

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	HB 3197
Version:	SUBREC
Request Number:	10104
Author:	Newton
Date:	2/28/2024
Impact:	FY25: \$1.3M revenue decrease FY26: \$3.2M revenue decrease

Research Analysis

The subcommittee recommendation for HB3197 creates an income tax credit for donations to a vision institute. The tax credit may be claimed beginning tax year 2025, is subject to a \$2 million annual cap and limited to \$1000 for single filers, \$2000 for joint filers and \$50,000 for corporate filers.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB3197 creates the Vision Care and Research Tax Credit Act of 2024. The measure creates a nonrefundable income tax credit for donations to a qualified vision institute. Credits are limited to \$1,000 for single filers, \$2,000 for joint filers and \$50,000 for corporate filers.

Total credits used to offset tax must be adjusted annually to limit annual credits to \$2 million for tax years beginning on or after January 1, 2025. Because the suggested formula for the percentage adjustment is equal to \$2 million divided by the credits used to offset tax in the second preceding year, the credit limit is not enforceable until tax year 2027.

The Oklahoma Tax Commission has provided the following information regarding the fiscal impact of the bill:

Public filings for one Oklahoma vision research institute for tax year 2021 reported contributions, gifts and grants of approximately \$3.2 million. This analysis assumes similar donation activity for tax year 2025 and does not factor any potential increase in donations as a result of the proposal.

FY 25: Estimated decrease of \$1.3 million in income tax revenue.¹
FY 26: Estimated decrease of \$3.2 million in income tax revenue.

Prepared By: Zach Penrod

Other Considerations

None.

