

**BILL SUMMARY**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 905</b>
<b>Version:</b>	<b>ENGR</b>
<b>Request Number:</b>	<b>NA</b>
<b>Author:</b>	<b>Rep. Davis</b>
<b>Date:</b>	<b>3/29/2021</b>
<b>Impact:</b>	<b>Tax Commission</b>

**Revenue Decrease:**  
**FY-22: \$0**  
**FY-23: (\$704,000)**

**Research Analysis**

SB 905 provides, for tax years 2022 through 2027, a \$20 income tax credit for employers for each verified donation of blood made by an employee as part of a blood drive by an Oklahoma nonprofit blood donation organization. The credit shall not be used to reduce the employer's tax liability to less than zero. The measure directs the Oklahoma Tax Commission to annually calculate and publish the percentage by which the credits shall be reduced so the total amount of credits does not exceed \$500,000 per year.

Prepared By: Emily McPherson

**Fiscal Analysis**

Analysis provided by the Tax Commission

Engrossed SB 905 proposes to enact a new, non-refundable income tax credit to be claimed by an employer<sup>1</sup> for each verified blood donation made by an employee as part of a blood drive that is organized by an Oklahoma nonprofit blood donation organization in coordination with an employer or group of employers. The blood drive may not be open to non-employees. Effective for tax years 2022 through 2027, an employer may claim a \$20 credit for each qualified donation.

Total credits are capped at \$500,000 per year. The Oklahoma Tax Commission shall annually calculate and publish a percentage by which the credits authorized shall be reduced so the total amount of credits used to offset tax does not exceed \$500,000 per year. The formula to be used for the percentage adjustment is \$500,000 divided by the credits claimed in the second preceding year.

Data provided by the Oklahoma/Texas/Arkansas Blood Institute,<sup>2</sup> indicates that 35,224 blood donations were received from employees participating in qualified blood drives during 2019.<sup>3</sup> Assuming similar activity in 2022, the potential revenue impact is an estimated decrease in income tax revenue of approximately \$704,000<sup>4</sup> for tax year 2022. No changes in withholding or estimated tax payments are anticipated, and the full impact would occur in FY 23 when the 2022 income tax returns are filed.

<sup>1</sup> “Employer” means a sole proprietor, general partnership, limited partnership, limited liability company, corporation or other legally recognized business entity.

<sup>2</sup> Terry Ridenour, Vice President of Center Administration and Operations for the Oklahoma/Texas/Arkansas Blood Institute

<sup>3</sup> The number of employee blood donations received during 2020 was 33,004; however, this number may reflect reduced activity, due to COVID-19.

<sup>4</sup> Because the formula to be used for the credit cap percentage adjustment is \$500,000 divided by the credits claimed in the second preceding year, the credit cap is not enforceable until tax year 2024.

Prepared By: Mark Tygret

### **Other Considerations**

None.

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