

SB 1352

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

THE STATE SENATE
Tuesday, February 17, 2004

Senate Bill No. 1352

SENATE BILL NO. 1352 - By: RABON and CAPPS of the Senate and POPE of the House.

An Act relating to revenue and taxation; amending Section 19, Chapter 472, O.S.L. 2003 (68 O.S. Supp. 2003, Section 2357.45), which relates to income tax credits; modifying procedure by which certain tax credit takes effect; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 19, Chapter 472, O.S.L. 2003 (68 O.S. Supp. 2003, Section 2357.45), is amended to read as follows:

Section 2357.45 A. 1. For tax years beginning after December 31, 2004, ~~unless the State Board of Equalization suspends this section in any tax year~~ for which the State Board of Equalization determines, pursuant to subsection E of this section, that economic growth in the state warrants the taking effect of the provisions in this subsection, there shall be allowed against the tax imposed by Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title, a credit for any taxpayer who makes a donation to an independent biomedical research institute. For calendar years 2005 and 2006, the amount of the credit shall be fifty percent (50%) of the amount donated to an independent biomedical research institute but in no event shall the credit exceed One Thousand Dollars (\$1,000.00) for

1 each taxpayer. For calendar year 2007 and all subsequent years the
2 credit is not suspended pursuant to subsection E of this section,
3 the credit percentage, not to exceed fifty percent (50%), shall be
4 adjusted annually so that the total estimate of the credits does not
5 exceed Two Million Dollars (\$2,000,000.00) annually. The formula to
6 be used for the percentage adjusted shall be fifty percent (50%)
7 times Two Million Dollars (\$2,000,000.00) divided by the credits
8 claimed in the preceding year. In no event shall the credit be
9 claimed more than once by a taxpayer each taxable year nor shall the
10 credit exceed One Thousand Dollars (\$1,000.00) for each taxpayer.
11 In the event the total tax credits authorized by this section exceed
12 Two Million Dollars (\$2,000,000.00) in any calendar year, the
13 Oklahoma Tax Commission shall permit any excess over Two Million
14 Dollars (\$2,000,000.00) but shall factor such excess into the
15 percentage adjustment formula for subsequent years.

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

- 22 a. have a board of directors,
23 b. be able to accept grants in its own name,

1 c. be an identifiable institute that has its own
2 employees and administrative staff, and
3 d. receive at least Fifteen Million Dollars
4 (\$15,000,000.00) in National Institute of Health
5 funding each year.

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

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

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

14 E. In addition to any other duties prescribed by law, at the
15 meeting required by paragraph 1 of Section 23 of Article X of the
16 Oklahoma Constitution to be held in December 2006 and subsequent
17 calendar years, the State Board of Equalization shall determine for
18 the following fiscal years:

19 1. The amount of funds available for appropriation if the
20 provisions of subsection A of this section are not in effect; and

21 2. The amount by which such funds will be reduced if such
22 provisions are in effect.

1 Such determination shall be made after the determination required in
2 Section 4001 of this title is made. If the amount determined
3 pursuant to the provisions of paragraph ~~2~~ 1 of this subsection, less
4 the amount determined pursuant to the provisions of paragraph 2 of
5 this subsection, is greater than the amount of funds available for
6 appropriation for the then-current fiscal year, the Board shall make
7 a finding that economic growth in the state warrants the taking
8 effect of the provisions of subsection A of this section and such
9 provisions shall be effective for the following calendar year. If
10 the amount determined pursuant to the provisions of paragraph ~~2~~ 1 of
11 this subsection, less the amount determined pursuant to the
12 provisions of paragraph 2 of this subsection, is less than the
13 amount of funds available for appropriation for the then-current
14 fiscal year, the Board shall make a finding that economic growth in
15 the state warrants a suspension of the provisions of subsection A of
16 this section for the following calendar year.

17 F. As used in this section, "funds available for appropriation"
18 means the amount certified as available for appropriation for the
19 next fiscal year as determined by the State Board of Equalization at
20 the meeting required by paragraph 1 of Section 23 of Article X of
21 the Oklahoma Constitution. Such term shall not include:

22 1. Any appropriation of bond proceeds;

- 1 2. Appropriations from or amounts to be deposited to the
- 2 Constitutional Reserve Fund;
- 3 3. Appropriations from or amounts to be deposited to the
- 4 Education Reform Revolving Fund;
- 5 4. Appropriations from or amounts to be deposited to revolving
- 6 funds;
- 7 5. Federal funds;
- 8 6. Appropriations from or amounts to be deposited to the Cash
- 9 Flow Reserve Fund;
- 10 7. Prior year certified but unappropriated funds; or
- 11 8. Any cash on hand.

12 SECTION 2. This act shall become effective July 1, 2004.

13 SECTION 3. It being immediately necessary for the preservation

14 of the public peace, health and safety, an emergency is hereby

15 declared to exist, by reason whereof this act shall take effect and

16 be in full force from and after its passage and approval.

17 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-10-04 - DO PASS,

18 As Coauthored.