

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1497

By: Garvin

AS INTRODUCED

An Act relating to income tax credit; amending 68 O.S. 2021, Section 2357.45, which relates to credit for donations to certain research institutes; modifying credit limit for certain institute in certain tax years; modifying credit limit for taxpayer in certain tax years; modifying definition; updating statutory reference; updating statutory language; and providing an effective date.

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

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

Section 2357.45. A. 1. For tax years beginning after December 31, 2004, there shall be allowed against the tax imposed by Section 2355 of this title, a credit for any taxpayer who makes a donation to an independent biomedical research institute and for tax years beginning after December 31, 2010, a credit for any taxpayer who makes a donation to a cancer research institute.

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

1 a. ~~for calendar year 2007 and all subsequent years~~ tax
2 years 2007 through 2024, the credit percentage, not to
3 exceed fifty percent (50%), shall be adjusted annually
4 so that the total estimate of the credits does not
5 exceed Two Million Dollars (\$2,000,000.00) annually.
6 The formula to be used for the percentage adjusted
7 shall be fifty percent (50%) times One Million Dollars
8 (\$1,000,000.00) divided by the credits claimed in the
9 preceding year for each donation to an independent
10 biomedical research institute and fifty percent (50%)
11 times One Million Dollars (\$1,000,000.00) divided by
12 the credits claimed in the preceding year for each
13 donation to a cancer research institute,

14 b. for tax year 2025 and subsequent tax years, the credit
15 percentage, not to exceed fifty percent (50%), shall
16 be adjusted annually so that the total estimate of the
17 credits does not exceed Two Million Dollars
18 (\$2,000,000.00) annually for donations to independent
19 biomedical research institutes. The formula to be
20 used for the percentage adjusted shall be fifty
21 percent (50%) times Two Million Dollars
22 (\$2,000,000.00) divided by the credits claimed in the
23 preceding year for each donation to an independent
24 biomedical research institute,

1 c. for tax year 2025 and subsequent tax years, the credit
2 percentage, not to exceed fifty percent (50%), shall
3 be adjusted annually so that the total estimate of the
4 credits does not exceed One Million Dollars
5 (\$1,000,000.00) annually for donations to cancer
6 research institutes. The formula to be used for the
7 percentage adjusted shall be fifty percent (50%) times
8 One Million Dollars (\$1,000,000.00) divided by the
9 credits claimed in the preceding year for each
10 donation to a cancer research institute,

11 d. in no event shall a taxpayer claim more than one
12 credit for a donation to any independent biomedical
13 research institute and one credit for a donation to a
14 cancer research institute in each taxable year nor
15 shall the credit exceed One Thousand Dollars
16 (\$1,000.00) for each taxpayer for tax years 2005
17 through 2024, and One Thousand Dollars (\$1,000.00) for
18 single filers and married filing separate, Two
19 Thousand Dollars (\$2,000.00) for married filing joint,
20 head of household, qualifying widow, and for any
21 taxpayer that is a business entity formed under the
22 laws of any state, including limited and general
23 partnerships, corporations, and limited liability
24 companies, for tax year 2025 and subsequent tax years,

1 for ~~each type of~~ the donation to a cancer research
2 institute. For tax year 2025 and subsequent tax
3 years, the credit shall not exceed One Thousand
4 Dollars (\$1,000.00) for single filers and married
5 filing separate, Two Thousand Dollars (\$2,000.00) for
6 married filing joint, head of household, and
7 qualifying widow, and Fifty Thousand Dollars
8 (\$50,000.00) for any taxpayer that is a business
9 entity formed under the laws of any state, including
10 limited and general partnerships, corporations, and
11 limited liability companies for donations to any
12 independent biomedical research institute,

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

17 ~~d.~~ f. in no event shall more than fifty percent (50%)
18 of the ~~Two Million Dollars (\$2,000,000.00)~~ in total
19 tax credits authorized by this section, for any
20 calendar year after ~~the effective date of this act~~
21 January 1, 2011, be allocated for credits for
22 donations to a cancer research institute, and

23 ~~e.~~ g. in the event the total tax credits authorized by
24 this section exceed One Million Dollars

1 (\$1,000,000.00) in any calendar year for either a
2 cancer research institute or One Million Dollars
3 (\$1,000,000.00) for tax years 2011 through 2024, and
4 One Million Five Hundred Thousand Dollars
5 (\$1,500,000.00) for tax year 2025 and subsequent tax
6 years, for an independent biomedical research
7 institute, the Oklahoma Tax Commission shall permit
8 any excess ~~over One Million Dollars (\$1,000,000.00)~~
9 but shall factor such excess into the percentage
10 adjustment formula for subsequent years for that type
11 of donation. However, any such adjustment to the
12 formula for donations to an independent biomedical
13 research institute shall not affect the formula for
14 donations to a cancer research institute, and any such
15 adjustment to the formula for donations to a cancer
16 research institute shall not affect the formula for
17 donations to an independent biomedical research
18 institute.

19 3. For purposes of this section, "independent biomedical
20 research institute" means an organization in this state which is
21 exempt from taxation pursuant to the provisions of Section 501(c)(3)
22 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) whose
23 primary focus is conducting peer-reviewed basic biomedical research.
24 The organization shall:

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

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

- a. either be 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

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

3 B. In no event shall the amount of the credit exceed the amount
4 of any tax liability of the taxpayer.

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

8 D. The Tax Commission shall have the authority to prescribe
9 forms for purposes of claiming the credit authorized by this
10 section.

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

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