

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 3197

By: Hilbert, **Newton**, and
 McDugle of the House

and

Jech of the Senate

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10 COMMITTEE SUBSTITUTE

11 [revenue and taxation - Vision Care and Research Tax
12 Credit Act of 2024 - income tax credit for donation
13 to vision institute - credit amount limitation -
14 tax credit prohibited - carryover - cap amount -
15 cap amount procedures - noncodification -
16 codification - effective date]

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

20 SECTION 1. NEW LAW A new section of law not to be
21 codified in the Oklahoma Statutes reads as follows:

22 This act shall be known and may be cited as the "Vision Care and
23 Research Tax Credit Act of 2024".
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1 SECTION 2. NEW LAW A new section of law to be codified

2 in the Oklahoma Statutes as Section 2357.45.1 of Title 68, unless
3 there is created a duplication in numbering, reads as follows:

4 A. As used in this section, "vision institute" means an
5 organization which is exempt from taxation pursuant to the Internal
6 Revenue Code of 1986, as amended, with a focus on raising the
7 standard of clinical and surgical vision care in Oklahoma through
8 patient care at or above national standards and peer-reviewed vision
9 research or a not-for-profit supporting organization, as that term
10 is defined by the Internal Revenue Code, affiliated with a tax-
11 exempt organization with a focus on raising the standard of clinical
12 and surgical vision care in Oklahoma through patient care at or
13 above national standards and peer-reviewed vision research. The
14 tax-exempt organization with a focus on raising the standard of
15 clinical and surgical vision care in Oklahoma through patient care
16 at or above national standards and peer-reviewed vision research
17 shall:

18 1. Be an independent vision institute;

19 2. Have a board of directors;

20 3. Be able to accept donations in its own name or the name of
21 its supporting organization;

22 4. Be an identifiable institute that has its own employees and
23 administrative staff;

24 5. Be involved in direct patient care; and

1 6. Be involved in the conduct of research funded by the
2 National Institutes of Health at a minimum level of Two Million
3 Dollars (\$2,000,000.00) per year averaged over five (5) years.

4 B. For taxable years beginning on or after January 1, 2025,
5 there shall be allowed as a credit against the tax imposed pursuant
6 to Section 2355 of Title 68 of the Oklahoma Statutes a credit for
7 any taxpayer who makes a donation to a vision institute. The credit
8 otherwise authorized by this section shall not exceed One Thousand
9 Dollars (\$1,000.00) for a single individual, Two Thousand Dollars
10 (\$2,000.00) for married individuals filing jointly, or Fifty
11 Thousand Dollars (\$50,000.00) for any taxpayer that is a legal
12 business entity including limited and general partnerships,
13 corporations, subchapter S corporations, and limited liability
14 companies. The dollar amounts for limiting the tax credits as
15 described by this subsection shall be applicable to each type of
16 taxpayer for each one of such tax credits and shall not be a
17 limitation on the aggregate total of all such credits that may be
18 claimed for any single tax year.

19 C. The tax credit authorized by this section shall not be used
20 to reduce the tax liability of the taxpayer to less than zero (0).

21 D. To the extent not used, the tax credit authorized by this
22 section may be carried over, in order, to each of the five (5)
23 subsequent taxable years.

1 E. For tax years beginning on or after January 1, 2025, the
2 total amount of credits authorized by this section used to offset
3 tax shall be adjusted annually to limit the annual amount of credits
4 to Two Million Dollars (\$2,000,000.00). The Tax Commission shall
5 annually calculate and publish a percentage by which the credits
6 authorized by this section shall be reduced so the total amount of
7 credits used to offset tax does not exceed Two Million Dollars
8 (\$2,000,000.00) per year. The formula to be used for the percentage
9 adjustment shall be Two Million Dollars (\$2,000,000.00) divided by
10 the credits used to offset tax in the second preceding year.

11 F. Pursuant to subsection E of this section, in the event the
12 total tax credits authorized by this section exceed Two Million
13 Dollars (\$2,000,000.00) in any calendar year, the Tax Commission
14 shall permit any excess over Two Million Dollars (\$2,000,000.00) but
15 shall factor such excess into the percentage adjustment formula for
16 subsequent years.

17 SECTION 3. This act shall become effective January 1, 2025.

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19 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
20 02/29/2024 - DO PASS, As Amended and Coauthored.

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