit payments

For Parental Choice Tax Credit payments included in a taxpayer's federal taxable income for tax year 2024 and subsequent tax years, ~~tax credit payments received pursuant to the Oklahoma Parental Choice Tax Credit Act~~ are exempt from Oklahoma taxable income. (70 O.S. § 28-101).

PART 5. OTHER ADJUSTMENTS TO INCOME

710:50-15-53. Oklahoma net operating loss for individual returns

(a) Oklahoma net operating losses shall be separately determined by reference to Section 172 of the Internal Revenue Code and will be calculated utilizing Oklahoma Form 511-NOL Schedule A for resident individuals and Form 511-NR-NOL Schedule A for nonresident and part-year individuals.

(b) An election may be made to forego the ~~Net Operating Loss~~ net operating loss (NOL) carryback period. In order to waive the carryback period, a written statement of the election must be part of the timely filed Oklahoma loss year return.

(c) The years to which such losses may be carried shall be determined by reference to Section 172 of the Internal Revenue Code, as follows:

- (1) For ~~net operating losses~~ NOLs incurred for tax years beginning on or after January 1, 2001, and ending on or before December 31, 2007, the loss carryback shall be for a period as allowed in the Internal Revenue Code; and
- (2) For ~~net operating losses~~ NOLs incurred for tax years beginning after December 31, 2007, and ending on or before December 31, 2008, the loss carryback period shall be for a period of ~~two (2)~~ 2 years; and
- (3) For tax years beginning after December 31, 2008, the loss carryback period shall be for a period as allowed by Section 172 of the Internal Revenue Code.

(d) Resident individuals will use Oklahoma Form 511-NOL Schedule B to compute the amount of the loss absorbed in each intervening year. Nonresident and part-year resident individuals will use Oklahoma Form 511-NR-NOL Schedule B to compute the amount of loss absorbed in each intervening year.

(e) Taxpayers who incur a ~~net operating loss~~ NOL from farming, allowed under IRC § ~~172-(b)(1)(B)~~ 172-(b)(1)(B), in tax years beginning after December 31, 1999, will be allowed to carry that loss back, in accordance with the carryback provisions of the Internal Revenue Code. However, the amount of the farm ~~net operating loss~~ NOL available for carryback is limited to the lesser of ~~Sixty Thousand Dollars (\$60,000)~~ \$60,000 or the loss shown on Federal Schedule F of the Internal Revenue Service Form 1040, reduced by ~~fifty percent (50%)~~ 50% of the income from all other sources, except those included on Federal Schedule F.

710:50-15-62. Agricultural commodity processing facility income/investment exclusion

(a) **General provisions.** Owners of agricultural commodity processing facilities may exclude from Oklahoma taxable income, or in the case of individuals, from Oklahoma adjusted gross income, a portion of their investment costs in any new or expanded agricultural commodity processing facility located in this state.

(1) **For investments made on or after January 1, 1997, but before December 31, 1998 January 1, 1999.** Owners of agricultural commodity processing facilities may exclude ~~fifteen percent (15%)~~ 15% of their investment cost in a new or expanded agricultural commodity processing facility located in Oklahoma.

(2) **For investments made on or after January 1, 1999, and before January 1, 2022.** If the exclusion for investment in agricultural processing facilities results in the reduction in total Oklahoma income tax in excess of \$1,000,000 in any previous calendar year, the percentage of investment subject to exclusion will be adjusted. The adjusted percentage allowable will be determined by dividing \$1,000,000 by ~~four percent (4%)~~ the Oklahoma corporate income tax rate in effect for that year pursuant to 68 O.S. § 2355, then further dividing the result by the total previous year's investment subject to exclusion.

(b) **Definitions.** For purposes of this Section, the following words and terms, shall have the following meaning, unless the context clearly indicates otherwise:

(1) **"Agricultural commodities"** means a farm or ranch product, including but not limited to, wheat, corn, soybeans, cotton, timber, cattle, hogs, sheep, horses, poultry, animals of the families bovidae, cervidae, and antilocapridae, or birds of the ratite group, produced in farming or ranching operations, or a product of such crop or livestock in its unmanufactured state, such as ginned cotton, wool-dip, maple syrup, milk, and eggs, or any other commodity listed under any Industry Group Number under Major Group 20, Division D, of the Standard Industrial Classification Manual.

(2) **"Agricultural commodity processing facility"** means building, structures, fixtures and improvements used or operated primarily for the processing or production of marketable products from agricultural commodities. Effective November 1, 2000, the term shall also mean a dairy operation that requires a depreciable investment of at least \$250,000 and which produces milk from dairy cows. The term does not include a facility that provides only, and nothing more than, storage, cleaning, drying or transportation of agricultural commodities. [See: 68 O.S. § 2358(A)(6)(a)]

(3) **"Facility"** means each part of the facility which is used in a process primarily for:

(A) The processing of agricultural commodities, including receiving or storing agricultural commodities, or, effective November 1, 2000, the production of milk at a dairy operation, [See: 68 O.S. § 2358(A)(6)(b)]

(B) Transporting the agricultural commodities or product before, during or after the processing, or

(C) Packaging or otherwise preparing the product for sale or shipment.

(c) **Qualification.** In order to qualify for the exclusion, the agricultural commodity processing facility must be operated primarily for the processing or production of agricultural commodities to marketable products.

(d) **Limitations.** This exclusion from income is to be taken in the taxable year when the investment is made. For purposes of this exclusion, the investment is deemed to be made when the property is placed in service. Under no circumstances shall this exclusion from income lower claimant's Oklahoma ~~Taxable Income~~ taxable income below zero. In the event the exclusion does exceed income, any unused portion may be carried forward for a period not to exceed ~~six (6)~~ 6 years from the initial year of qualification. If the exclusion from income amount is determined based on the percentage allowable but not used, the amount shall not change based on subsequent change in percentage allowable to be excluded. In no event will the exclusion percentage exceed ~~fifteen percent (15%)~~ 15%.

(e) **Information return required.** Owners who intend to claim the exclusion for investment costs described in this Section must file, ~~on a form prescribed by the Tax Commission, an information return, reporting Form 528 to report~~ the amount of qualified property placed in service during the preceding calendar year. The information return must be submitted by January 31.

PART 7. CREDITS AGAINST TAX

710:50-15-83. Limitation of credits allowed by the Oklahoma Quality Jobs Program, the Small Employer Quality Jobs Incentive Acts and the 21st Century Quality Jobs Incentive Act

No establishment which qualifies under the terms of Section 3601 et seq. of the Oklahoma Statutes, (Oklahoma Quality Jobs Program Act), Section 3901 et seq. of the Oklahoma Statutes, (Small Employer Quality Jobs Incentive Act), or Section 3911 et seq. of the Oklahoma Statutes (21st Century Quality Jobs Incentive Act) and has received or is receiving incentive payments pursuant to those Acts, nor its contractors or subcontractors, shall be eligible to receive, in connection with the activity and establishment for which incentive payments have been, or are being received, the credits described as follows:

(1) The investment credit provided for by 68 O.S. §2357.4. [See: 710:50-15-74]

(2) The credit for investments in qualified venture capital companies provided for by 68 O.S. §2357.7. [See: 710:50-15-77 and 710:50-15-78]

(3) The credit for clean-burning motor vehicle fuel property, provided for by 68 O.S. §2357.22. [See: 710:50-15-81]

(4) ~~The credits provided pursuant to the Oklahoma Research and Development Incentives Act, 68 O.S. §54003.~~

710:50-15-91. Credit for employers incurring expenses for the provision of child care services [REVOKED]

- (a) **General Provisions.** There shall be a non-refundable tax credit against the tax imposed by 68 O.S. § 2355 for employers incurring eligible expenses in the connection with providing child care services for children of their employees. The credit is based on the amount of eligible expenses incurred prior to January 1, 2014, and shall be twenty percent (20%) of the eligible expense subject to limits based on the type of expense. The credit is effective for tax years beginning after December 31, 2001.
- (b) **Eligible expenses subject to the \$3,100.00 cap.** Eligible expenses subject to the \$3,100.00 cap per employee-child are those amounts paid for the purchase of childcare services for children of employees at a facility licensed by the Department of Human Services and rated at least two stars.
- (c) **Eligible expenses subject to the \$50,000.00 cap.** Eligible expenses subject to the \$50,000.00 cap are those expenses associated with providing a child care center. These include expenses associated with planning, preparing, constructing, or expanding a child care center; equipment for a child care center; or maintenance and operating expenses of a child care center, including direct administrative and staff costs.
- (d) **Eligible expenses subject to the \$5,000.00 cap.** Eligible expenses subject to the \$5,000.00 cap are those expenses for fees and grants to child care resource and referral organizations doing business within Oklahoma.
- (e) **Credit is in lieu of expense deduction.** The credit for employers incurring expenses for the provision of child care services shall be in lieu of a deduction of eligible expenses used in computing Oklahoma taxable income. If the credit is claimed or generated, then none of the expenses on which the credit is based shall be allowed as deduction in calculating Oklahoma taxable income.
- (f) **Carryforward allowed.** Credits generated but not used are allowed to be carried forward four (4) years following the year generated.
- (g) **Tax credit moratorium.** No credit may be claimed for any expenditure occurring during the period of July 1, 2010 through June 30, 2012, for which the credit would otherwise be allowable. This credit may be claimed for tax year 2012 and subsequent tax years, for eligible expenditures occurring on or after July 1, 2012.

710:50-15-92. Credit for manufacturers of advanced small wind turbines [REVOKED]

- (a) **General provisions.** Oklahoma manufacturers of advanced small wind turbines may claim an Oklahoma income tax credit for manufacturing advanced small wind turbines in this state. This credit is available for advanced small wind turbines manufactured between January 1, 2003 and December 31, 2012.
- (b) **Definitions.** The following words and terms, when used in this Section, shall have the following meaning, unless the context clearly indicates otherwise:
- (1) **"Advanced small wind turbines (ASWT)"** are upwind, furling wind turbines that have a rated capacity of at least one kilowatt (1kw) but no more than fifty kilowatts (50kw). The wind turbine must also incorporate advanced technologies such as new airfoils, new generators, new power electronics, and variable speed. In order to qualify as an advanced small wind turbine, at least one unit of each model must have undergone testing at the United States Department of Energy National Wind Technology Center and must comply with appropriate interconnection safety standards of the Institute of Electrical and Electronics Engineers as are applicable to small wind turbines.
 - (2) **"Rotor Swept Area"** means an area calculated by using the formula $\pi \times D^2 \div 4$, (D being the rotor diameter in feet, $\pi = 3.1416$).
 - (3) **"Oklahoma manufacturer"** means, for purposes of this Section, a manufacturer who operates facilities that have the capability of manufacturing small wind turbine products in this state.
 - (4) **"Small wind turbine products"** means and includes rotor blades and alternator fabrication.

- (c) **Computation of the credit.** The credit is based on the square footage of the rotor swept area of the advanced small wind turbine manufactured in Oklahoma. For ASWT manufactured between January 1, 2003, and December 31, 2003, the credit is Twenty-five Dollars (\$25.00) per square foot of the rotor swept area. For ASWT manufactured between January 1, 2004, and December 31, 2004, the credit is Twelve Dollars and Fifty Cents (\$12.50) per square foot of the rotor swept area. For ASWT manufactured between January 1, 2005, and December 31, 2007, the credit is Twenty-five Dollars (\$25.00) per square foot of the rotor swept area.
- (d) **Transfer of the credit.** Effective for tax year 2004, the credit for manufacturers of advanced small wind turbines may be transferred.
- (e) **Tax credit moratorium.** No credit may be claimed for any advanced small wind turbines manufactured during the period of July 1, 2010 through June 30, 2012, for which the credit would otherwise be allowable. This credit may be claimed for tax year 2012 and subsequent tax years, for advanced small wind turbines manufactured on or after July 1, 2012.

710:50-15-105. Credit for research and development [REVOKED]

- (a) **General provisions.** For taxable years beginning after December 31, 1992, and before January 1, 2003, and for taxable years beginning after December 31, 2005, there is an income tax credit for a net increase in the number of full-time-equivalent employees of a qualifying computer services, data processing or research and development entity occurring before January 1, 2014.
- (b) **Definitions.** Qualifying computer services, data processing or research and development entities are those who are primarily engaged in computer services and data processing as defined under Industrial Group Numbers 7372, 7373, 7374 and 7375 of the SIC Manual (latest revision) and those entities which are primarily engaged in research and development as defined under Industrial Group Numbers 8731, 8732, 8733 and 8734 of the SIC Manual (latest revision).
- (c) **Qualifications.** In order to qualify for the credit, entities primarily engaged in computer services and data processing (as defined under Industrial Group Number 7374 of the SIC Manual [latest revision]) must also have a minimum of One Hundred Thousand

Dollars (\$100,000.00) in purchases of computers, data processing equipment, related peripherals, telephone, telegraph, or telecommunications service or telecommunications equipment. All qualified entities must derive fifty percent (50%) of revenues from out-of-state buyers or consumers. For purposes of determining whether annual gross revenues are derived from sales to out-of-state buyers or consumers, all sales to the federal government shall be considered to be sales to an out-of-state buyer or consumer. All qualified entities must also annually file an affidavit with the Oklahoma Tax Commission stating that the business so qualifies and such other information as required by the Commission.

(d) **Amount of credit.** The credit allowed is Five Hundred Dollars (\$500.00) for each new employee, but in no event may the total annual credit exceed fifty new employees. The credit is allowed in each of the four (4) subsequent years only if the level of new employees is maintained in the subsequent year. However the credit is allowed in each of the eight (8) subsequent years only if the level of new employees is maintained in the subsequent year and if the credit is taken for taxable years beginning after December 31, 2005. *In calculating the credit by the number of new employees, only those employees whose paid wages or salary were at least Thirty-five Thousand Dollars (\$35,000.00) during each year the credit is claimed shall be included in the calculation. The number of new employees shall be determined by comparing the monthly average number of full-time employees subject to Oklahoma income tax withholding for the final quarter of the taxable year with the corresponding period of the prior taxable year, as substantiated by such reports as may be required by the Tax Commission.*

(e) **Limitations.** This credit is not transferable. Unused credits may be carried over in order to each of the four (4) years following the year of qualification and to the extent not used in those initial four (4) years in order to each of the following five (5) years:

(f) **Tax credit moratorium.** No credit may be claimed for jobs created during the period of July 1, 2010 through June 30, 2012, for which the credit would otherwise be allowable. This credit may be claimed for tax year 2012 and subsequent tax years, for new jobs created on or after July 1, 2012.

710:50-15-109. Credit for qualified employers and employees of the aerospace sector

(a) **General provisions.** For tax years beginning after December 31, 2008, and before January 1, ~~2026~~ 2032, ~~three (3)~~ credits are allowed against the tax imposed by Section 2355 of Title 68 for the employment of qualified employees in the aerospace sector. The ~~three (3)~~ credits are as follows:

- (1) Credit for qualified employers for tuition reimbursement to qualified employees.
- (2) Credit for qualified employers for compensation paid to qualified employees.
- (3) Credit for qualified employees.

(b) **Definitions.** The following words and terms, when used in this Section, shall have the following meaning, unless the context clearly indicates otherwise:

(1) **"Qualified employee".**

(A) Any person, regardless of the date of hire by the qualified employer, who is newly employed by or contracting with a qualified employer in Oklahoma on or after January 1, 2009.

(B) A person who has been either:

- (i) Awarded an undergraduate or graduate degree from a qualified program by an institution, or
- (ii) Licensed as a Professional Engineer by the State Board of Licensure for Professional Engineers and Land Surveyors pursuant to Section 475.15 of Title 59 of the Oklahoma Statutes and employed as a qualified employee in the aerospace sector by a qualified employer on or after November 1, 2021.

(C) Qualified employee does not include a person employed in the aerospace sector in this state immediately preceding employment or contracting with a qualified employer, unless,

- (i) The employee was employed in the aerospace sector, but not as a full-time engineer, prior to being awarded a degree, ~~or~~;
- (ii) The employee has been awarded a degree and is employed by a professional staffing company and assigned to work in the aerospace sector in Oklahoma, ~~or~~;
- (iii) The employee previously qualified and claimed the credit and becomes employed by a different qualified employer on or after January 1, 2024; or
- (iv) The employee claimed the credit for the first time in tax year 2024, or any subsequent tax year, and becomes employed by a different qualified employer in any subsequent tax year.

(2) **"Qualified program"** is any program that awards undergraduate or graduate degrees and has been accredited by the Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology (ABET). Effective November 1, 2021, a qualified program includes both undergraduate and graduate programs of the same discipline of engineering at an institution if either program is ABET accredited.

(3) **"Aerospace sector", "compensation", "institution", "qualified employer" and "tuition"** shall be defined as in Section 2357.301 of Title 68 of the Oklahoma Statutes.

(c) **Credit for tuition reimbursement.**

(1) Qualified employers are allowed a credit against the tax imposed pursuant to Section 2355 of Title 68 of the Oklahoma Statutes based on the amount of tuition reimbursed to a qualified employee. This credit is effective for taxable years beginning after December 31, 2008.

(2) The credit for tuition reimbursement may only be claimed if the qualified employee has been awarded an undergraduate or graduate degree within ~~one (1)~~ 1 year of starting employment with the qualified employer. The undergraduate or graduate degree must be from a qualified program.

(3) The credit for tuition reimbursement is equal to ~~fifty percent (50%)~~ 50% of the tuition reimbursed to a qualified employee and may be claimed for the first through fourth years of employment with the qualified employer. The credit is only allowed to be claimed in the tax year that the tuition was reimbursed to the qualified employee and may not exceed in any taxable year ~~fifty percent (50%)~~ 50% of the average annual amount paid by a qualified employee for enrollment and instruction in a qualified program at a public institution in Oklahoma.

(4) The credit for tuition reimbursement may not be used to reduce the tax liability of the qualified employer to less than zero (~~0~~), is not transferable and may not be carried over.

(5) The credit for tuition reimbursement may not be claimed after the fourth year of employment of the qualified employee.

(d) Credit for compensation paid.

(1) Qualified employers are allowed a credit against the tax imposed pursuant to Section 2355 of Title 68 of the Oklahoma Statutes for compensation paid to a qualified employee. This credit is effective for taxable years beginning after December 31, 2008.

(2) The credit for compensation paid equals:

(A) ~~Ten percent (10%)~~ 10% of the compensation paid for the first through fifth years of employment in the aerospace sector if the qualified employee graduated from an institution located in this state.

(B) ~~Five percent (5%)~~ 5% of the compensation paid for the first through fifth years of employment in the aerospace sector if the qualified employee graduated from an institution located outside this state.

(3) The credit for compensation paid cannot exceed \$12,500 for each qualified employee annually.

(4) The credit for compensation paid may not be used to reduce the tax liability of the qualified employer to less than zero (~~0~~), is not transferable and may not be carried over.

(5) The credit for compensation paid may not be claimed after the fifth year of employment.

(e) Credit for qualified employees.

(1) For taxable years beginning after December 31, 2008, a qualified employee shall be allowed a credit against the tax imposed pursuant to Section 2355 of Title 68 of the Oklahoma Statutes of up to \$5,000 per tax year for a period of time not to exceed ~~five (5)~~ 5 years during the lifetime of the qualified employee. This credit may be claimed in nonconsecutive tax years.

(2) The credit authorized by this section shall not be used to reduce the tax liability of the taxpayer to less than zero (~~0~~).

(3) Any credit claimed, but not used, may be carried over, in order, to each of the ~~five (5)~~ 5 subsequent taxable years.

710:50-15-111. Wire transfer fee credit [REVOKED]

~~(a) General provisions:~~ For taxable years ending before January 1, 2017, a credit is allowed against the tax imposed under 68 O.S. § 2355 in the amount of all electronic funds transfers fees paid per 63 O.S. § 2-503.1j by any individual or entity.

~~(b) When to claim credit:~~ The credit for fees paid between July 1, 2009 and December 31, 2010 cannot be claimed prior to January 1, 2011 and must be claimed on the 2010 income tax return. The credit for fees paid on or after January 1, 2011 must be claimed on the tax return that corresponds with the tax year during which the fees were paid.

~~(c) Credit non-refundable, nontransferable, carryover provision.~~ This credit may not be taken as a refund, nor may it be transferred. If the credit exceeds a taxpayer's liability, unused credits may be carried over for five (5) succeeding years.

710:50-15-113. Qualified independent biomedical research institute or qualified cancer research center credit

(a) **General provisions.** For tax years beginning after December 31, 2004, there is allowed a credit against the tax imposed by 68 O.S. Section 2355 to any taxpayer who makes a donation to a qualified independent biomedical research institute. For tax years beginning after December 31, 2010, any taxpayer who makes a donation to a qualified cancer research institute is also eligible for the credit. Both qualified cancer research institutes and qualified independent biomedical research institutes must provide donors with written acknowledgment of the donation and the credit amount and must report this information to the Oklahoma Tax Commission.

(b) Definitions.

(1) **"Qualified cancer research institute"** means an organization which is exempt from taxation pursuant to the Internal Revenue Code whose primary focus is raising the standard of cancer clinical care in Oklahoma through peer-reviewed cancer research and education. The organization must be either an independent research institute or a program that is part of a state university which is a member of the Oklahoma State System of Higher Education and must receive at least ~~Four Million Dollars (\$4,000,000)~~ \$4,000,000 in National Cancer Institute funding per year.

(2) **"Qualified independent biomedical research institute"** means an organization which is exempt from taxation under the Internal Revenue Code section 501(c)(3) whose primary focus is conducting peer-reviewed basic biomedical research. The organization shall have a board of directors, be able to accept grants in its own name, be an identifiable institute that has its own employees and administrative staff, and receive at least ~~Fifteen Million Dollars (\$15,000,000)~~ \$20,000,000 in National ~~Institute~~ Institutes of Health funding each year.

(c) **Qualification.** In order to qualify for the credit, taxpayers must make a donation to either a qualified independent biomedical research institute or a qualified cancer research institute

(d) **Computation of credit and limitations.**

(1) **Tax years 2007 through 2025.** The credit is ~~fifty percent (50%)~~ 50% of the amount donated, but may not exceed \$1,000 (\$2,000 for a married filing joint return) for each taxpayer for each type of donation. Taxpayers may not claim more than one credit for a donation to a qualified independent biomedical research institute and one credit for a donation to a qualified cancer research institute.

(2) **Tax year 2026 and subsequent tax years.**

(A) **Donations to a qualified independent biomedical research institute.** The credit is 50% of the amount donated but may not exceed \$1,000 for taxpayers filing as single or \$2,000 for taxpayers filing as married joint, head of household or surviving spouse, or \$25,000 for any taxpayer which is a legal business entity, for each taxpayer for each type of donation.

(B) **Donations to a qualified cancer research institute.** The credit is 50% of the amount donated but may not exceed \$1,000 for taxpayers filing as single or \$2,000 for taxpayers filing as married joint, head of household, surviving spouse, or any taxpayer which is a legal business entity, for each taxpayer for each type of donation.

(c) **For donations made between January 1, 2007 and December 31, 2010.** If the total credit allowed results in the reduction in total Oklahoma income tax of more than Two Million Dollars (\$2,000,000.00) in any previous calendar year, the percentage of the credit for qualified donations will be adjusted. The adjusted percentage allowable will be determined by multiplying fifty percent (50%) times Two Million Dollars (\$2,000,000.00) and then dividing the result by the credits claimed in the preceding calendar year.

(f) **Special limits for tax year 2011.**

(1) For tax year 2011 only, no more than Fifty Thousand Dollars (\$50,000.00) in credits for donations to a qualified cancer research institute will be allowed. The qualified cancer research institute will notify donors if their donations are eligible for the tax credit. The qualified cancer research institute will also provide the donor with written acknowledgement of the donation and the amount of the credit, and will provide this information to the Oklahoma Tax Commission as well.

(2) If the total credit allowed for qualified donations to qualified independent biomedical research institutes results in the reduction in total Oklahoma income tax of more than One Million Dollars (\$1,000,000.00) in tax year 2011, the percentage of the credit for qualified donations will be adjusted for tax year 2012:

(A) The percentage of credit allowable for donations to qualified independent biomedical research institutes for tax year 2012 will be determined by multiplying fifty percent (50%) times One Million Dollars (\$1,000,000.00); then dividing the result by the amount of credit allowed for tax year 2011.

(B) Since the total credit for donations to qualified cancer research institutes is capped at Fifty Thousand Dollars (\$50,000.00) for tax year 2011, the credit for donations to qualified cancer research institutes will remain fifty percent (50%) for tax year 2012.

(g) **For donations made on or after January 1, 2012.** The qualified cancer research institute and the qualified biomedical research institute will provide their donors with written acknowledgement of the donation and the amount of the credit, and will provide this information to the Oklahoma Tax Commission as well.

Annual limitations.

(1) **Tax years 2012 through 2025.** If the total tax credits authorized by this Section exceed ~~One Million Dollars (\$1,000,000.00)~~ \$1,000,000 in a tax year ~~2012 or any subsequent tax year~~ for donations to either a cancer research institute or an independent biomedical research institute, the ~~Oklahoma~~ Tax Commission shall permit any excess over ~~One Million Dollars (\$1,000,000.00)~~ \$1,000,000 but will factor such excess into the percentage adjustment formula for subsequent tax years for each type of credit. ~~For credits based on donations to qualified independent biomedical research institutes the adjusted percentage allowable will be determined by multiplying fifty percent (50%) times One Million Dollars (\$1,000,000.00), then dividing the result by the credits allowed for donations to qualified independent biomedical research institutes claimed in the preceding tax year. For credits based on donations to qualified cancer research institutes the adjusted percentage allowable will be determined by multiplying fifty percent (50%) times One Million Dollars (\$1,000,000.00), then dividing the result by the credits allowed for donations to qualified cancer research institutes claimed in the preceding tax year.~~

(2) **Tax year 2026 and subsequent tax years.**

(A) **Donations to a qualified independent biomedical research institute.** If the total tax credits authorized exceed \$1,500,000 for donations to a qualified independent biomedical research institute, the Tax Commission shall permit any excess over \$1,500,000 but will factor such excess into the percentage adjustment formula for subsequent tax years. The adjusted percentage allowable will be determined by multiplying 50% times \$1,500,000, then dividing the result by the credits allowed in the preceding tax year.

(B) **Donations to a qualified cancer research institute.** If the total tax credits authorized exceed \$500,000 for donations to a qualified cancer research institute, the Tax Commission shall permit any excess over \$500,000 but will factor such excess into the percentage adjustment formula for subsequent tax years. The adjusted percentage allowable will be determined by multiplying 50% times \$500,000, then dividing the result by the credits allowed in the preceding tax year.

~~(h)~~ **Credit non-refundable, nontransferable; carryover provision.** This credit may not be taken as a refund; nor may it be transferred. If the credit exceeds a taxpayer's liability, unused credits may be carried over for ~~four (4)~~ 4 years.

(a) **General provisions.** In taxable years beginning after December 31, 2022, an income tax credit ~~equal to 10% of nonrecurring adoption expenses~~ is allowed to resident individual taxpayers for nonrecurring adoption expenses, not to exceed \$2,000 (\$4,000 for a married filing joint return) per calendar year, paid in connection with the adoption of a minor, or proposed adoption of a minor which did not result in a decreed adoption.

(1) For tax years 2023 through 2025, the amount of the credit is 10% of the qualified expenses but cannot exceed \$2,000 per calendar year (\$4,000 if married filing joint return).

(2) For taxable years beginning on or after January 1, 2026, the amount of the credit is 15% of the qualified expenses but cannot exceed \$3,000 per calendar year (\$6,000 if married filing joint return).

(b) **Allowable expenses.** For purposes of this Section "nonrecurring adoption expenses" means and includes:

(1) Adoption fees;

(2) Court costs;

(3) Medical expenses;

(4) Attorney fees;

(5) Expenses directly related to the legal process of the adoption of a child and are not reimbursed by other sources, to include, but not limited to costs related to:

(A) The adoption study;

(B) Health and psychological examinations;

(C) Transportation and reasonable costs of food and lodging for the child or adoptive parents which are incurred to complete the adoption process. Transportation expense by either commercial or private means may be claimed based upon actual unreimbursed costs incurred, or in the case of travel by private means, the mileage rate allowed pursuant to the Internal Revenue Code for determining business travel expense may be elected.

(6) Costs associated with physical remodeling, renovation, or alteration of the adoptive parents' home or property, if incurred in conjunction with the adoption of a special needs child, as authorized by the court.

(c) **"Nonrecurring adoption expenses"** shall not mean or include:

(1) Costs reimbursed by other sources.

(2) Attorney fees incurred from and after the commencement of an action involving a contest of an adoption.

(3) Costs associated with physical remodeling, renovation, or alteration of the adoptive parent's home or property, with the exception noted in (b)(6) of this Section.

(d) **Verification.** A schedule describing the expenses claimed must be enclosed and filed with the claimant's tax return. Receipts supporting the claimed expenses are not required to be submitted with the tax return and descriptive schedule but must be retained and be available upon request by the Tax Commission.

710:50-15-120. Caring for Caregivers Credit

(a) **General provisions.** For tax years beginning on or after January 1, 2024, a nonrefundable income tax credit is allowed in the amount of 50% for eligible expenditures incurred by a family caregiver for the care and support of an eligible family member. The amount of the credit is 50% of the eligible expenditures not to exceed ~~Two Thousand Dollars (\$2,000.00)~~ \$2,000 per eligible family member per calendar year. If the eligible family member is a veteran or has a diagnosis of dementia from a health care professional, the amount of the credit cannot exceed ~~Three Thousand Dollars (\$3,000.00)~~ \$3,000.

(b) **Definitions.** For purposes of this Section, "activities of daily living", "eligible expenditure", "eligible family member", and "family caregiver" mean the same as these terms are defined in 68 O.S. 2023, § 2357.801(A).

(c) **Multiple caregivers.** If two or more family caregivers claim the tax credit for the same eligible family member, the maximum allowable credit shall be allocated in equal amounts between each of the family caregivers.

(d) **Verification.** OTC Form 592 must be filed with each claimant's tax return, along with any other information or documentation the Tax Commission may require, such as receipts to support the claimed expenses, proof of veteran status and/or documentation to support a diagnosis of dementia for the eligible family member.

(e) **Limitation of credit.** The total credits authorized shall not exceed ~~One Million Five Hundred Thousand Dollars (\$1,500,000.00)~~ \$1,500,000 annually. The Oklahoma Tax Commission shall calculate and publish, by the first day of the affected year, a percentage by which the credits shall be reduced so the total amount of credits used to offset tax does not exceed ~~One Million Five Hundred Thousand Dollars (\$1,500,000.00)~~ \$1,500,000 per year.

710:50-15-121. Faculty Preceptorship Credit

(a) **General provisions.** For tax years beginning on or after January 1, 2026, a nonrefundable income tax credit is allowed, subject to the availability of funds, for a faculty preceptor who conducts a preceptorship rotation. The credit is allowed for no greater than 10 preceptorship rotations completed in a calendar year. [See: 68 O.S. § 2357.409]

(b) **Amount of credit.**

(1) **Medical student or resident.** The amount of credit is equal to \$290.00 each for the first, second, or third preceptorship rotations and \$590.00 each for up to 7 subsequent rotations.

(2) **Physician assistant student or advanced practice registered nursing student.** The amount of credit is equal to \$165.00 each for the first, second, or third preceptorship rotations and \$340.00 each for up to 7 subsequent rotations.

(c) **Application and verification.** An applicant must submit a completed application to the Health Care Workforce Training Commission (HWTC) on the form designated by HWTC, as well as any supporting documentation requested by HWTC. The HWTC will provide the applicant and the Oklahoma Tax Commission with written notice of the final disposition of the application within 90 calendar days of receipt. [See: OAC 540:60-1-1 through 540:60-3-4]

(d) **Claiming the credit.** Taxpayers may claim the credit on the appropriate Oklahoma income tax return. To claim the credit, the taxpayer must provide a copy of the approval from HWTC as part of the income tax return filed for the applicable period.

(e) **Carryforward.** If the credit allowed pursuant to the provisions of this Section exceeds the amount of income taxes due or if there are no state income taxes due, the amount of the credit allowed but not used in any taxable year may be carried forward as a credit against subsequent income tax liability for a period not exceeding 5 years.

(f) **Tax credits are subject to the availability of funds.** The credits awarded by HWTC each year will not exceed the amount deposited to the appropriate revolving fund during the fiscal year immediately preceding the applicable income tax year.

PART 9. OKLAHOMA PARENTAL CHOICE TAX CREDIT

710:50-15-171. Definitions

The following words and terms, when used in this Part, shall have the following meaning, unless the context clearly indicates otherwise:

"Accredited private school" means a private school in Oklahoma that is accredited by the State Board of Education or ~~another~~ an accrediting association that meets the requirements set forth in 70 O.S. § 28-101(A).

"Curriculum" means *a complete course of study for a particular content area or grade level.* [70 O.S. § 28-101(2)(A)]

"Education service provider" means *a person, business, public school district, public charter school, magnet school, or organization that provides educational goods and/or services to eligible students in this state.* [70 O.S. § 28-101(4)(A)]

"Eligible student" means a resident of Oklahoma who is eligible to enroll in a public school within the state at educational levels of pre-kindergarten (beginning at age 4) through 12th grade. Eligible student shall include:

(A) A student who is enrolled in and attends or is expected to enroll in and attend an accredited private school.

(B) A student who is educated pursuant to the other means of education exception provided for in 70 O.S. § 10-105(A), (hereafter referred to as "homeschool").

(C) A student who is enrolled in and attends or is expected to enroll in and attend ~~attends~~ an accredited private school that exclusively serves students experiencing homelessness.

(D) A student who is enrolled in and attends or is expected to enroll in and attend ~~attends~~ an accredited private school that primarily serves financially disadvantaged students.

"Fiscal year" means the 12-month period from July 1 through June 30.

"Homeschool" means the full-time education of a student in the home, but does not include:

(A) Education of a student in the home who is enrolled in a virtual charter school ~~or virtual private school.~~

(B) Tutoring or supplemental education of a student in the home who is also enrolled in public or private school.

(C) Periods when the student is on break from a public or private school, such as during summer.

"Homeschool tax credit" means credits authorized pursuant to 70 O.S. § 28-101(C)(2).

"Oklahoma taxpayer" means:

(A) Any person, resident or non-resident, owing or liable to pay any Oklahoma tax;

(B) Any person, resident or non-resident, required to file a report, a return, or remit any tax required by the provisions of any Oklahoma tax law; or

(C) Any person, resident or non-resident, required to obtain a license or a permit or to keep any records under the provisions of any Oklahoma tax law. [See: 68 O.S. § 202]

"Priority consideration" means an application will be reviewed and considered for approval before other applications received by the Tax Commission, regardless of whether the other applications were submitted on an earlier date and time.

"Private school tax credit" means credits authorized pursuant to 70 O.S. § 28-101(C)(1).

"School year" means two semesters, fall and spring, during which schools are in session and students are attending classes. The school year occurs within the fiscal year.

"Second preceding tax year" means the tax year occurring two taxable years prior to the year for which the tax credit application is submitted. For example, tax credit applications submitted in 2025 for the ~~2025/2026~~ 2025-2026 school year will utilize the federal adjusted gross income (AGI) from the 2023 income tax return.

"Taxpayer" means an Oklahoma taxpayer who is a biological or adoptive parent, grandparent, aunt, uncle, legal guardian, custodian, or other person with legal authority to act on behalf of an eligible student.

(A) A foster parent, or the foster parents, shall be included within the meaning of other person with legal authority to act on behalf of an eligible student.

(B) Taxpayer shall not include a parent or the parents of an eligible student whose parental rights over the eligible student have been legally terminated.

"Tax year" means the 12-month period from January 1 through December 31.

"Warrant" means an order for payment directing the State Treasurer to disburse funds to a designated payee. A warrant operates like a paper check.

710:50-15-172. Private school tax credit

(a) **General provisions.** For tax year 2024, and fiscal year ending June 30, 2026, and subsequent fiscal years ending June 30, an income tax credit is allowed for qualified expenses paid for an eligible student to attend an accredited private school.

(b) **Qualified expenses.** Qualified expenses for the private school tax credit include tuition and fees at an accredited private school. Fees may, but are not limited to, include enrollment, registration, or application fees; textbook fees; technology fees; activity fees; testing and assessment fees; and fees paid for school uniforms, if paid directly to the school. Qualified expenses for the private school tax credit do not include tuition and fees paid with a scholarship or otherwise reduced or discounted by the school.

(c) **Amount of credit.** For an eligible student who attends or will attend an accredited private school, the credit amount is equal to the amount of tuition and fees charged to or will be paid by the taxpayer for attending the accredited private school for the full school year, less any scholarships or discounts provided by the school, as stated on the enrollment verification form, subject to the following limitations:

- (1) The maximum credit amount allowed is \$7,500 if the combined adjusted federal AGI of the parents or legal guardians of the eligible student during the second preceding tax year does not exceed \$75,000;
- (2) The maximum credit amount allowed is \$7,000 if the combined adjusted federal AGI of the parents or legal guardians of the eligible student during the second preceding tax year is more than \$75,000 but does not exceed \$150,000;
- (3) The maximum credit amount allowed is \$6,500 if the combined adjusted federal AGI of the parents or legal guardians of the eligible student during the second preceding tax year is more than \$150,000 but does not exceed \$225,000;
- (4) The maximum credit amount allowed is \$6,000 if the combined adjusted federal AGI of the parents or legal guardians of the eligible student during the second preceding tax year is more than \$225,000 but does not exceed \$250,000; or
- (5) The maximum credit amount allowed is \$5,000 if the combined adjusted federal AGI of the parents or legal guardians of the eligible student during the second preceding tax year is more than \$250,000.
- (6) The maximum credit amount allowed is \$7,500 for taxpayers who receive income-based government benefits, including the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), or SoonerCare/SoonerSelect, as of the date of the tax credit application.

(d) Annual cap and limitation of credit.

- (1) The total amount of private school tax credits authorized by 70 O.S. § 28-101(C)(1) ~~is subject to the following caps:~~
 - ~~(A) For tax year 2024, the total amount of credits shall not exceed \$150,000,000;~~
 - ~~(B) For the period of January 1, 2025, through June 30, 2025, the total amount of credits shall not exceed \$100,000,000;~~
 - ~~(C) For fiscal year ending June 30, 2026, and subsequent fiscal years ending June 30, the total amount of credits shall not exceed \$250,000,000, unless there is an amount carried forward from the immediately preceding fiscal year wherein the cap was not met pursuant to 70 O.S. § 28-101(D)(3).~~
- (2) The total amount of credits allowed may be reduced pursuant to the provisions 70 O.S. § 28-101 ~~(F)(1)~~.

(e) Claiming the private school tax credit.

(1) **Application.** If an Oklahoma taxpayer incurs or will incur a qualified expense on behalf of an eligible student during the school year, the taxpayer may be eligible to claim the private school tax credit. To apply for the credit, the taxpayer shall complete and submit an online application for each eligible student and include the following documentation and information with the application:

- (A) The name, address, and social security number or individual taxpayer identification number (ITIN) of the taxpayer.
- (B) The name, address, date of birth, and social security number or ITIN of the eligible student.
- (C) If the taxpayer is not the parent or legal guardian of the eligible student, the taxpayer shall provide a signed parental consent form to allow the taxpayer to apply for the credit on behalf of the eligible student.
- (D) Income verification of the parents or legal guardian of the eligible student, according to one of the following:
 - (i) Verification of federal AGI for the second preceding tax year of the parents or legal guardians of the eligible student, which may include providing copies of the applicable Oklahoma income tax return(s) or federal income tax return(s). If, at the time of submission of the tax credit application, the taxpayer has not filed the second preceding years' tax return, but had a filing requirement, and therefore AGI cannot be verified, the tax credit application will be denied and must be resubmitted once the second preceding tax year return is filed and received by the Oklahoma Tax Commission. The resubmission date and time of a complete application will determine the applicant's place in line.
 - (ii) If the parents or legal guardians had no tax filing requirement for the second preceding tax year, the taxpayer shall attest within the application they did not have a tax filing requirement.
 - (iii) If a taxpayer is a recipient of income-based government benefits including the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), or SoonerCare/SoonerSelect, the taxpayer shall not be required to provide additional income verification. The taxpayer must attach documentation that shows he or she is a current recipient of the above-listed government benefits at the time of the tax credit application. Failure to attach the required documentation, without any other income verification documentation, may result in denial of the application. The resubmission date and time of a complete application will determine the applicant's place in line.

(E) An enrollment verification form completed by the private school in which the eligible student is enrolled or is expected to enroll with the following information:

- (i) The name, address and date of birth of eligible student;
- (ii) The ~~designated semester(s) and~~ school year during which the qualified expenses will be paid;
- (iii) The name and address of the private school;
- (iv) The name and telephone number of a contact person(s) with the private school; and
- (v) The amount of qualified tuition and fees to be charged the taxpayer for the eligible student during the school year, less any scholarship or tuition and fees discounted or otherwise reduced by the school.

(2) **Review and submission.** The applicant is responsible for reviewing the information contained within the enrollment verification form and verifying its accuracy.

(A) Once the enrollment verification form is submitted with an application, the information included within the enrollment verification form cannot be changed until after the application is approved or denied.

(B) In order to adjust any enrollment verification information after an application has been submitted, but before approval or denial, a taxpayer must withdraw their application, request a new enrollment verification form from the private school, and submit a new application. The date and time of the new application will be used to determine the applicant's place in line for the credit.

(C) To request adjustments to the enrollment verification information after an application has been approved, the taxpayer must request a tuition adjustment or school change as set forth in (7) of this subsection.

(3) **Application period-opening date.** Beginning with For the 2025-2026 school year and subsequent school years, the application period will open on February 15, at 9:00 a.m. (CST), prior to the beginning of the applicable school year, and will close no later than December 31, 2025. To ensure payment of the credit by August 30, 2025, processable applications must be submitted no later than July 15, 2025. If February 15 falls on a Saturday, Sunday or official State of Oklahoma holiday, the application process will open on the next day that is not a Saturday, Sunday or official State of Oklahoma holiday holiday.

A) Beginning with the 2026-2027 school year and subsequent school years, the application period will begin on March 15 and close on June 15 prior to the beginning of the applicable school year.

(B) If March 15 falls on a Saturday, Sunday or legal holiday, the application will open on the next day that is not a Saturday, Sunday or official State of Oklahoma holiday.

(4) **Priority consideration.** The priority period is the first 60 calendar days of the application period.

(A) First priority is given to applications For any for an eligible student whose parents or legal guardians have a combined federal AGI that does not exceed \$150,000, as long as the application was submitted within the first 60 days of the application period processable applications must be submitted to the Tax Commission on or before the sixtieth (60th) calendar day following the opening of the application period to receive priority consideration as authorized by 70 O.S. § 28-101(E).

(B) Priority will be Second priority is given to applications for eligible students of taxpayers who received the credit in the prior year, as long as the application was submitted within the first 60 days of the application period and whose parents or legal guardians have a combined federal AGI that does not exceed \$150,000.

(C) After all timely-filed applications entitled to priority consideration have been reviewed and processed, the Tax Commission will review and process remaining applications for the credit in the order received, provided the Annual Cap annual cap has not been reached.

(5) **Notification of approval or denial.** Notification of tax credit approval will be sent to the applicant by email once a determination has been made that the application is complete and qualifies for the credit. For those applications that are denied, a letter will be mailed an email will be sent to the applicant, stating the reason for denial.

(6) **Application for review hearing.** If a taxpayer's application for the credit is denied, the taxpayer may request a hearing by filing OTC Form L-26, Application for Commission Hearing pursuant to the provisions of 68 O.S. § 207(c).

(A) The following supporting information and documentation must be included with the request:

- (i) A description of the tax credit applied for and the amount in controversy;
- (ii) A clear explanation of the alleged error(s) committed by the Tax Commission;
- (iii) The legal authority the taxpayer intends to rely upon at hearing;
- (iv) A statement of the relief requested; and
- (v) A list of witnesses, including names and addresses, and the request to subpoena witnesses if so desired.

(B) The application for hearing and supporting documentation may be submitted either online or by mail to the address indicated on the form.

(C) The application for hearing and documentation will be reviewed. If the matter cannot be resolved without a hearing, the application for hearing will be forwarded to the Oklahoma Tax Commission's Office of the Administrative Law Judges and set for hearing pursuant to the rules set forth in OAC 710:1-5-21 through 710:1-5-49.

(7) **Installment payments. Payment of the credit.** For eligible students enrolled in a full school year; For school year 2025-2026, the approved credit will be paid in two payments disbursed on or before August 30, 2025 and January 15, 2026. Beginning with school year 2026-2027, and for subsequent school years, the full credit will be paid by August 30 of

the applicable school year in two installments, one per school semester. Each payment will be no more than half of the total approved credit. For processible applications filed on or before July 15, payments will be issued no later than August 30 and January 15.

(A) ~~Payments~~ Payment of the credit will be made by the Tax Commission with an individual warrants warrant made payable to the taxpayer and mailed to the private school ~~where the eligible student is enrolled or expected to enroll~~ identified on the application. The taxpayer may collect the check from the school or may choose to use all or part of the tax credit to pay their student's tuition and fees.

(B) In the event funds have to be recaptured, the taxpayer is responsible for repayment.

(C) If a student changes schools prior to the issuance of the check, the taxpayer must submit a school change notification via OkTAP to redirect the check to the new school. If a school change notification is not submitted prior to the issuance of the check, but a student changes schools, the taxpayer is responsible for collecting the check from the school identified in the approved application.

(7) Tuition and fees adjustment. Taxpayers may submit a request to adjust the amount of tuition and fees used to calculate the amount of their approved tax credit.

(A) Adjustment requests may be made in the following situations:

(i) Student is changing schools to another participating private school and the tuition/fees are higher or lower at the receiving school.

(ii) Student is not changing schools but the tuition/fees at their school increased or decreased after the application was approved.

(iii) Student received a scholarship or discount not otherwise included in the enrollment verification information provided by the school.

(B) Adjustment requests must be made via OkTAP and will be available from July 1 immediately preceding the applicable school year through December 31 immediately following the start of that school year.

(C) Adjustment requests are only available after an application has been approved.

(D) All adjustment requests must be accompanied by new enrollment verification information.

(i) If the student is changing schools, the receiving school must submit enrollment verification information for that student.

(ii) If the student is not changing schools, but still requesting an adjustment, the current school must edit the enrollment verification information previously submitted for that student.

(E) Adjustments that result in an increase of the approved credit amount may be reflected in the disbursement amount of the check or require the disbursement of an additional check. Adjustments that result in a decrease of the approved credit amount may be subject to repayment if there is a balance due.

(F) Adjustment requests will be processed in the order in which received. Those based upon an increase of the tuition and fees may be approved subject to the annual cap and maximum allowable credit amount.

(8) Spring 2025 credit payment. A taxpayer who applied for and received a private school tax credit in tax year 2024 is not required to reapply for a credit payable for the period of January 1, 2025, through June 30, 2025. The amount of the credit payable for the spring 2025 semester will be the amount of the 2024 fall semester installment payment.

(9) (8) Reconciliation. No later than June 15 of each year, each participating private school shall provide required reconciliation information to confirm student enrollment and tuition for each semester just completed school year. ~~For the reconciliation due no later than June 15, 2025, the participating private school shall provide student enrollment and tuition information for the spring 2025 semester. For all subsequent reconciliations, beginning June 15, 2026, the participating private school shall provide student enrollment and tuition information for the fall and spring semester of the just completed school year. Failure to provide all reconciliation information by the required date may result in removing the school from participating in the Parental Choice Tax Credit Program the following school year.~~

(A) Reconciliation information must be provided electronically.

(B) Participating private schools ~~shall~~ may be required to provide and/or verify the following information:

(i) The name and permanent physical address of the private school;

(ii) The total number of instructional days per semester;

(iii) The total number of instructional days the eligible student was enrolled in the private school each semester;

(iv) The amount of tuition and fees paid on behalf of the eligible student for the applicable year ~~(the initial amount of tuition and fees, less any scholarship or discount)~~;

(v) ~~The name, grade level, address, and date of birth of the eligible student~~ Scholarships and discounts received by that student that were not included in the enrollment verification information provided by the school; ~~and~~

(vi) Student information; and

(vii) Any other information requested by the Tax Commission.

~~(10)~~ **(9) No carryover.** The credit can be claimed only for the school year for which the qualified expenses are incurred.

Where qualified expenses are incurred in excess of the allowable credit for any given year, the excess of qualified expenses shall not be used in claiming the credit for any other year.

~~(H)~~~~(10)~~ **AGI determination.** The total federal AGI of an eligible student's parents or legal guardians shall be determined as follows:

- (A) If the eligible student's parents or legal guardians have an income tax filing status of "married, filing jointly", the federal AGI reported on the parents' or legal guardians' second preceding year tax return will be used.
- (B) If the eligible student's parents or legal guardians have an income tax filing status of "married, filing separately", the parents' or legal guardians' federal AGI reported on each tax return for the second preceding tax year will be added together to determine the federal AGI.

~~(I)~~~~(11)~~ **School registration.** Each accredited private school that intends to issue enrollment verification forms for the Oklahoma Parental Choice Tax Credit Program, shall annually complete an online registration with the Tax Commission. Registration shall include the following information:

- (A) Name, mailing address, phone number, FEIN, and website of the private school;
- (B) Permanent physical address of the school location in Oklahoma;
- ~~(C)~~ Primary and secondary contact information for the private school, including proof of employment;
- ~~(D)~~ Proof of accreditation from the State Board of Education or another accrediting association; and
- ~~(E)~~ Other school identification information as requested by the Tax Commission.

~~(J)~~~~(12)~~ **Notification of non-use.** Taxpayers that claimed the credit shall notify the Tax Commission electronically no later than ~~thirty (30)~~ 30 days after the date on which the eligible student:

- (A) Enrolls in a public school, including an open-enrollment charter school;
- (B) Enrolls in a nonaccredited private school;
- (C) Is no longer enrolled in an accredited private school;
- (D) Graduates from high school; or
- (E) Is no longer utilizing private school tax credits for any reason.

~~(K)~~~~(13)~~ **Recapture.** The Tax Commission shall recapture private school tax credits if:

- (A) The credit was claimed for expenditures that were not qualified expenses;
- (B) The taxpayer has claimed an eligible student who no longer attends a an accredited private school or has enrolled in a public school for the period for which the credit was claimed; or
- (C) Taxpayer fails to comply with the applicable Oklahoma statutes and regulations.

710:50-15-173. Homeschool tax credit

(a) **General provisions.** Beginning with tax year 2024, an income tax credit is allowed for qualified expenses paid by an Oklahoma taxpayer for the homeschool education of an eligible student. The amount of the credit is 100% of qualified expenses, not to exceed \$1,000 per eligible student per calendar year.

(b) **Claiming the credit.**

- (1) The homeschool tax credit may be claimed on the applicable tax year's Oklahoma income tax return and must include legible copies of receipts of eligible expenses.
- (2) The credit can be claimed only for the tax year the qualified expenses are incurred and paid. Where qualified expenses are incurred in excess of the allowable credit for any given tax year, the excess of qualified expenses shall not be used in claiming the credit for any other tax year.
- (3) The credit cannot be claimed for eligible homeschool expenses incurred during any semester when the student was enrolled in a public or private school.
- (4) The credit cannot be claimed for expenses incurred during summer or winter breaks between semesters when the student is enrolled in a public or private school.

(c) **Qualified homeschool expenses.**

(1) Qualified expenses for the homeschool tax credit include the following expenditures:

- (A) Tuition and fees for nonpublic learning programs, which may be online or in-person.
- (B) Academic tutoring services, which are provided by an individual or a private academic tutoring facility.
- (C) Textbooks, curriculum, or other instructional materials including, but not limited to, supplemental materials or associated online instruction required by an education service provide. Instructional materials mean all materials that are designed for use by students and their teachers as a learning resource and help students to acquire facts, skills, or opinions or to develop cognitive processes.
- (D) Costs or fees for nationally standardized assessments including, but not limited to college admission assessments and advanced placement examinations, as well as the tuition and fees for tutoring or preparatory courses for the assessments or examinations.

(2) Qualified expenses for the homeschool credit do not include the following, which is not intended to be an exhaustive list:

- ~~(A) internet~~ Internet access, ~~laptops, computers, tablets, screens, or any other device that provides internet access or is required to make use of instructional materials, tutoring, or learning programs;~~
- ~~(B) Out-of-state field trips.~~

(3) Each eligible homeschool expense can be claimed only once, even if a taxpayer is claiming the credit for multiple students. For example, the parent of two homeschool students may claim only once the cost of an online learning program subscription even though both students have access to the subscription.

- (d) **Annual cap and limitation of credit.** For tax year 2025, and subsequent tax years, the total amount of credits shall not exceed \$5,000,000 annually. The total amount of credits allowed may be reduced pursuant to the provisions 70 O.S. § 28-101~~(F)~~(I).
- (e) **Recapture.** The Tax Commission will recapture credits if an audit shows the credits were not claimed for a qualified homeschool expense, the student was enrolled in public or private school for two semesters in that year, or the taxpayer fails to comply with the applicable statutes and regulations.

710:50-15-174. Credit for students attending an accredited private school exclusively serving students experiencing homelessness

- (a) **General provisions.** Beginning with the 2024-2025 school year, an Oklahoma taxpayer may claim an income tax credit for an eligible student who attends an accredited private school in Oklahoma that exclusively serves students experiencing homelessness.
- (b) **Claiming the credit.** To apply for the credit, the taxpayer shall complete and submit an application for each eligible student and include the following documentation and information with the application:
- (1) The name, address, and social security number or ITIN of the taxpayer.
 - (2) The name, address, date of birth, and social security number or ITIN of the eligible student.
 - (3) If the taxpayer is not the parent or legal guardian of the eligible student, the taxpayer shall provide a signed parent consent form to allow the taxpayer to apply for the credit on behalf of the eligible student.
 - (4) Documentation from the school that specifies the amount of the cost to educate the eligible student at the private school for the school year for which the application is submitted.
- (c) **Amount of the credit.**
- (1) The amount of the credit for students attending an accredited private school in Oklahoma that exclusively serves students experiencing homelessness shall be \$7,500 or the amount of the cost to educate the eligible student at the private school per school year, whichever is less.
 - (2) The total amount of credits allowed may be reduced pursuant to the provisions of 70 O.S. § 28-101~~(F)~~(I).
- (d) **Payment of the credit.**
- (1) For school year 2025-2026, the approved credit will be paid in two payments disbursed on or before August 30, 2025, and January 15, 2026. Beginning with school year 2026-2027, and for subsequent school years, For eligible students enrolled in a full school year, the full credit will be paid by August 30 of the applicable school year in two installments, one per school semester. Each payment will be no more than half of the total approved credit. For processible applications filed on or before July 15, payments will be issued no later than August 30 and January 15.
 - (2) Payments will be issued by the Tax Commission with ~~an individual warrants~~ warrant made payable to the taxpayer and mailed to the private school ~~where the eligible student is enrolled or expected to enroll~~ identified on the application.
 - (3) If a student changes schools prior to the issuance of the check, a school change notification must be submitted online to redirect the check to the new school. If a school change notification is not submitted prior to the issuance of the check, but a student changes schools, the taxpayer is responsible for picking up the check from the school identified in the approved application.
- (e) **Notification.** Notification of approval will be sent to the applicant by email once a determination has been made that the taxpayer qualifies for the credit. If the application is denied, ~~a letter will also~~ an email will be sent to the applicant, stating the reason for denial and how to dispute the determination.
- (f) **Denial of application.** ~~If a taxpayer's application for the credit is denied, the taxpayer may request a hearing by filing OTC Form L-26, Application for Commission Hearing pursuant to the provisions of 68 O.S. § 207(c). The application for hearing and supporting documentation may be submitted either online or by mail to the address indicated on the form.~~
- (1) ~~The following information and documentation must be included with the request:~~
 - (A) ~~A description of the tax credit applied for and the amount in controversy;~~
 - (B) ~~A clear explanation of the alleged error(s) committed by the Tax Commission;~~
 - (C) ~~The legal authority the taxpayer intends to rely upon at hearing;~~
 - (D) ~~A statement of the relief requested; and~~
 - (E) ~~A list of witnesses, including names and addresses, and the request to subpoena witnesses if so desired.~~
 - (2) ~~The application for hearing and documentation will be reviewed. If the matter cannot be resolved without a hearing, the application for hearing will be forwarded to the Oklahoma Tax Commission's Office of the Administrative Law Judges and set for hearing pursuant to the rules set forth in OAC 710:1-5-21 through 710:1-5-49.~~
- (g) **School registration.** Each participating accredited private school that exclusively serves students experiencing homelessness shall annually complete an online registration with the Tax Commission. Registration shall include the following information:
- (1) Name, mailing address, phone number, FEIN, and website of the private school;
 - (2) Permanent physical address of the school location in Oklahoma;
 - (3) Primary and secondary contact information for the private school, including proof of employment;
 - ~~(3)~~(4) Proof of accreditation from the State Board of Education or another accrediting association; and
 - ~~(4)~~(5) Attestation from the principal or head of the private school that the private school exclusively serves students experiencing homelessness;
 - ~~(5)~~(6) The amount of the cost to educate an eligible student at the private school; and
 - ~~(6)~~(7) Other school identification information as requested by the Tax Commission.

~~(h)~~(g). **Annual verification.** No later than June 15 of each year, each participating private school shall provide reconciliation information ~~to confirm student enrollment for each semester.~~ Failure to provide all reconciliation by the required date may result in removing the school from participating in the Parental Choice Tax Credit Program the following school year. ~~For the reconciliation due no later than June 15, 2025, the participating private school shall provide student enrollment information for the spring 2025 semester. For all subsequent reconciliations, beginning June 15, 2026, the~~ The participating private school shall provide student enrollment information for the fall and spring semester of the just completed school year:

- (1) The name and permanent physical address of the private school;
- (2) The total number of instructional days ~~per semester;~~
- (3) The total number of instructional days the eligible student was enrolled in the private school ~~each semester;~~
- (4) ~~The name, grade level, address, and date of birth of the eligible student~~ Student information; and
- (5) Any other information requested by the Tax Commission.

~~(i)~~(h). **Recapture.** The Tax Commission shall recapture tax credits from the taxpayer if:

- (1) The taxpayer has claimed an eligible student who did not or no longer attends the accredited private school that exclusively serves students experiencing homelessness;
- (2) The private school no longer qualifies as a private school that exclusively serves students experiencing homelessness; or
- (3) The taxpayer fails to comply with the applicable statutes and regulations.

~~(j)~~(i). **Notification of non-use.** Taxpayers claiming the credit shall notify the Tax Commission electronically no later than ~~thirty (30)~~ 30 days after the date on which the eligible student no longer attends the accredited private school that exclusively serves students experiencing homelessness. The taxpayer is responsible for repayment of the portion of the tax credit attributable to the time in which the student was not enrolled in an accredited private school that exclusively serves students experiencing homelessness.

710:50-15-175. Credit for students attending an accredited private school primarily serving financially disadvantaged students

(a) **General provisions.** Beginning with the 2024-2025 school year, an income tax credit is allowed for an eligible student who attends an accredited private school in Oklahoma that primarily serves financially disadvantaged students.

(b) **Claiming the credit.** To apply for the credit, the taxpayer shall complete and submit an application for each eligible student and include the following documentation and information with the application:

- (1) The name, address, and social security number or individual taxpayer identification number (ITIN) of the taxpayer.
- (2) The name, address, date of birth, and social security number or ITIN of the eligible student.
- (3) If the taxpayer is not the parent or legal guardian of the eligible student, the taxpayer shall provide a signed parent consent form to allow the taxpayer to apply for the credit on behalf of the eligible student.
- (4) Documentation from the school that specifies the amount of the cost to educate the eligible student at the private school for the school year for which the application is submitted.

(c) **Amount of the credit.**

- (1) The amount of the credit for students attending an accredited private school in Oklahoma that primarily serves financially disadvantaged students shall be \$7,500 or the amount of the cost to educate the eligible student at the private school per school year, whichever is less.
- (2) The total amount of credits allowed may be reduced pursuant to the provisions of 70 O.S. § 28-101 ~~(F)~~(I).

(d) **Payment of the credit.**

- (1) For school year 2025-2026, the approved credit will be paid in two payments disbursed on or before August 30, 2025, and January 15, 2026. Beginning with school year 2026-2027, and for subsequent school years, For eligible students enrolled in a full school year, the full credit will be paid by August 30 of the applicable school year in two installments, one per school semester. Each payment will be no more than half of the total approved credit. For processible applications filed on or before July 15, payments will be issued no later than August 30 and January 15.
- (2) Payments shall be made by the Tax Commission with ~~an individual warrants~~ warrant made payable to the taxpayer and mailed to the private school ~~where the eligible student is enrolled or expected to enroll~~ identified on the application.
- (3) If a student changes schools prior to the issuance of the checks, a school change notification must be submitted online to redirect the check to the new school. If a school change notification is not submitted prior to the issuance of the check, but a student changes schools, the taxpayer is responsible for picking up the check from the school identified in the approved application.

(e) **Notification.** Notification of approval will be sent to the applicant by email once a determination has been made that the taxpayer qualifies for the credit. If the application is denied, ~~a letter will also~~ an email will be sent to the applicant, stating the reason for denial and how to dispute the determination.

(f) **Denial of application.** ~~If a taxpayer's application for the credit is denied, the taxpayer may request a hearing by filing OTC Form L-26, Application for Commission Hearing pursuant to the provisions of 68 O.S. § 207(c). The application for hearing and supporting documentation may be submitted either online or by mail to the address indicated on the form.~~

- (1) The following information and documentation must be included with the request:
 - (A) A description of the tax credit applied for and the amount in controversy;
 - (B) A clear explanation of the alleged error(s) committed by the Tax Commission;
 - (C) The legal authority the taxpayer intends to rely upon at hearing;

~~(D)~~ A statement of the relief requested; and

~~(E)~~ A list of witnesses, including names and addresses, and the request to subpoena witnesses if so desired.

~~(2) The application for hearing and documentation will be reviewed. If the matter cannot be resolved without a hearing, the application for hearing will be forwarded to the Oklahoma Tax Commission's Office of the Administrative Law Judges and set for hearing pursuant to the rules set forth in OAC 710:1-5-21 through 710:1-5-49.~~

~~(g)~~ **School registration.** Each participating accredited private school that primarily serves financially disadvantaged students shall annually complete an online registration with the Tax Commission. Registration shall include the following information:

(1) Name, mailing address, phone number, FEIN, and website of the private school;

(2) Permanent physical address of the school location in Oklahoma;

(3) Primary and secondary contact information for the private school, including proof of employment;

~~(3)(4)~~ (4) Proof of accreditation from the State Board of Education or another accrediting association; and

~~(4)(5)~~ (5) Attestation from the principal or head of the private school that 90% of the private school's admissions are based on enrolling students whose gross family income is 250% of the federal poverty threshold or below;

~~(5)(6)~~ (6) The amount of the cost to educate an eligible student at the private school; and

~~(6)(7)~~ (7) Other school identification information as requested by the Tax Commission.

~~(h)(g)~~ **Annual verification.** No later than June 15 of each year, each participating private school shall provide reconciliation information to confirm student enrollment for each semester. Failure to provide all reconciliation by the required date may result in removing the school from participating in the Parental Choice Tax Credit Program the following school year. For the reconciliation due no later than June 15, 2025, the The participating private school shall provide student enrollment information for the spring 2025 semester. For all subsequent reconciliations, beginning June 15, 2026, the participating private school shall provide student enrollment information for the ~~fall and spring semester of the~~ just completed school year:

(1) The name and address of the private school;

(2) The total number of instructional days ~~per semester~~;

(3) The total number of instructional days the eligible student was enrolled in the private school ~~each semester~~;

~~(4) The name, grade level, address, and date of birth of the eligible student~~ Student information; and

(5) Any other information requested by the Tax Commission.

~~(i)(h)~~ **Recapture.** The Tax Commission shall recapture tax credits from the taxpayer if:

(1) The taxpayer has claimed an eligible student who no longer attends the accredited private school that primarily serves financially disadvantaged students;

(2) The private school no longer qualifies as a private school that primarily serves financially disadvantaged students; or

(3) Taxpayer fails to comply with the applicable statutes and regulations.

~~(j)(i)~~ **Notification of non-use.** Taxpayers claiming the credit shall notify the Tax Commission electronically no later than thirty (30) days after the date on which the eligible student no longer attends the accredited private school that primarily serves financially disadvantaged students. The taxpayer is responsible for repayment of the portion of the tax credit attributable to the time in which the student was not enrolled in an accredited private school that primarily serves financially disadvantaged students.

710:50-15-176. Protest

(a) If a taxpayer is denied the Parental Choice Tax Credit set forth in 710:50-15-172, 710:50-15-174, or 710:50-15-175, the taxpayer may file a written protest using OTC Form L-27.

(b) Protests must be filed within 15 calendar days from the date of the denial email notification. Failure to submit a protest within the 15-day window will result in the denial becoming final in accordance with 68 O.S. § 221.

(c) The following supporting information and documentation must be included with the protest:

(1) A clear explanation of the alleged error(s) committed by the Tax Commission;

(2) The legal authority the taxpayer intends to rely upon at hearing; and

(3) A statement of the relief requested.

(d) The protest may be submitted either online or by mail to the address indicated on the form.

(e) The taxpayer must indicate on OTC Form L-27 whether they are requesting a hearing before an Administrative Law Judge or have the matter decided without a hearing based upon the information submitted with the application and the protest.

(1) If a hearing is requested, it will be conducted pursuant to the rules set forth in OAC 710:1-5-21 through 710:1-5-49, but on an expedited schedule to comply with the statutory 60-day window to have a final resolution.

(2) If a taxpayer does not request a hearing, the Administrative Law Judge will consider the application information, the information submitted with the protest, and any other information related to the matter in issuing Findings, Conclusions, and Recommendations.

(f) Assessments, corrections, or adjustments made to returns claiming the Parental Choice Tax Credit set forth in 710:50-15-173 may be protested under 68 O.S. § 221(C).

SUBCHAPTER 17. OKLAHOMA TAXABLE INCOME FOR CORPORATIONS

PART 5. DETERMINATION OF TAXABLE CORPORATE INCOME

710:50-17-51. Adjustments to arrive at Oklahoma taxable income for corporations

The following is a partial list and not inclusive of all the allowable and unallowable adjustments that may be made to federal taxable income to arrive at Oklahoma taxable income for corporations: [See: 68 O.S. § 2358]

(1) Taxes based on income. [See: 68 O.S. § 2358(A)(5)]

(A) Taxes based on or measured by income shall not be allowed as a deduction.

(B) Type of taxes that are based on or measured by income are:

- (i) State and Local Income Taxes,
- (ii) Foreign Income Taxes, and
- (iii) some Franchise Taxes that are based on or measured by income.

(2) **Federal income taxes.** Federal income taxes are not deductible.

(3) **Federal loss carryback/carryforward.** A federal net operating loss carryover or carryback will not be utilized in determining Oklahoma taxable income. For the allowance of Oklahoma net operating loss deduction refer to (4) of this Section.

(4) **Oklahoma net operating loss carryback/carryover.** ~~An election may be made to forego the net operating loss (NOL) carryback period. A written statement of the election must be part of the timely filed Oklahoma loss year return. A net operating loss (NOL) may be carried back or forward to the extent permitted under Internal Revenue Code § 172 and 68 O.S. § 2358. A taxpayer entitled to a carryback may elect to forego the carryback period by making the election on a timely filed original Oklahoma loss year return. The election may be made by checking the designated box on the return or, if the checkbox is not present, by attaching a written statement to the return.~~

(A) **Oklahoma net operating loss.** [See: 68 O.S. § 2358(A)(3)]

(i) An Oklahoma NOL may be carried back or over in accordance with 26 U.S.C.A. § 172 until December 31, 1992. However, no Oklahoma NOL can be carried back to years beginning before January 1, 1981 unless there is a federal NOL carryback from the same loss year to the same carryback year.

(I) For net operating losses incurred for tax years beginning on or after January 1, 2001, and ending on or before December 31, 2007, the loss carryback shall be for a period as allowed in the Internal Revenue Code; and

(II) For tax years beginning after December 31, 2007, and ending before January 1, 2009, the loss carryback period shall be for a period of ~~two (2)~~ 2 years; and

(III) For tax years beginning after December 31, 2008, the loss carryback period shall be for a period as allowed by Section 172 of the Internal Revenue Code.

(ii) Any Oklahoma NOL carryback not allowed, due to no federal loss carryback to the same year, may still be carried back to the years beginning after December 31, 1980, or carried over until utilized, without regard to a federal loss.

(B) **Oklahoma net operating loss computation for carryback to years beginning before January 1, 1981.**

The following shall apply to Oklahoma net operating loss before January 1, 1981:

(i) Consolidated federal filing: In the loss year, the percentage of the Oklahoma loss to all loss companies in the consolidation. (If no consolidated loss, there is no NOL allowable.)

(ii) Separate company federal filing: In the loss year, the percentage of the Oklahoma loss to federal loss. (If no federal loss, there is no NOL allowable.) This percentage is then applied to the federal NOL (each loss year separately) when it is taken (absorbed) on the filed federal return. The Oklahoma NOL can be used in the same Oklahoma year it is used on the filed federal return year.

(5) Oklahoma accrued income tax.

(A) Oklahoma will allow a deduction for Oklahoma accrued income tax. The Oklahoma accrued income tax is computed as follows:

(i) Divide the Oklahoma net income by the number 26 for tax years beginning before January 1, 1985.

(ii) Divide the Oklahoma net income by the number 21 for tax years beginning after December 31, 1984 and ending before January 1, 1990.

(iii) Divide the Oklahoma net income by the number 17.667 for tax years beginning after December 31, 1989 and ending before January 1, 2022.

(iv) Divide the Oklahoma net income by the number 26 for tax years beginning after December 31, 2021.

(B) There is no deduction for Oklahoma accrued income tax when Oklahoma net income is a loss. [See: 68 O.S. § 2358(A)(5)] When credits are allowed, the accrual of Oklahoma tax will not be allowed on the amount of Oklahoma taxable income that is covered by the credit, except for credits that have been acquired by transfer. The amount paid for credits that have been acquired by transfer can be used as a payment of tax for purposes of computing the deduction for Oklahoma accrued tax. Tax accrual is allowed on the amount of income for which tax is actually paid. The example in Appendix A of this Chapter shows how the accrual should be calculated. A schedule such as the example should be attached and submitted with Form 512.

(6) **Expenses allocated to nontaxable income.** 68 O.S. § 2358(A)(4) provides that deductions should be allocated to assets that may produce nontaxable income.

(A) An adjustment is required when a corporation has an investment in assets which produce income which is non-unitary, or separately allocable. Such items may include, but are not limited to, investments in subsidiaries, other corporation's bonds, U.S. Obligations or other types of securities that produce income which is excluded from Oklahoma income.

(B) A ratio is used to allocate expenses between unitary business operations and all other activities that do not produce unitary income. The manner in which this adjustment is made is as follows: A fraction, or percentage, is computed by dividing the average of investment in assets, the income from which is allocable, by the average of total assets. This percentage is then applied to certain expenses claimed on the return to arrive at the amount of expenses related to non-unitary business, and the resulting amount is added back to federal taxable income.

(C) Generally, interest expense is the only expense against which the adjustment described in subparagraph (B) of this paragraph is applied. However, facts and circumstances may indicate that other expenses should be considered in this allocation. This adjustment will be considered in all cases where deemed appropriate. [See: 68 O.S. § 2358(A)(4)] [See example in Appendix E of this Chapter]

(7) Interest income.

(A) **U. S. obligations.** Interest income from U.S. obligations is excluded from federal taxable income to arrive at Oklahoma taxable income. Interest income received from FNMA, GNMA, or the Internal Revenue Service is not income from an obligation of the U.S. government and cannot be excluded to arrive at Oklahoma taxable income.

(B) **Other interest income.**

(i) Interest income is to be directly allocated to the domiciliary situs of the taxpayer; except that interest income received from accounts receivable income shall be included in apportionable income.

(ii) There shall be added to Oklahoma taxable income, interest income on obligations of any state or political subdivision thereof which is not otherwise exempted pursuant to federal laws or laws of this State, to the extent said interest is not included in federal taxable income or adjusted gross income.

(8) Dividends. Dividends are to be allocated to the domiciliary situs of the taxpayer. [See: 68 O.S. § 2358(A)(4)(b)]

(A) For purposes of calculating Oklahoma taxable income, foreign earnings deemed repatriated pursuant to 26 U.S.C. § 965 shall be considered dividend income and shall be allocated to the domiciliary situs of the taxpayer.

(i) To the extent such income is not included in the calculation of a taxpayer's federal taxable income due to inclusion on an IRC 965 Transition Tax Statement rather than the income tax return, the income shall be included on the Oklahoma return as an addition to net taxable income.

(ii) If a taxpayer elects to make installment payments of tax pursuant to the provisions 26 U.S.C. § 965, such election may also apply to the payment of Oklahoma income tax, attributable to the income upon which such installment payments are based.

(B) For purposes of calculating Oklahoma taxable income, ~~global intangible low-taxed income included in federal income pursuant to 26 U.S.C. § 951A~~ foreign income inclusions under 26 U.S.C. § 951A (Global Intangible Low-Taxed Income, prior to repeal, or Net CFC Tested Income) shall be considered dividend income and shall be allocated to the domiciliary situs of the taxpayer.

(9) Domestic International Sales Corporation (DISC) and Foreign Sales Corporation (FSC) Commission Expense.

Expenses incurred in producing DISC and FSC Dividend income shall be allocated on the same basis as the DISC and FSC Dividend income. [See: 68 O.S. § 2358(A)(4)]

(10) **Net oil and gas income.** Income or loss from oil and mining production or royalties, and gains or losses from sales of such property, shall be allocated in accordance with the situs of such property. General and administrative expenses will be allocated on the basis of Oklahoma direct expense to total direct expense. [See: 68 O.S. § 2358(A)(4)(a)]

(11) **Oklahoma 22% depletion.** Oklahoma depletion on oil and gas may be computed at ~~twenty-two percent (22%)~~ 22% of gross income derived from each Oklahoma property during the taxable year.

(A) For tax years beginning on or after January 1, 2001, and ending on or before December 31, 2011, and for tax years beginning on or after January 1, 2014, major oil companies, as defined by 52 O.S. § 288.2(4), shall be limited to ~~fifty percent (50%)~~ 50% of net income for such property (computed without allowance for depletion).

(B) During years not specified herein, the Oklahoma depletion allowance, for all taxpayers, shall not exceed ~~fifty percent (50%)~~ 50% of the net income of the taxpayer (computed without allowance for depletion) from the property.

(C) The percentage depletion calculated shall not be a duplication of the depletion allowed on the federal income tax return. [See: 68 O.S. § 2353(10)]

(12) **Net rental income and safe harbor leasing.** The following provisions apply to the treatment of net rental income and safe harbor leasing:

(A) Net rental income is separately allocated. [See: 68 O.S. § 2358(A)(4)]

(B) A schedule of net rental income is required to be filed with the return showing gross income and all expenses (depreciation, repairs, taxes, interest, general and administrative expense, etc.).

(13) Royalties; patents; copyrights. [See: 68 O.S. § 2358(A)(5)]

(A) Income from patent or copyright royalties is apportionable.

(B) Income from which expenses have been deducted in producing such patent or copyright royalties in arriving at apportionable income (including the purchase of such patent or copyright royalties) shall be apportionable.

(14) Capital gains or loss - 4797 gains or loss.

(A) Gains (losses) from the sale or other disposition of unitary assets or any other assets used in the unitary enterprise are apportionable. [See: 68 O.S. § 2358(A)(5)]

(B) Gains (losses) from sale of property, the income from which is separately allocated shall also be separately allocated.

(15) Partnership income or loss from corporate partners.

(A) Partnership income or loss shall be separately allocated. [See: 68 O.S. § 2358(A)(4)]

(B) The Oklahoma distributive share of partnership income as determined under 68 O.S. § 2358 and 68 O.S. § 2362 shall be allocated to Oklahoma.

(16) Overhead allocation. The Commission may adjust or allocate overhead expenses to or from a parent or subsidiary, or between divisions in order to more accurately reflect the overhead expenses. [See: 68 O.S. § 2366]

(17) Federal new jobs credit deduction. For tax years beginning after December 31, 1980, the Federal New Jobs deduction is disallowed due to Oklahoma's own Investment/New Jobs Credit.

(18) Deductions related to directly allocated income/loss. Deductions incurred in producing income of a nonunitary nature shall be allocated on the same basis as the income. (Examples: Liquidation of subsidiaries, worthless stock loss, bad debts due subsidiaries on sale of stock, etc.) [See: 68 O.S. § 2358(A)(4)]

(19) Intercompany eliminations. There are no provisions to allow intercompany eliminations in computing the income of each company filing an Oklahoma Consolidated Return.

(20) Other income. Generally, other income, unless it is separately allocable under 68 O.S. § 2358(A)(4) is apportionable. [See: 68 O.S. § 2358(A)(5)]

(21) Add-back of federal bonus depreciation for Oklahoma income tax purposes. Generally, corporations claiming the federal bonus depreciation (as allowed under provisions of the federal *Job Creation and Workers Assistance Act of 2002*, the provisions of the federal *Economic Stimulus Act of 2008* or the federal *American Recovery and Reinvestment Act of 2009*) are required to add back a portion of the bonus depreciation and then claim it in later years for Oklahoma income tax purposes.

(A) Corporations filing Oklahoma income tax returns will have to add back ~~eighty percent (80%)~~ 80% of any bonus depreciation claimed under provisions of the federal *Job Creation and Workers Assistance Act of 2002*, the federal *Economic Stimulus Act of 2008* or the federal *American Recovery and Reinvestment Act of 2009*. Any amount added back can be claimed in later years. ~~Twenty-five percent (25%)~~ 25% of the amount of bonus depreciation added back may be subtracted in the first taxable year beginning after the bonus depreciation was added back, and ~~twenty-five percent (25%)~~ 25% of the bonus depreciation added back may be deducted in each of the next three succeeding taxable years.

(B) The provisions relating to the add-back of the federal bonus depreciation apply only to C-Corporations and are not applicable to corporations which have elected to be treated as Subchapter S Corporations pursuant to 26 U.S.C. § 1361 et seq. of the Internal Revenue Code, nor to Limited Liability Companies.

(22) Add-back of applicable Section 179 expenses. For tax years beginning on or after January 1, 2009 and ending on or before December 31, 2009, any amount in excess of ~~One Hundred Seventy-five Thousand Dollars (\$175,000.00)~~ \$175,000 which has been deducted as a small business expense under Internal Revenue Code Section 179 as provided in the federal *American Recovery and Reinvestment Act of 2009* must be added back to Oklahoma taxable income.

(23) Add-back of federal depreciation for Oklahoma income tax purposes.

(A) Taxpayers have the option to immediately and fully deduct the cost of qualified property and qualified improvement property for income tax purposes. This deduction is eligible for ~~one hundred percent (100%)~~ 100% bonus depreciation and can be claimed as an expense in the tax year when the property is placed in service. This deduction remains available in subsequent years, regardless of changes to federal law related to cost recovery amortization beginning January 1, 2023.

(B) If a taxpayer chooses to immediately and fully expense qualified property or qualified improvement property, any depreciation claimed under this provision cannot duplicate the depreciation or bonus depreciation claimed on their federal income tax return. For tax returns filed on or after January 1, 2023, the taxpayer must increase their federal taxable income by the amount of depreciation received under the Internal Revenue Code for the property for which the immediate and full expensing election was made on the Oklahoma income tax return. If a taxpayer's federal taxable income is not increased as required by this provision before October 1, 2023, they must file an amended return reflecting the increase by June 30, 2024. The Tax Commission will not impose penalties or interest if a correct amended return is filed within the specified timeframe.

(C) The taxpayer's decision to recover investment costs through immediate expensing in the year of the investment or through amortization over a schedule is irrevocable, unless specifically allowed by the Tax Commission.

SUBCHAPTER 23. FIDUCIARY REPORTING

(a) State income tax reporting requirements.

- (1) The ~~Income~~ income tax period of an estate is initially established the day following the date of death and the estate representative may elect an annual closing period for the estate to be the last day of any month not to exceed twelve months. Once an estate tax period has been established, it will remain the same throughout the period of administration up to and including the final decree and court order for distribution.
- (2) During the period of the administration of an estate, the liability for the filing of an Oklahoma ~~Income Tax Return~~ income tax return for the estate and the payment of any tax due, shall be that of the representative of the estate.
- (3) Only that income properly paid, credited or distributed to the beneficiaries, pursuant to a court order or under the terms of the will, may be deducted from the income of the estate.
- (4) The Court Order for Final Decree is deemed to distribute both income and corpus, therefore the amounts of income generated during such final period must be shown on the final Oklahoma ~~Income Tax Return~~ income tax return of the estate as a distribution showing also the name, address and social security number of each beneficiary, as well as the amounts and types of income so distributed to each.
- (5) The representative of the estate, such as the administrator, executor or personal representative, is responsible for reporting the correct amount of income tax due for all years of the estate and must secure a certificate of clearance from the Oklahoma Tax Commission, disclaiming any further Oklahoma ~~Income Taxes~~ income taxes due or owing by the decedent or the estate for which the representative acts.
- (6) Wills and/or ~~Trust Instruments~~ trust instruments shall be filed with the initial filing of ~~Trust~~ trust or ~~Estate~~ estate return, so the flow of income can be determined.
- (7) Returns of ~~Trusts~~ trusts and ~~Estates~~ estates are due on the 15th day of the fourth month following the close of the taxable year.

(b) Certificate of clearance. Prior to the issuance of a certificate of clearance, all taxes due from ~~Decedent's~~ decedent's prior years' returns must be paid.

(c) Resident/nonresident.

- (1) Domicile is the primary determining factor in interpretation.
- (2) A residence at death creates a resident estate throughout probate. A testamentary trust of such an estate is likewise a resident until distributed.
- (3) Grantor trusts follow the situs of the grantor.
- (4) Intervivos trust depends upon the trust language.
- (5) The residence of the executor, administrator or trustee has no bearing on the residence of the estate or trust.

(d) Characteristics of income and deductions. Income and deductions shall retain the same characteristics as reported to and allowed by the Internal Revenue Service (I.R.S.). Example: Personal service income reported to the I.R.S. shall be treated as personal service income to Oklahoma and not as business income or any other type of income.

(e) Deductions on fiduciary return. There is no deduction for state estate tax for income in respect of the decedent. There is no deduction for interest paid on payments for ~~Federal Estate Tax~~ federal estate tax, unless the election is made to deduct this interest on the ~~Federal Fiduciary Income Tax Return~~ federal fiduciary income tax return. The election to deduct administration expenses and losses on the fiduciary return in lieu of the estate tax return; must follow the federal election, ~~and a statement must be filed with the return waiving the right to deduct the expenses and losses on Oklahoma Estate Tax form 454.~~ There is no deduction for ~~Federal Income Tax~~ federal income tax paid ~~in on~~ the fiduciary return.

SUBCHAPTER 25. BANKRUPTCY

710:50-25-1. General provisions; bankruptcy

The ~~Fiduciary~~ fiduciary must file OTC Form 513 for the ~~Estate~~ estate of an individual involved in bankruptcy proceedings, if a ~~Federal Income Tax Return~~ federal income tax return is required for the ~~Bankruptcy Estate~~ bankruptcy estate. Use OTC Form 513 as a transmittal for OTC Form 511. Complete the tax for the ~~Bankruptcy Estate~~ bankruptcy estate on the OTC Form 511, by using the instructions and tax rate schedules for a married person, filing separately. ~~Enter the computed tax on OTC Form 513, line 23, and remit payment of any tax due.~~

**TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 50. INCOME TAX**

RULE IMPACT STATEMENT

Pursuant to 75 O.S. § 303(D), the Oklahoma Tax Commission provides the following rule impact statement with regard to proposed rule changes to Chapter 50 of Title 710 of the Oklahoma Administrative Code.

DESCRIPTION: The amendments update multiple income tax rules to reflect current statutes, modernize administrative processes, and improve clarity for taxpayers. Changes include clarifying fees for income tax return copies, removing outdated references on returns for deceased taxpayers, clarifying non-taxability of Parental Choice Tax Credit (PCTC) payments, refining statutory references, updating dates and requirements for various credits, and revoking credits no longer authorized by statute. Several rules are revised to align with new legislation, including updates to agricultural income exclusions, aerospace sector credits, biomedical research donation credits, and adoption-related credits. New or amended rules also provide detailed procedures for the Parental Choice Tax Credit program—clarifying definitions, eligibility, application processes, payment schedules, school responsibilities, verification requirements, and the protest process for denials. Additional updates improve clarity on corporate net operating losses, fiduciary filing requirements, and bankruptcy filing provisions.

No federal mandate governs this rulemaking.

STATEMENT OF NEED AND LEGAL BASIS: Pursuant to 68 O.S. § 203, the Oklahoma Tax Commission is authorized to promulgate and enforce all rules necessary for the administration and collection of state taxes. Additional rule changes in this Chapter are authorized under 68 O.S. §§ 2357.409, 2357.601, and 2357.801; and 70 O.S. § 28-102.

The rule changes are needed to align Commission rules with current statutory provisions, remove outdated or obsolete references, and ensure administrative procedures remain accurate, efficient, and legally compliant. Many amendments implement newly enacted legislation, including updates to various tax credits and the Parental Choice Tax Credit program. Other changes improve clarity for taxpayers and practitioners by correcting outdated language, updating dates and references, clarifying fee structures, modernizing verification processes, and simplifying filing requirements. These updates

support consistent application of tax laws, reduce confusion, and prevent the need for future rule revisions when statutory changes occur.

CLASSIFICATION OF RULE: Nonmajor. The rules are not anticipated to have implementation and compliance costs.

CLASSES AFFECTED: All taxpayers, tax preparers, schools and parents participating in the Parental Choice Tax Credit program, and taxpayers relying on amended or revoked rules concerning credits or exclusions.

CLASSES BENEFITED: Taxpayers will benefit from clearer guidance, updated filing procedures, corrected statutory references, and improved accuracy in credit calculations and documentation requirements.

Parents and students participating in the Parental Choice Tax Credit program, will benefit from clarified eligibility rules, application processes, payment schedules, and protest procedures.

Schools and educational institutions will benefit from clearer verification, documentation, and reconciliation requirements.

Tax professionals will benefit from streamlined rules, consistent statutory alignment, and improved clarity across multiple credits and filing scenarios.

COMPREHENSIVE ECONOMIC IMPACT AND METHODOLOGY: The promulgation of these rules is not intended or expected to have any economic impact. The proposed rules are not anticipated to affect the full-time employee count of the agency. Implementation can be managed with existing staff and resources.

The rulemaking action does not levy, implement, or increase any fees.

No direct compliance costs are expected for affected taxpayers. Accordingly, no adverse effect on the state economy is anticipated.

The economic impact analysis was conducted by reviewing statutory requirements, assessing agency resource needs, and evaluating potential effects on affected parties. This review confirmed that the rules do not impose additional financial burdens and instead provide clarity and structure for program administration.

ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS: The promulgation of these rules is not intended or expected to have any economic impact on any political

subdivisions or require their cooperation in implementing or enforcing the rule.

SMALL BUSINESS IMPACT: After consideration pursuant to the Oklahoma Small Business Regulatory Flexibility Act, it has been determined that the proposed rules will have no adverse impact on small businesses.

MEASURES TO MINIMIZE COSTS OF COMPLIANCE: There are no less costly or non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rules. No formalized compliance cost minimization measures have been pursued.

DETERMINATION OF THE EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT: The agency does not anticipate any impact on public health, safety, or environment as a result of implementation of the proposed rules at this time.

DETERMINATION OF THE DETRIMENTAL EFFECT WILL THERE BE ON THE PUBLIC HEALTH, SAFETY, AND ENVIRONMENT IF THE RULE CHANGE IS NOT IMPLEMENTED: The agency does not anticipate any detrimental effect on public health, safety, or environment as a result of failure to implement the proposed rules at this time.

DATE PREPARED: November 13, 2025