

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SENATE BILL 826

By: Stewart

AS INTRODUCED

An Act relating to income tax credit; defining terms; providing tax credit for contributions to qualifying charitable organization that provides services to low-income households, individuals with a chronic illness, or physically disabled individuals; providing credit for contributions to qualifying foster care charitable organization; prescribing credit amount; prohibiting refundability; authorizing the carry forward of credit; prohibiting claims if certain deduction is claimed; requiring claims to be made on a form prescribed by the Oklahoma Tax Commission; requiring written certification from charitable organization; requiring the Tax Commission to make certain determination upon review and provide notification; authorizing the Tax Commission to request recertification; requiring the Department of Human Services to make available a certain list; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.417 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1 1. "Individuals who have a chronic illness or physical
2 disability" means individuals whose primary diagnosis is a severe
3 physical condition that may require ongoing medical or surgical
4 intervention;

5 2. "Low-income residents" means persons whose household income
6 is less than one hundred fifty percent (150%) of the federal poverty
7 level;

8 3. "Qualified individual" means any of the following:

- 9 a. a foster child in the foster care program of the
10 Department of Human Services or a federally recognized
11 Indian tribe with whom the Department has a contract,
12 b. a person who is participating in a program established
13 pursuant to the Successful Adulthood Act, Section 1-9-
14 107 of Title 10A of the Oklahoma Statutes, and
15 c. a person who is twenty-six (26) years of age or less,
16 and whose reason for leaving the foster care program
17 of the Department of Human Services or a federally
18 recognized Indian tribe with whom the Department has a
19 contract is any of the following:
20 (1) reaching adulthood,
21 (2) adoption or legal guardianship after reaching
22 fifteen (15) years of age, or
23 (3) reunification with biological parents after
24 reaching fourteen (14) years of age;

1 4. "Qualifying charitable organization" means a charitable
2 organization that is exempt from federal income taxation pursuant to
3 26 U.S.C., Section 501(c)(3) or is a designated community action
4 agency that receives community services block grant program monies
5 pursuant to 42 U.S.C., Section 9901. The organization shall spend
6 at least fifty percent (50%) of its budget on services to residents
7 of this state who receive benefits from the Temporary Assistance for
8 Needy Families Program to low-income residents of this state and
9 their households or to individuals who have a chronic illness or
10 physical disability and who are residents of this state. Taxpayers
11 choosing to make donations through an umbrella charitable
12 organization that collects donations on behalf of member charities
13 shall designate that the donation be directed to a member charitable
14 organization that would qualify under this section on a stand-alone
15 basis. Qualifying charitable organization shall not include any
16 entity that provides, pays for, or provides coverage of abortions or
17 that financially supports any other entity that provides, pays for,
18 or provides coverage of abortions;

19 5. "Qualifying foster care charitable organization" means an
20 organization that is exempt from federal income taxation pursuant to
21 26 U.S.C., Section 501(c)(3) or is a designated community action
22 agency that receives community services block grant program monies
23 pursuant to 42 U.S.C., Section 9901, and that each operating year
24 provides services to at least two hundred (200) qualified
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1 individuals in this state and spends at least fifty percent (50%) of
2 its budget on services to qualified individuals in this state; and

3 6. "Services" means:

4 a. for a qualifying charitable organization, cash
5 assistance, medical care, child care, food, clothing,
6 shelter, job placement, and job training services or
7 any other assistance that is reasonably necessary to
8 meet immediate basic needs and that is provided and
9 used in this state, and

10 b. for a qualifying foster care charitable organization,
11 cash assistance, medical care, behavioral health
12 services, child care, food, including snacks at the
13 qualifying foster care charitable organization's
14 foster youth events, clothing, shelter, job placement
15 services, job training services, character education
16 programs, workforce development programs, secondary
17 education student retention programs, housing or
18 financial literacy services or any other assistance
19 that is reasonably necessary to meet basic needs or
20 provide normalcy and that is provided and used in this
21 state. For the purposes of this subparagraph,
22 "normalcy" means the condition of experiencing a
23 typical childhood by participating in activities that
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1 are age or developmentally-appropriate, as the term is
2 defined in 42 U.S.C., Section 675.

3 B. For tax year 2026 and subsequent tax years, there shall be
4 allowed as a credit against the tax imposed pursuant to Section 2355
5 of Title 68 of the Oklahoma Statutes, an amount equal to
6 contributions by a taxpayer to a qualifying charitable organization,
7 other than contributions to a qualifying foster care charitable
8 organization, not to exceed:

9 1. Four Hundred Dollars (\$400.00) for those filing as single,
10 head of household, or married filing separately; and

11 2. Eight Hundred Dollars (\$800.00) for those married filing
12 jointly.

13 C. For tax year 2026 and subsequent tax years, there shall be
14 allowed as a credit against the tax imposed pursuant to Section 2355
15 of Title 68 of the Oklahoma Statutes, an amount equal to
16 contributions by a taxpayer to a qualifying foster care charitable
17 organization, not to exceed:

18 1. Five Hundred Dollars (\$500.00) for those filing as single,
19 head of household, or married filing separately; and

20 2. One Thousand Dollars (\$1,000.00) for those married filing
21 jointly.

22 D. The credit authorized pursuant to the provisions of
23 subsections B and C of this section shall not be used to reduce the
24 income tax liability of the taxpayer to less than zero (0).

1 E. If the amount of the credit allowed pursuant to subsections
2 B and C of this section exceeds the income tax liability, the amount
3 of credit not used in any tax year may be carried forward, in order,
4 to each of the five (5) subsequent tax years.

5 F. The credit authorized by this section shall not be claimed
6 if the taxpayer claims a deduction allowed pursuant to 26 U.S.C.,
7 Section 170, for the contributions to a qualifying charitable
8 organization or to a qualifying foster care charitable organization.

9 G. Taxpayers claiming credit authorized by this section shall
10 provide the name of the qualifying charitable organization or the
11 qualifying foster care charitable organization and the amount of the
12 contribution on a form prescribed by the Oklahoma Tax Commission.

13 H. A qualifying charitable organization or a qualifying foster
14 care charitable organization shall provide the Tax Commission a
15 written certification that it meets all criteria to be considered a
16 qualifying charitable organization or a qualifying foster care
17 charitable organization. The organization shall also notify the Tax
18 Commission of any changes that may affect the qualifications under
19 this section. The written certification of the organization shall
20 be signed by an officer of the organization under penalty of
21 perjury. The written certification shall include the following:

22 1. Verification of the status of the organization pursuant to
23 26 U.S.C., Section 501(c)(3), or verification that the organization
24 is a designated community action agency that receives community

1 services block grant program monies pursuant to 42 U.S.C., Section
2 9901;

3 2. Financial data indicating the budget of the organization for
4 the prior tax year and the amount of that budget spent on services
5 to residents of this state who either:

6 a. receive benefits from the Temporary Assistance for
7 Needy Families Program,

8 b. are low-income residents, or

9 c. are individuals who have a chronic illness or physical
10 disability;

11 3. A statement that the organization plans to continue spending
12 at least fifty percent (50%) of the budget of the organization on
13 services to residents of this state who receive benefits from the
14 Temporary Assistance for Needy Families Program, who are low-income
15 residents or who are individuals who have a chronic illness or
16 physical disability; and

17 4. A statement that the organization does not provide, pay for
18 or provide coverage of abortions and does not financially support
19 any other entity that provides, pays for or provides coverage of
20 abortions.

21 I. The Tax Commission shall review each written certification,
22 determine whether the organization meets all the criteria to be
23 considered a qualifying charitable organization or a qualifying
24 foster care charitable organization, and notify the organization of

1 its determination. The Tax Commission may also periodically request
2 recertification from the organization. The Department shall compile
3 and make available to the public a list of the qualifying charitable
4 organizations and qualifying foster care charitable organizations.

5 SECTION 2. This act shall become effective November 1, 2025.

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