

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1497

By: Garvin

6
7 COMMITTEE SUBSTITUTE

8 An Act relating to income tax credit; amending 68
9 O.S. 2021, Section 2357.45, which relates to credit
10 for donations to certain research institutes;
11 modifying credit limit for certain institute in
12 certain tax years; modifying credit limit for
13 taxpayer in certain tax years; modifying definition;
14 updating statutory reference; updating statutory
15 language; and providing an effective date.

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

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

19 Section 2357.45. A. 1. For tax years beginning after December
20 31, 2004, there shall be allowed against the tax imposed by Section
21 2355 of this title, a credit for any taxpayer who makes a donation
22 to an independent biomedical research institute and for tax years
23 beginning after December 31, 2010, a credit for any taxpayer who
24 makes a donation to a cancer research institute.

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

1 a. ~~for calendar year 2007 and all subsequent years~~ tax
2 years 2007 through 2024, the credit percentage, not to
3 exceed fifty percent (50%), shall be adjusted annually
4 so that the total estimate of the credits does not
5 exceed Two Million Dollars (\$2,000,000.00) annually.
6 The formula to be used for the percentage adjusted
7 shall be fifty percent (50%) times One Million Dollars
8 (\$1,000,000.00) divided by the credits claimed in the
9 preceding year for each donation to an independent
10 biomedical research institute and fifty percent (50%)
11 times One Million Dollars (\$1,000,000.00) divided by
12 the credits claimed in the preceding year for each
13 donation to a cancer research institute,

14 b. for tax year 2025 and subsequent tax years, the credit
15 percentage, not to exceed fifty percent (50%), shall
16 be adjusted annually so that the total estimate of the
17 credits does not exceed One Million Five Hundred
18 Thousand Dollars (\$1,500,000.00) annually for
19 donations to independent biomedical research
20 institutes. The formula to be used for the percentage
21 adjusted shall be fifty percent (50%) times One
22 Million Five Hundred Thousand Dollars (\$1,500,000.00)
23 divided by the credits claimed in the preceding year
24

1 for each donation to an independent biomedical
2 research institute,

3 c. for tax year 2025 and subsequent tax years, the credit
4 percentage, not to exceed fifty percent (50%), shall
5 be adjusted annually so that the total estimate of the
6 credits does not exceed One Million Dollars
7 (\$1,000,000.00) annually for donations to cancer
8 research institutes. The formula to be used for the
9 percentage adjusted shall be fifty percent (50%) times
10 One Million Dollars (\$1,000,000.00) divided by the
11 credits claimed in the preceding year for each
12 donation to a cancer research institute,

13 d. in no event shall a taxpayer claim more than one
14 credit for a donation to any independent biomedical
15 research institute and one credit for a donation to a
16 cancer research institute in each taxable year nor
17 shall the credit exceed One Thousand Dollars
18 (\$1,000.00) for each taxpayer for tax years 2005
19 through 2024, and One Thousand Dollars (\$1,000.00) for
20 single filers and married filing separate, Two
21 Thousand Dollars (\$2,000.00) for married filing joint,
22 head of household, qualifying widow, and for any
23 taxpayer that is a business entity formed under the
24 laws of any state, including limited and general

1 partnerships, corporations, and limited liability
2 companies, for tax year 2025 and subsequent tax years,
3 for each type of the donation to a cancer research
4 institute. For tax year 2025 and subsequent tax
5 years, the credit shall not exceed One Thousand
6 Dollars (\$1,000.00) for single filers and married
7 filing separate, Two Thousand Dollars (\$2,000.00) for
8 married filing joint, head of household, and
9 qualifying widow, and Twenty-five Thousand Dollars
10 (\$25,000.00) for any taxpayer that is a business
11 entity formed under the laws of any state, including
12 limited and general partnerships, corporations, and
13 limited liability companies for donations to any
14 independent biomedical research institute,

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

19 ~~d.~~ f. in no event shall more than fifty percent (50%) of
20 the ~~Two Million Dollars (\$2,000,000.00)~~ in total tax
21 credits authorized by this section, for any calendar
22 year after ~~the effective date of this act~~ January 1,
23 2011, be allocated for credits for donations to a
24 cancer research institute, and

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

20 3. For purposes of this section, "independent biomedical
21 research institute" means an organization in this state which is
22 exempt from taxation pursuant to the provisions of Section 501(c)(3)
23 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) whose
24

1 primary focus is conducting peer-reviewed basic biomedical research.

2 The organization shall:

- 3 a. have a board of directors,
- 4 b. be able to accept grants in its own name,
- 5 c. be an identifiable institute that has its own
- 6 employees and administrative staff, and
- 7 d. receive at least ~~Fifteen Million Dollars~~
- 8 ~~(\$15,000,000.00)~~ Twenty Million Dollars
- 9 (\$20,000,000.00) 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.

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