



**OKLAHOMA**  
Parental Choice Tax Credit



# Program Handbook

[www.parentalchoice.ok.gov](http://www.parentalchoice.ok.gov)

v2.3

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# Introduction & Program Overview

## About the Oklahoma Parental Choice Tax Credit

Beginning in tax year 2024, a refundable income tax credit between \$5,000-\$7,500 is allowed for eligible Oklahoma Taxpayers who pay, or expect to pay, qualified expenses such as tuition and fees to an eligible private school on behalf of an eligible student that attends or plans to attend an eligible private school during that tax year. The Oklahoma Tax Commission can only authorize \$150 million of tax credits in 2024. Priority will be given to Applicants claiming credits for eligible students who are members of a Household in which the federal Adjusted Gross Income (AGI) does not exceed One Hundred Fifty Thousand Dollars (\$150,000) (“priority Applicants”). To receive priority consideration, Applicants must submit their applications on or before February 5, 2024. Those applications that are approved will receive the credit in two installment payments.

For purposes of this credit, “Household” is defined to include all persons who reside in the same home and provide financial support for the eligible student. Household income will be determined using federal AGI from two years prior to the tax year for which the credit application is being submitted.

**Taxpayer:** An eligible Taxpayer is someone who is subject to the tax laws of the state of Oklahoma, and who is a biological or adoptive parent, grandparent, aunt, uncle, legal guardian, custodian, or other person with legal authority to act on behalf of the eligible student.

**Student:** An eligible student must be a resident of Oklahoma who is eligible to enroll in pre-K through grade 12 at an Oklahoma public school. Additionally, the student must be enrolled in and attending, or planning to enroll in, pre-K through grade 12 at an eligible private.

**School:** An eligible school must be accredited by the Oklahoma State Board of Education or another accrediting association. The Oklahoma Tax Commission is not an accrediting association. Each eligible school must complete the School Participation Form in order for its students to participate in the program.

Taxpayers and schools can access full program information and apply at [www.parentalchoice.ok.gov](http://www.parentalchoice.ok.gov).

## About Merit

The Oklahoma Tax Commission has partnered with Merit International, Inc. to administer the Parental Choice Tax Credit program. Merit will serve as the program management platform for participating families and schools by reviewing applications, verifying eligibility, issuing digital access credentials, and managing customer support and marketing outreach.

# For Taxpayers

## Participant Eligibility

An eligible Taxpayer is someone who is subject to the tax laws of the state of Oklahoma, and who is a biological or adoptive parent, grandparent, aunt, uncle, legal guardian, custodian, or other person with legal authority to act on behalf of the eligible student. A nonresident military service member stationed in Oklahoma qualifies as an eligible Oklahoma Taxpayer.

An eligible student must be a resident of Oklahoma who is eligible to enroll in an Oklahoma public school. Additionally, the student must be enrolled in and attending, or planning to enroll in, an eligible private school.

## Taxpayer Application Process

To claim the Parental Choice Tax Credit, the Taxpayer must apply online at [www.parentalchoice.ok.gov](http://www.parentalchoice.ok.gov). The application is expected to become available on December 6, 2023. Taxpayers may submit a single application for multiple eligible students.

Taxpayers will need to upload a completed Enrollment Verification Form for each student as part of the application. Taxpayers must request an Enrollment Verification Form for each student from the school their student(s) attend or plan to attend. An email containing the form will be sent directly to the Taxpayer on behalf of the participating school, which must be uploaded during the application process.

Taxpayers must provide the student's Household federal Adjusted Gross Income (AGI) for the second preceding tax year. For example, if you are applying for the Parental Choice Tax Credit for tax year 2024, you will provide the federal AGI from tax year 2022. They may be required to provide a copy of the 2022 Oklahoma income tax return or federal income tax return of the student's current Household if program administrators are unable to verify electronically.

Individuals who did not have an Oklahoma tax filing requirement for 2022 or have not yet filed a 2022 Oklahoma income tax return will need to submit a 2022 IRS Form 1040.

If the student Household had no tax filing requirement, the Taxpayer shall submit the Affidavit for No Filing Requirement ([Oklahoma Tax Commission Form 591-C](#)) and/or an IRS Verification of Nonfiling Letter, which provides proof from the IRS that there is no record of a filed tax form for the year requested.

## Tax Credit Amount Determination & Issuance

In the case of having multiple eligible students, the Taxpayer may receive the tax credit for each eligible student. For example, if the federal Adjusted Gross Income (AGI) of the Household where the students reside is \$75,000 or less, the Taxpayer may qualify for up to \$7,500 per year per eligible student. While only one application is required for multiple eligible students, it is important to note that a separate Enrollment Verification Form is required for each student.

The credit amount per eligible student is equal to the Maximum Credit Amount Per Student, as shown in the table below, or the anticipated private school tuition and fees for the tax year, whichever is less. The anticipated tuition and fees for the tax year must be reflected on the student's Enrollment Verification Form provided by the eligible school. The Maximum Credit Amount is determined by the total federal AGI of the student's Household during the second preceding tax year.

Credit Eligibility Per Tax Year	
Student Household Federal AGI	Maximum Credit Amount Per Student
Up to \$75,000	\$7,500
\$75,001 - \$150,000	\$7,000
\$150,001 - \$225,000	\$6,500
\$225,001 - \$250,000	\$6,000
\$250,001 and up	\$5,000

The credit must be issued in two installment payments. Each installment payment will not exceed half of the allowable credit for the applicable tax year. For example, a Taxpayer qualifying for a \$7,500 tax credit but with a private school tuition and fees of \$5,000, would receive two payments of \$2,500 each.

Please note that the amount of the credit payment will be reduced if the Taxpayer has outstanding delinquent tax balances or other qualified debts. The Oklahoma Tax Commission is required by statute (68 O.S. § 205.2) to deduct from any state tax refund payment the amount of any delinquent state tax, penalty, and interest thereon, which the Taxpayer owes pursuant to any state tax law. Additionally, if the Oklahoma Tax Commission has received a claim from a qualified entity for an outstanding debt, the Oklahoma Tax Commission is required to deduct from the payment the amount owed to that entity, including any collection expenses and costs.

## Priority Application Period

Priority will be given to Applicants claiming credits for eligible students who are members of a Household in which the federal Adjusted Gross Income (AGI) does not exceed One Hundred Fifty Thousand Dollars (\$150,000) ("Priority Applicants"). To receive priority consideration, Applicants must submit their applications on or before February 5, 2024.

## Application Reviews

The Parental Choice Tax Credit program anticipates priority Applicants will be notified of approval status after submission of a “processable” application. For purposes of credit approval, “processable” means the application contains sufficient information to properly determine all statutory requirements to qualify for the credit have been met. Please note that in the event that the Applicant is not the student’s legal guardian, applications may take longer to process.

Non-priority Applicants who apply during the priority consideration period will receive an acknowledgment of receipt of their application but will not be notified of approval status until after February 5, 2024, when the priority application period closes and all priority Applicants have been approved and notified of their award.

Once the priority consideration period has ended, and all priority Applicants have been approved and notified of their award, all other Applicants can expect to be notified of approval status after submission of a processible application. Please note that in the event that the Applicant is not the student’s legal guardian, applications may take longer to process.

Instructions will be provided for any incomplete application to let the Applicant know what is missing from their application.

## Securing your Enrollment Verification Form(s)

Taxpayers must request an Enrollment Verification Form for each student from the school their student(s) attends or plans to attend.

Participating schools have been provided with a tool for generating these forms for this program. Taxpayers should contact their school prior to applying, and ask for their Enrollment Verification Form(s). The school will then create the form(s) and an email containing the form will be sent directly to the Taxpayer on behalf of the participating school. The Taxpayer should download the form and attach it to their application. Applications submitted without the Enrollment Verification Form(s) will be rejected.

All accredited private schools must complete a School Participation Form with the Parental Choice Tax Credit program in order to produce the Enrollment Verification Forms for students. Taxpayers are encouraged to direct school officials to [www.parentalchoice.ok.gov](http://www.parentalchoice.ok.gov) to submit the School Participation Form that allows them to register for the program.

## Qualifying Expenses

“Qualifying expense” means tuition and fees paid to an eligible private school that is accredited by the Oklahoma State Board of Education or another accrediting association. Eligible fees may 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.

# Using the Merit Platform

## Tax Credit Acceptance and Merit Account Setup

After income and supporting documentation verification is complete, qualifying Taxpayers will receive two emails.

### Email #1

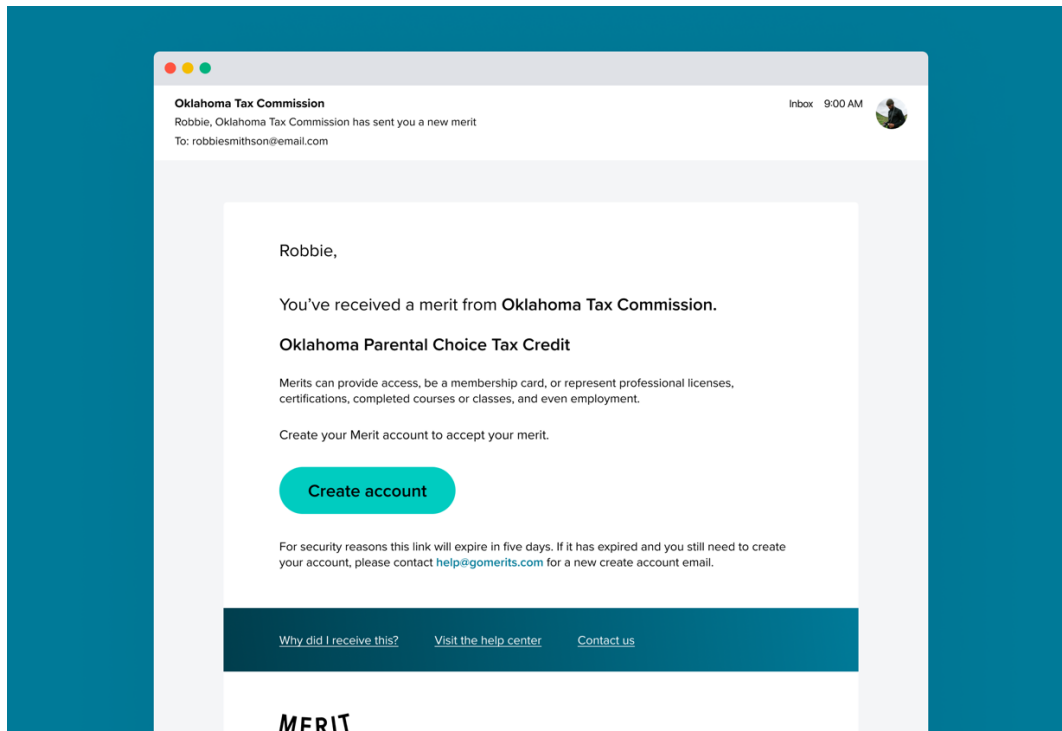
The first email, from the Parental Choice Tax Credit program, is the official tax credit notification. This email will contain rules and information for using the program as well as a link to the Merit web and mobile application, where Taxpayers will log in to view their approved tax credit.

Before Taxpayers are able to view the credit, a secure username and password must be created, which will occur in the second email.

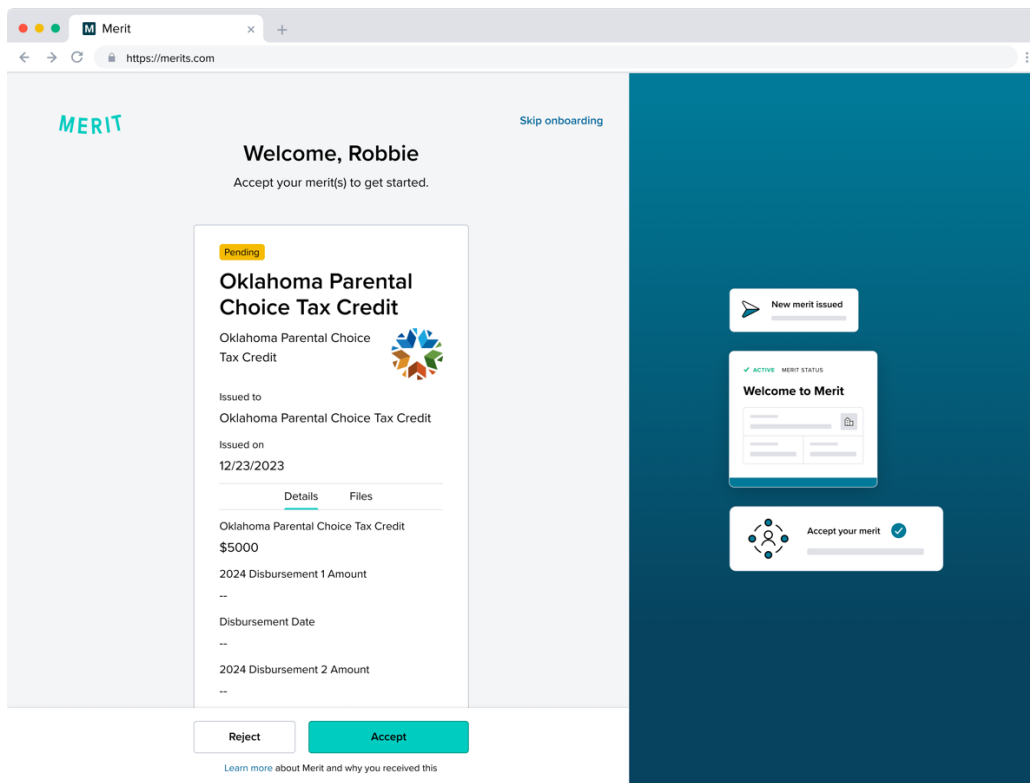
### Email #2

The second email will contain a link to set up the username and password for the Merit account that will be used to view the tax credit amount issued by the Oklahoma Tax Commission and also to receive notifications when each disbursement is sent. Recipients should open the email from [help@merits.com](mailto:help@merits.com) and click the "Create Account" button to begin the process of creating a Merit account.

The email will look like this:

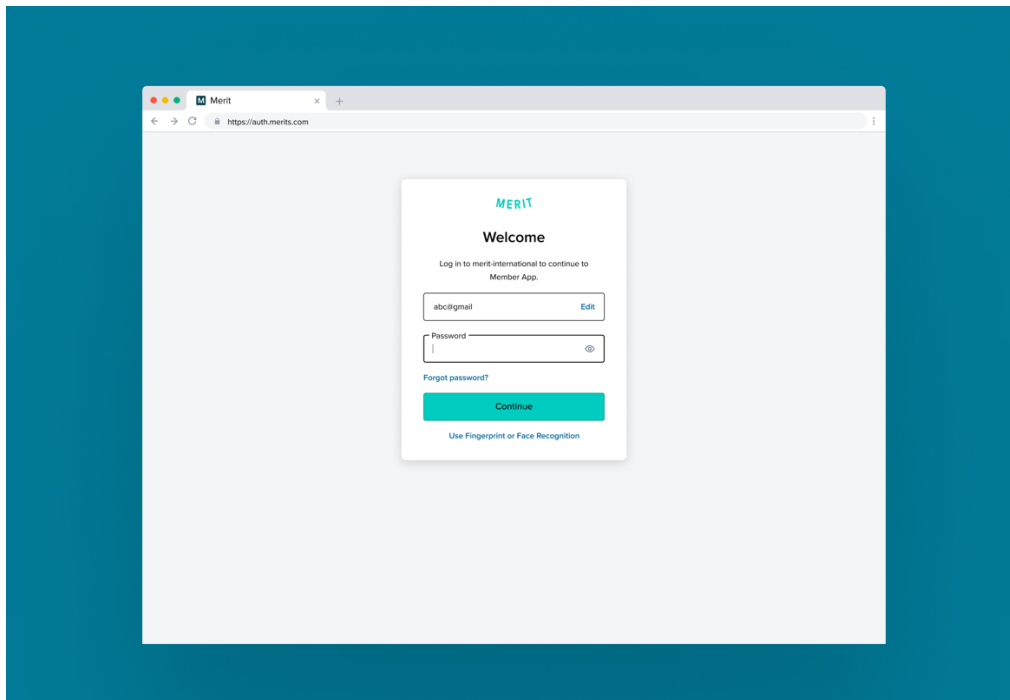
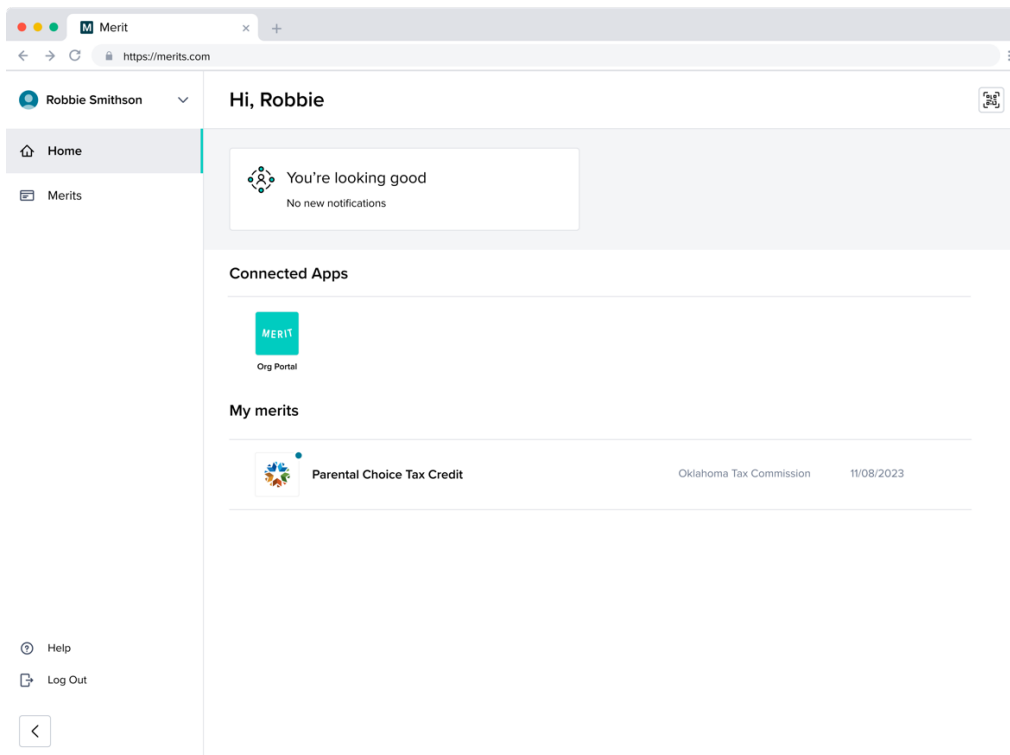


After setting a password, Taxpayers will be shown their tax credit merit. They will need to click "Accept" in order to proceed.



Once the tax credit merit has been accepted, the Taxpayer will be taken to their account screen. This can also be accessed anytime by logging in at [member.merits.com](https://member.merits.com). From this screen, the Taxpayer can view their tax credit merit. Notifications will be sent to the Taxpayer anytime a disbursement has been sent by the Oklahoma Tax Commission. That information will appear in the tax credit merit fields. A sample tax credit merit where a disbursement has been sent, is shown below.





This login experience creates the Taxpayer's account, which is needed for sending notifications to the Taxpayer when a disbursement check is issued.

# For Accredited Private Schools

## School Eligibility

An eligible school must be accredited by the Oklahoma State Board of Education or another accrediting association. The Oklahoma Tax Commission is not an accrediting association. Each eligible school must complete the School Participation Form in order for its students to participate in the program.

If your school is already accredited by one of the known accrediting bodies listed in the dropdown selections on the application, please indicate so. If you do not find your accrediting body in the list, select “Other,” and provide the name of the accrediting body that you received your accreditation from. Your application will be placed on hold pending validation of the listed accrediting body by the Parental Choice Tax Credit program administrators. You will be notified once a determination has been made.

## School Registration Process

Eligible schools must complete a School Participation Form with the Oklahoma Parental Choice Tax Credit program at [parentalchoice.ok.gov](http://parentalchoice.ok.gov) in order to gain access to the Enrollment Verification Form generator, which schools must provide to Taxpayers for each student applying to the program. Schools will need to supply a minimal amount of information for the purpose of validating the school's eligibility to receive Parental Choice Tax Credit payments, as well as information that will be listed in the School Directory. This form must be completed by an authorized school administrator.

## Creating the Enrollment Verification Forms

After the School Participation Form has been submitted, reviewed, and validated, the school's primary and secondary contact will be notified via email and will receive access to the Enrollment Verification Form generator tool to help create and send these forms with minimal effort. Schools will be able to upload a .csv into the tool, and the forms will be automatically generated and sent to the email address associated with the student from the .csv file. Only forms generated from this tool will be used.

To submit a single student's information, school administrators may complete the form with taxpayer information, including address and email, as well as student information, such as name and birthdate. Note that the Taxpayer's email address must be correct, as the resulting Verification Enrollment Form(s) will be automatically delivered to the Taxpayer by email. School administrators will also need to submit the student's tuition and fees, broken down by category for each semester.

To submit data for multiple students, school administrators should download the linked .csv spreadsheet template file listed in the Enrollment Verification Form Generator. After downloading the template, school administrators should input the data for each student. Note that each row represents an individual student, with each column representing a data field, such as birthdate, contact information, and tuition/fees.

## **Receiving Payments**

The Oklahoma Tax Commission (OTC) will send the tax credit payments directly to the school in two installments. Each installment payment will not exceed half of the allowable credit for the applicable tax year. While the payments are sent to the school, the checks will be made payable to the Taxpayer submitting the application. Taxpayers will be required to personally appear at the school to either sign the check over to the school or collect the check from the school if tuition and fees have already been paid.

# School Directory

The Parental Choice Tax Credit program website hosts a School Directory that lists eligible private schools to serve as a resource for families to identify eligible schools that are participating in the Parental Choice Tax Credit program. Those schools that have completed the School Participation Form will be listed as “Registered,” indicating that a Taxpayer can request an Enrollment Verification Form from that school. If a preferred school is not listed or marked as “Registered,” Taxpayers are encouraged to direct school officials to [www.parentalchoice.ok.gov](http://www.parentalchoice.ok.gov) to register with the program.

OKLAHOMA PARENTAL CHOICE TAX CREDIT PROGRAM

## School Directory

Schools marked as "Registered" are able to create Enrollment Verification Forms for taxpayers to submit with their program application.

If your school is not marked as "Registered," please direct administrators to the [participation form](#).

**FILTERS** [Clear Filters](#)







Choose a County

Choose a Grade

Search by Name

Search by City

Registered?

 <p><b>Victory Family School</b></p> <p>Norman</p> <p><b>Not Yet Registered</b></p>	 <p><b>Owasso Preparatory Academy</b></p> <p>Owasso</p> <p><b>Not Yet Registered</b></p>	 <p><b>Primrose School of Yukon</b></p> <p>Yukon</p> <p><b>Not Yet Registered</b></p>
 <p><b>Lincoln Christian School</b></p>	 <p><b>Community Christian School</b></p>	 <p><b>Keystone Adventure School and Farm</b></p>

# Additional Resources & Support

The online Parental Choice Tax Credit Help Center is available at [help.parentalchoice.ok.gov](https://help.parentalchoice.ok.gov). In addition, the support team can be reached by email at [help@parentalchoice.ok.gov](mailto:help@parentalchoice.ok.gov) or by phone at (918) 554-5440.