

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 COMMITTEE SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 1497

By: Garvin of the Senate

and

Archer and **Lepak** of the
House

11 COMMITTEE SUBSTITUTE

12 An Act relating to revenue and taxation; amending 68
13 O.S. 2021, Section 2357.45, which relates to income
14 tax credits for donations to certain research
15 institutes; modifying credit limit for certain
16 institute in certain tax years; modifying credit
17 amounts; modifying definition; and providing an
18 effective date.

18 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

19 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2357.45, is
20 amended to read as follows:

21 Section 2357.45 A. 1. For tax years beginning after December
22 31, 2004, there shall be allowed against the tax imposed by Section
23 2355 of this title, a credit for any taxpayer who makes a donation
24 to an independent biomedical research institute and for tax years

1 beginning after December 31, 2010, a credit for any taxpayer who
2 makes a donation to a cancer research institute.

3 2. The credit authorized by paragraph 1 of this subsection
4 shall be limited as follows:

5 a. ~~for calendar year 2007 and all subsequent years~~ tax
6 years 2007 through 2024, the credit percentage, not to
7 exceed fifty percent (50%), shall be adjusted annually
8 so that the total estimate of the credits does not
9 exceed Two Million Dollars (\$2,000,000.00) annually.

10 The formula to be used for the percentage adjusted
11 shall be fifty percent (50%) times One Million Dollars
12 (\$1,000,000.00) divided by the credits claimed in the
13 preceding year for each donation to an independent
14 biomedical research institute and fifty percent (50%)
15 times One Million Dollars (\$1,000,000.00) divided by
16 the credits claimed in the preceding year for each
17 donation to a cancer research institute,

18 b. for tax year 2025 and subsequent tax years, the credit
19 percentage, not to exceed fifty percent (50%), shall
20 be adjusted annually so that the total estimate of the
21 credits does not exceed One Million Five Hundred
22 Thousand Dollars (\$1,500,000.00) annually for
23 donations to independent biomedical research
24 institutes. The formula to be used for the percentage

1 adjusted shall be fifty percent (50%) times One
2 Million Five Hundred Thousand Dollars (\$1,500,000.00)
3 divided by the credits claimed in the preceding year
4 for each donation to an independent biomedical
5 research institute,

6 c. for tax year 2025 and subsequent tax years, the credit
7 percentage, not to exceed fifty percent (50%), shall
8 be adjusted annually so that the total estimate of the
9 credits does not exceed Five Hundred Thousand Dollars
10 (\$500,000.00) annually for donations to cancer
11 research institutes. The formula to be used for the
12 percentage adjusted shall be fifty percent (50%) times
13 Five Hundred Thousand Dollars (\$500,000.00) divided by
14 the credits claimed in the preceding year for each
15 donation to a cancer research institute,

16 d. (1) in no event shall a taxpayer claim more than one
17 credit for a donation to any independent
18 biomedical research institute and one credit for
19 a donation to a cancer research institute in each
20 taxable year nor for tax years 2005 through 2024,
21 shall the credit exceed One Thousand Dollars
22 (\$1,000.00) for each taxpayer ~~for each type of~~
23 ~~donation~~ and for tax year 2025 and subsequent tax
24 years, the credit for donating to a cancer

1 research institute shall not exceed One Thousand
2 Dollars (\$1,000.00) for single filers and married
3 filing separate, Two Thousand Dollars (\$2,000.00)
4 for married filing joint, head of household, or
5 qualifying widow, or

6 (2) for tax year 2025 and subsequent tax years, the
7 credit for donations to any independent
8 biomedical research institute, shall not exceed
9 One Thousand Dollars (\$1,000.00) for single
10 filers and married filing separate, Two Thousand
11 Dollars (\$2,000.00) for married filing joint,
12 head of household, and qualifying widow, and
13 Twenty-five Thousand Dollars (\$25,000.00) for any
14 taxpayer that is a business entity formed under
15 the laws of any state, including limited and
16 general partnerships, corporations, and limited
17 liability companies,

18 ~~e. for tax year 2011, no more than Fifty Thousand Dollars~~
19 ~~(\$50,000.00) in total tax credits for donations to a~~
20 ~~cancer research institute shall be allowed,~~

21 ~~d. in no event shall more than fifty percent (50%) of the~~
22 ~~Two Million Dollars (\$2,000,000.00) in total tax~~
23 ~~credits authorized by this section, for any calendar~~
24 ~~year after the effective date of this act, be~~

1 allocated for credits for donations to a cancer
2 research institute, and

3 e. for tax year 2025 and subsequent tax years, in the
4 event the total tax credits authorized by this section
5 exceed ~~One Million~~ Five Hundred Thousand Dollars
6 ~~(\$1,000,000.00)~~ in any calendar year (\$500,000.00) for
7 ~~either~~ a cancer research institute or One Million Five
8 Hundred Thousand Dollars (\$1,500,000.00) for an
9 independent biomedical research institute, the
10 Oklahoma Tax Commission shall permit any excess over
11 ~~One Million Dollars (\$1,000,000.00)~~ the applicable
12 limitation amount but shall factor such excess into
13 the percentage adjustment formula for subsequent years
14 for ~~that~~ the applicable type of donation. However,
15 any such adjustment to the formula for donations to an
16 independent biomedical research institute shall not
17 affect the formula for donations to a cancer research
18 institute, and any such adjustment to the formula for
19 donations to a cancer research institute shall not
20 affect the formula for donations to an independent
21 biomedical research institute.

22 3. For purposes of this section, "independent biomedical
23 research institute" means an organization in this state which is
24 exempt from taxation pursuant to the provisions of Section 501(c)(3)

1 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) whose
2 primary focus is conducting peer-reviewed basic biomedical research.

3 The organization shall:

- 4 a. have a board of directors,
- 5 b. be able to accept grants in its own name,
- 6 c. be an identifiable institute that has its own
7 employees and administrative staff, and
- 8 d. receive at least ~~Fifteen Million Dollars~~
9 ~~(\$15,000,000.00)~~ Twenty Million Dollars
10 (\$20,000,000.00) in National ~~Institute~~ Institutes of
11 Health funding each year.

12 4. For purposes of this section, "cancer research institute"
13 means an organization which is exempt from taxation pursuant to the
14 Internal Revenue Code and whose primary focus is raising the
15 standard of cancer clinical care in Oklahoma through peer-reviewed
16 cancer research and education or a not-for-profit supporting
17 organization, as that term is defined by the Internal Revenue Code,
18 affiliated with a tax-exempt organization whose primary focus is
19 raising the standard of cancer clinical care in Oklahoma through
20 peer-reviewed cancer research and education. The tax-exempt
21 organization whose primary focus is raising the standard of cancer
22 clinical care in Oklahoma through peer-reviewed cancer research and
23 education shall:

24

1 a. either be an independent research institute or a
2 program that is part of a state university which is a
3 member of The Oklahoma State System of Higher
4 Education, and

5 b. receive at least Four Million Dollars (\$4,000,000.00)
6 in National Cancer Institute funding each year.

7 B. In no event shall the amount of the credit exceed the amount
8 of any tax liability of the taxpayer.

9 C. Any credits allowed but not used in any tax year may be
10 carried over, in order, to each of the four (4) years following the
11 year of qualification.

12 D. The Tax Commission shall have the authority to prescribe
13 forms for purposes of claiming the credit authorized by this
14 section.

15 SECTION 2. This act shall become effective November 1, 2024.

16
17 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
18 04/11/2024 - DO PASS, As Amended and Coauthored.