

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 52<sup>nd</sup> Legislature

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| <b>Bill No.:</b> | <b>SB 1919</b>                         |
| <b>Version:</b>  | <b>Committee Substitute</b>            |
| <b>Author:</b>   | <b>Rep. Terrill &amp; Sen. Nichols</b> |
| <b>Date:</b>     | <b>April 16, 2010</b>                  |
| <b>Impact:</b>   | <b>Income Tax Revenue</b>              |
|                  | <b>FY12: Decrease of \$50,000</b>      |
|                  | <b>FY13: Decrease of \$467,000</b>     |

**Bill Summary**

Research Analyst: Colin Swearingen

SB1919 provides a tax credit for those who make a donation to a cancer research institute. The availability of this credit begins January 1, 2011. The bill states that tax payers cannot claim more than one credit for a donation to any independent biomedical research institute and one credit for a donation to a cancer research institute.

The committee substitute for SB1919 places the following limits on tax credits for donations to cancer research institutions:

- No more than \$50,000 in tax credits for tax year 2011
- No more than 50% of the total \$2 million in tax credits be allocated for credits for donations to a cancer research institute. There is no limit on the percentage of credits that can be allocated for donations to an independent biomedical research institute.

The title and enacting clause are off the bill.

**Fiscal Summary**

Fiscal Analyst: Diane Thomas

CS for ESB 1919 (effective January 1, 2011) expands the income tax credit for donations made to an Oklahoma biomedical research institute to include donations made to certain cancer research institutes.

**Fiscal Analysis**

Currently, taxpayers making donations to an Oklahoma biomedical research institute are eligible to claim an income tax credit for 50% of their donation, with a maximum credit cap of \$1,000 for each donation. There is also a trigger to adjust the percentage of donations to calculate the credit downward if the annual credits claimed exceed \$2 million.

Beginning with tax year 2011, the measure adds to the biomedical research institute credit, eligible cancer research institutes provided the organizations are::

- Nonprofit entities exempt from federal taxation;
- The entities' primary focus is conducting peer-reviewed cancer research and education;

- The entities must be either 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
- The entities must receive at least \$4 million annually in National Cancer Institute funding.

The measure caps the aggregate amount of the credit in tax year 2011 at \$50,000. After the 2011 tax year, the credit may not exceed 50% of the \$2 million in total tax credits.

Tax Commission's data for tax year 2008 indicates \$467,000 in credits were claimed for donations made to an Oklahoma biomedical research institute.

It is anticipated that the decrease in income tax collections in FY12 will reach the cap of \$50,000 and there will be a cost of \$467,000 in FY13.

### **Long Term Fiscal Considerations**

As stated above.

Fiscal Analysis Reviewed By:

*Janice Buchanan*

House Fiscal Director