

1 ENGROSSED HOUSE  
2 BILL NO. 2535

By: McCullough and Shumate of  
the House

3 and

4 Bingman of the Senate

5  
6  
7 ( revenue and taxation - tax credit - charitable  
8 organizations - codification -  
9 effective date )

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

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

A. For taxable years beginning after December 31, 2008, there  
shall be allowed against the tax imposed by Section 2355 of Title 68  
of the Oklahoma Statutes, a credit for an individual taxpayer who  
made voluntary cash contributions during the taxable year to a  
qualifying charitable organization as defined by subsection G of  
this section. The credit shall be equal to the amount of the  
donation of a taxpayer that exceeds two percent (2%) of the gross  
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. The first taxable year that the taxpayer deducted charitable  
9 contributions pursuant to Section 170 of the Internal Revenue Code  
10 if the taxpayer did not deduct charitable contributions pursuant to  
11 Section 170 of the Internal Revenue Code in the 2008 taxable year.

12 C. In no event shall the credit exceed:

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

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

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

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

23 E. If the credit allowed pursuant to this section exceeds the  
24 amount of income taxes due or if there are no state income taxes due

1 on the income of the taxpayer, the taxpayer may carry forward the  
2 amount of the claim not used to offset the taxes imposed by Section  
3 2355 of Title 68 of the Oklahoma Statutes for not more than five (5)  
4 consecutive taxable years' income tax liability.

5 F. The tax credit authorized by this section shall not be  
6 transferable.

7 G. For the purposes of this section:

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

11 2. "Qualifying charitable organization" means a charitable  
12 organization that is exempt from federal income taxation under  
13 Section 501(c)(3) of the Internal Revenue Code. The organization  
14 must spend at least fifty percent (50%) of its budget on services to  
15 residents of this state who receive temporary assistance for needy  
16 families benefits or low income residents of this state and their  
17 households. Taxpayers choosing to make donations through an  
18 umbrella charitable organization that collects donations on behalf  
19 of member charities shall designate that the donation be directed to  
20 a member charitable organization that would qualify under this  
21 section on a stand-alone basis; and

22 3. "Services" means cash assistance, medical care, child care,  
23 food, clothing, shelter, job placement and job training services, or  
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