

1 STATE OF OKLAHOMA

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

3 SUBCOMMITTEE RECOMMENDATION
4 FOR ENGROSSED

5 SENATE BILL NO. 1497

By: Garvin of the Senate

and

Archer of the House

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9 SUBCOMMITTEE RECOMMENDATION

10 An Act relating to revenue and taxation; amending 68
11 O.S. 2021, Section 2357.45, which relates to income
12 tax credits for donations to certain research
13 institutes; modifying credit limit for certain
institute in certain tax years; modifying credit
amounts; modifying definition; and providing an
effective date.

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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.

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

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

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

1 divided by the credits claimed in the preceding year
2 for each donation to an independent biomedical
3 research institute,

4 c. for tax year 2025 and subsequent tax years, the credit
5 percentage, not to exceed fifty percent (50%), shall
6 be adjusted annually so that the total estimate of the
7 credits does not exceed Five Hundred Thousand Dollars
8 (\$500,000.00) annually for donations to cancer
9 research institutes. The formula to be used for the
10 percentage adjusted shall be fifty percent (50%) times
11 Five Hundred Thousand Dollars (\$500,000.00) divided by
12 the credits claimed in the preceding year for each
13 donation to a cancer research institute,

14 d. (1) in no event shall a taxpayer claim more than one
15 credit for a donation to any independent
16 biomedical research institute and one credit for
17 a donation to a cancer research institute in each
18 taxable year nor for tax years 2005 through 2024,
19 shall the credit exceed One Thousand Dollars
20 (\$1,000.00) for each taxpayer ~~for each type of~~
21 ~~donation~~ and for tax year 2025 and subsequent tax
22 years, the credit for donating to a cancer
23 research institute shall not exceed One Thousand
24 Dollars (\$1,000.00) for single filers and married

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

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

19 ~~d. in no event shall more than fifty percent (50%) of the~~
20 ~~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, be~~
23 ~~allocated for credits for donations to a cancer~~
24 ~~research institute, and~~

1 e. for tax year 2025 and subsequent tax years, in the
2 event the total tax credits authorized by this section
3 exceed ~~One Million~~ Five Hundred Thousand Dollars
4 ~~(\$1,000,000.00) in any calendar year~~ (\$500,000.00) for
5 ~~either~~ a cancer research institute or One Million Five
6 Hundred Thousand Dollars (\$1,500,000.00) for an
7 independent biomedical research institute, the
8 Oklahoma Tax Commission shall permit any excess over
9 ~~One Million Dollars (\$1,000,000.00)~~ the applicable
10 limitation amount but shall factor such excess into
11 the percentage adjustment formula for subsequent years
12 for ~~that~~ the applicable type of donation. However,
13 any such 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
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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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