



BILL/VERSION: SB 301 / ENGROSSED¹

ANALYST: LH

AUTHORS: Sen. Hall, Rep. Kane

DATE: 3/12/2025

TAX(ES): Income Tax

SUBJECT(S): Credit

EFFECTIVE DATE: Nov. 1, 2025

Emergency

ESTIMATED REVENUE IMPACT:

FY26: Unknown decrease in income tax collections.²

FY27: Unknown decrease in income tax collections.

ANALYSIS: SB 301 proposes to amend 68 O.S. § 2357.45, relating to the annual overall credit cap and taxpayer credit limits for donations to independent biomedical research institutes and cancer research institutes, effective for tax year 2026 and subsequent tax years.

Under the proposal, for independent biomedical research institutes, total credits are capped at \$1.5 million annually (changed from \$1 million cap) and for cancer research institutes, total credits are capped at \$500,000 annually (changed from \$1 million cap). Oklahoma Tax Commission records indicate the total credit amount claimed for donations to cancer research institutes and for donations to independent biomedical research institutes for tax year 2022 totaled approximately \$93,000 and \$758,000, respectively. It is expected the amount of credits claimed will increase as a result of the proposal, beginning in FY26; however, information is not available to reasonably estimate the related decrease in income tax revenue. If the amount of tax credits claimed in 2024 do not exceed the proposed caps, 100% of the credits claimed in 2026 will be allowed and the OTC will factor such excess into the percentage adjustment formula for 2027.

¹ Engrossed SB 301 is identical to Introduced SB 301

² A decrease in estimated tax payments may be expected, beginning for FY26.

3/12/25
DATE

Huan Gong
DR. HUAN GONG, CHIEF TAX ECONOMIST

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Marie Schuble
MARIE SCHUBLE, DIVISION DIRECTOR

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Joseph P. Gappa
JOSEPH P. GAPPA, FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

The credit percentage for donations to independent biomedical research institutes is adjusted annually so that the total estimate of credits does not exceed \$1.5 million, and the credit percentage for donations to cancer research institutes is adjusted annually so that the total estimate of credits does not exceed \$500,000. This measure uses the second preceding tax year (rather than preceding year) for calculating adjustments. If total annual credits exceed the caps, the OTC will permit any excess but will factor such excess into the percentage adjustment formula for subsequent years.

Also, independent biomedical research institutes must now receive at least \$20 million in National Institutes of Health funding annually (increased from \$15 million).

In addition, this measure amends Individual credit limits starting in tax year 2026:

Filing Status:	Single	Married Filing Jointly	Head of Household	Qualifying Widow	Business Entity
Current Law:	\$1,000	\$2,000	\$1,000	\$1,000	\$1,000
Proposed Law for Biomedical Credit	\$1,000	\$2,000	\$2,000	\$2,000	\$25,000
Proposed Law for Cancer Credit	\$1,000	\$2,000	\$2,000	\$2,000	\$2,000