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February 19, 2024

By: Garvin

An Act relating to income tax credit; amending 68 O.S. 2021, Section 2357.45, which relates to credit for donations to certain research institutes; modifying credit limit for certain institute in certain tax years; updating statutory reference; updating statutory language; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 2357.45, is amended to read as follows:

Section 2357.45. A. 1. For tax years beginning after December 31, 2004, there shall be allowed against the tax imposed by Section 2355 of this title, a credit for any taxpayer who makes a donation to an independent biomedical research institute and for tax years beginning after December 31, 2010, a credit for any taxpayer who makes a donation to a cancer research institute.

2. The credit authorized by paragraph 1 of this subsection shall be limited as follows:

a. ~~for calendar year 2007 and all subsequent years~~ tax  
years 2007 through 2024, the credit percentage, not to

1 exceed fifty percent (50%), shall be adjusted annually  
2 so that the total estimate of the credits does not  
3 exceed Two Million Dollars (\$2,000,000.00) annually.  
4 The formula to be used for the percentage adjusted  
5 shall be fifty percent (50%) times One Million Dollars  
6 (\$1,000,000.00) divided by the credits claimed in the  
7 preceding year for each donation to an independent  
8 biomedical research institute and fifty percent (50%)  
9 times One Million Dollars (\$1,000,000.00) divided by  
10 the credits claimed in the preceding year for each  
11 donation to a cancer research institute,

12 b. for tax year 2025 and subsequent tax years, the credit  
13 percentage, not to exceed fifty percent (50%), shall  
14 be adjusted annually so that the total estimate of the  
15 credits does not exceed One Million Dollars  
16 (\$1,000,000.00) annually for donations to independent  
17 biomedical research institutes. The formula to be  
18 used for the percentage adjusted shall be fifty  
19 percent (50%) times One Million Dollars  
20 (\$1,000,000.00) divided by the credits claimed in the  
21 preceding year for each donation to an independent  
22 biomedical research institute,

23 c. for tax year 2025 and subsequent tax years, the credit  
24 percentage, not to exceed fifty percent (50%), shall

1           be adjusted annually so that the total estimate of the  
2           credits does not exceed Five Hundred Thousand Dollars  
3           (\$500,000.00) annually for donations to cancer  
4           research institutes. The formula to be used for the  
5           percentage adjusted shall be fifty percent (50%) times  
6           Five Hundred Thousand Dollars (\$500,000.00) divided by  
7           the credits claimed in the preceding year for each  
8           donation to a cancer research institute,

9       d.     in no event shall a taxpayer claim more than one  
10           credit for a donation to any independent biomedical  
11           research institute and one credit for a donation to a  
12           cancer research institute in each taxable year nor  
13           shall the credit exceed One Thousand Dollars  
14           (\$1,000.00) for each taxpayer for each type of  
15           donation,

16       ~~e.~~ e.     for tax year 2011, no more than Fifty Thousand  
17           Dollars (\$50,000.00) in total tax credits for  
18           donations to a cancer research institute shall be  
19           allowed,

20       ~~d.~~ f.     in no event shall more than fifty percent (50%)  
21           of the ~~Two Million Dollars (\$2,000,000.00)~~ in total  
22           tax credits authorized by this section, for any  
23           calendar year after ~~the effective date of this act~~

1           January 1, 2011, be allocated for credits for  
2           donations to a cancer research institute, and  
3       ~~e. g.~~       in the event the total tax credits authorized by  
4           this section exceed One Million Dollars  
5           (\$1,000,000.00) for tax years 2011 through 2024, and  
6           Five Hundred Thousand Dollars (\$500,000.00) for tax  
7           year 2025 and subsequent tax years, in any calendar  
8           year for either a cancer research institute or One  
9           Million Dollars (\$1,000,000.00) for an independent  
10          biomedical research institute, the Oklahoma Tax  
11          Commission shall permit any excess ~~over One Million~~  
12          ~~Dollars (\$1,000,000.00)~~ but shall factor such excess  
13          into the percentage adjustment formula for subsequent  
14          years for that type of donation. However, any such  
15          adjustment to the formula for donations to an  
16          independent biomedical research institute shall not  
17          affect the formula for donations to a cancer research  
18          institute, and any such adjustment to the formula for  
19          donations to a cancer research institute shall not  
20          affect the formula for donations to an independent  
21          biomedical research institute.

22        3. For purposes of this section, "independent biomedical  
23        research institute" means an organization which is exempt from  
24        taxation pursuant to the provisions of Section 501(c)(3) of the

1 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) whose primary  
2 focus is conducting peer-reviewed basic biomedical research. The  
3 organization shall:

- 4 a. have a board of directors,
- 5 b. be able to accept grants in its own name,
- 6 c. be an identifiable institute that has its own  
7 employees and administrative staff, and
- 8 d. receive at least Fifteen Million Dollars  
9 (\$15,000,000.00) in National ~~Institute~~ Institutes of  
10 Health funding each year.

11 4. For purposes of this section, "cancer research institute"  
12 means an organization which is exempt from taxation pursuant to the  
13 Internal Revenue Code and whose primary focus is raising the  
14 standard of cancer clinical care in Oklahoma through peer-reviewed  
15 cancer research and education or a not-for-profit supporting  
16 organization, as that term is defined by the Internal Revenue Code,  
17 affiliated with a tax-exempt organization whose primary focus is  
18 raising the standard of cancer clinical care in Oklahoma through  
19 peer-reviewed cancer research and education. The tax-exempt  
20 organization whose primary focus is raising the standard of cancer  
21 clinical care in Oklahoma through peer-reviewed cancer research and  
22 education shall:

- 23 a. either be an independent research institute or a  
24 program that is part of a state university which is a

1 member of The Oklahoma State System of Higher  
2 Education, and

3 b. receive at least Four Million Dollars (\$4,000,000.00)  
4 in National Cancer Institute funding each year.

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

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

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

13 SECTION 2. This act shall become effective November 1, 2024.

14 COMMITTEE REPORT BY: COMMITTEE ON FINANCE  
15 February 19, 2024 - DO PASS  
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