

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

<b>Bill No.:</b>	<b>HB1788</b>
<b>Version:</b>	<b>FULLPCS1</b>
<b>Request Number:</b>	<b>10401</b>
<b>Author:</b>	<b>Rep. Maynard</b>
<b>Date:</b>	<b>2/28/2024</b>
<b>Impact:</b>	<b>Unknown decrease in revenue</b>

**Research Analysis**

The proposed committee substitute for HB1788 creates an temporary income tax credit for donations to a pregnancy resource center until tax year 2028. The credit may be claimed beginning tax year 2024, is equal to 70 percent of the donation amount, is limited to \$50,000 per taxpayer per year and capped at \$5 million in claims per year. The measure outlines the criteria to be considered a pregnancy resource center and requires the director of the Department of Human Services to identify facilities that may be classified as a pregnancy resource center.

Prepared By: Quyen Do

**Fiscal Analysis**

In its current form, HB1788 proposes to create an income tax credit equal to 70 percent of a donation amount contributed to a pregnancy resources center. The credit is limited to \$50,000 per taxpayer per year and \$5 million in total claims per year.

Analysis by the Oklahoma Tax Commission:

**REVENUE IMPACT:** Due to a lack of information<sup>2</sup>, the estimated impact of the proposal is an unknown decrease in income tax revenue, beginning for FY 2025 when the 2024 returns are filed. In addition, an unknown decrease in withheld income tax and estimated tax payments may be expected for FY 2024.

The credit is limited to \$50,000 per year, and any credit that cannot be claimed in the taxable year that a contribution was made may be claimed in the next succeeding taxable year. Total annual credits used to offset tax are further limited to \$5 million. If total credits exceed \$5 million in any calendar year, the Oklahoma Tax Commission (OTC) will factor such excess into the percentage adjustment formula for subsequent years. The formula used for the percentage adjustment is \$5 million divided by the credits claimed in the second preceding year.<sup>3</sup>

The Director of the Oklahoma Department of Human Services (DHS) will determine, at least annually, which facilities in Oklahoma may be classified as a pregnancy resource center. Each pregnancy resource center will provide information to the Director concerning the identity of each taxpayer making a contribution to the pregnancy resource center who is claiming the proposed credit and the amount of the contribution. The Director will provide the information to the OTC and will be subject to the confidentiality and penalty provisions of 68 O.S. § 205, relating to the disclosure of tax information.

Prepared By: Zach Penrod

**Other Considerations**

None.

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