

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 2535

By: McCullough

6
7 COMMITTEE SUBSTITUTE

8 (Revenue and taxation - tax credit - charitable
9 organizations - codification -

10 effective date)

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

14 SECTION 1. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 2357.105 of Title 68, unless
16 there is created a duplication in numbering, reads as follows:

17 A. For taxable years beginning after December 31, 2008, there
18 shall be allowed against the tax imposed by Section 2355 of Title 68
19 of the Oklahoma Statutes, a credit for an individual taxpayer who
20 made voluntary cash contributions during the taxable year to a
21 qualifying charitable organization as defined by subsection G of
22 this section. The credit shall be equal to the amount of the
23 donation of a taxpayer that exceeds two percent (2%) of the gross
24 income of the taxpayer and that exceeds the total amount deducted

1 pursuant to Section 170 of the Internal Revenue Code in the baseline
2 year of the taxpayer.

3 B. As used in this section the baseline year of the taxpayer
4 is:

5 1. The 2008 taxable year if the taxpayer deducted charitable
6 contributions pursuant to Section 170 of the Internal Revenue Code
7 in the 2008 taxable year; or

8 2. If the taxpayer did not deduct charitable contributions
9 pursuant to Section 170 of the Internal Revenue Code in the 2008
10 taxable year, the first taxable year that the taxpayer deducted
11 charitable contributions pursuant to Section 170 of the Internal
12 Revenue Code.

13 C. In no event shall the credit exceed:

14 1. Two Hundred Dollars (\$200.00) in any taxable year for a
15 single individual or a head of household;

16 2. Three Hundred Dollars (\$300.00) in taxable year 2009 for a
17 married couple filing a joint return; and

18 3. Four Hundred Dollars (\$400.00) in taxable year 2010 and any
19 subsequent year for a married couple filing a joint return.

20 D. A husband and wife who file separate returns for a taxable
21 year in which they could have filed a joint return may each claim
22 only one-half (1/2) of the tax credit that would have been allowed
23 for a joint return.

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1 E. If the credit allowed pursuant to this section exceeds the
2 amount of income taxes due or if there are no state income taxes due
3 on the income of the taxpayer, the taxpayer may carry forward the
4 amount of the claim not used to offset the taxes imposed by Section
5 2355 of Title 68 of the Oklahoma Statutes for not more than five (5)
6 consecutive taxable years' income tax liability.

7 F. The tax credit authorized by this section shall not be
8 transferable.

9 G. For the purposes of this section:

10 1. "Low-income residents" means persons whose household income
11 is less than one hundred fifty percent (150%) of the federal poverty
12 level;

13 2. "Qualifying charitable organization" means a charitable
14 organization that is exempt from federal income taxation under
15 Section 501(c)(3) of the Internal Revenue Code. The organization
16 must spend at least fifty percent (50%) of its budget on services to
17 residents of this state who receive temporary assistance for needy
18 families benefits or low income residents of this state and their
19 households. Taxpayers choosing to make donations through an
20 umbrella charitable organization that collects donations on behalf
21 of member charities shall designate that the donation be directed to
22 a member charitable organization that would qualify under this
23 section on a stand-alone basis; and
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1 3. "Services" means cash assistance, medical care, child care,
2 food, clothing, shelter, job placement and job training services, or
3 any other assistance that is reasonably necessary to meet immediate
4 basic needs and that is provided and used in this state.

5 H. The Oklahoma Tax Commission may prescribe forms and
6 promulgate rules for purposes of claiming the credit authorized by
7 this section.

8 SECTION 2. This act shall become effective January 1, 2009.

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10 51-2-10372 MAH 02/27/08

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