

1 **SENATE FLOOR VERSION**

2 February 19, 2024

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1497

By: Garvin

6 [income tax credit - credit - effective date]
7

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

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

11 Section 2357.45. A. 1. For tax years beginning after December
12 31, 2004, there shall be allowed against the tax imposed by Section
13 2355 of this title, a credit for any taxpayer who makes a donation
14 to an independent biomedical research institute and for tax years
15 beginning after December 31, 2010, a credit for any taxpayer who
16 makes a donation to a cancer research institute.

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

- 19 a. ~~for calendar year 2007 and all subsequent years~~ tax
20 years 2007 through 2024, the credit percentage, not to
21 exceed fifty percent (50%), shall be adjusted annually
22 so that the total estimate of the credits does not
23 exceed Two Million Dollars (\$2,000,000.00) annually.

24 The formula to be used for the percentage adjusted

1 shall be fifty percent (50%) times One Million Dollars
2 (\$1,000,000.00) divided by the credits claimed in the
3 preceding year for each donation to an independent
4 biomedical research institute and fifty percent (50%)
5 times One Million Dollars (\$1,000,000.00) divided by
6 the credits claimed in the preceding year for each
7 donation to a cancer research institute,

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

20 c. for tax year 2025 and subsequent tax years, the credit
21 percentage, not to exceed fifty percent (50%), shall
22 be adjusted annually so that the total estimate of the
23 credits does not exceed One Million Dollars
24 (\$1,000,000.00) annually for donations to cancer

1 research institutes. The formula to be used for the
2 percentage adjusted shall be fifty percent (50%) times
3 One Million Dollars (\$1,000,000.00) divided by the
4 credits claimed in the preceding year for each
5 donation to a cancer research institute,

6 d. in no event shall a taxpayer claim more than one
7 credit for a donation to any independent biomedical
8 research institute and one credit for a donation to a
9 cancer research institute in each taxable year nor
10 shall the credit exceed One Thousand Dollars
11 (\$1,000.00) for each taxpayer for tax years 2005
12 through 2024, and One Thousand Dollars (\$1,000.00) for
13 single filers and married filing separate, Two
14 Thousand Dollars (\$2,000.00) for married filing joint,
15 head of household, qualifying widow, and for any
16 taxpayer that is a business entity formed under the
17 laws of any state, including limited and general
18 partnerships, corporations, and limited liability
19 companies, for tax year 2025 and subsequent tax years,
20 for ~~each type of~~ the donation to a cancer research
21 institute. For tax year 2025 and subsequent tax
22 years, the credit shall not exceed One Thousand
23 Dollars (\$1,000.00) for single filers and married
24 filing separate, Two Thousand Dollars (\$2,000.00) for

1 married filing joint, head of household, and
2 qualifying widow, and Twenty-five Thousand Dollars
3 (\$25,000.00) for any taxpayer that is a business
4 entity formed under the laws of any state, including
5 limited and general partnerships, corporations, and
6 limited liability companies for donations to any
7 independent biomedical research institute,

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

12 ~~d.~~ f. in no event shall more than fifty percent (50%) of
13 the ~~Two Million Dollars (\$2,000,000.00)~~ in total tax
14 credits authorized by this section, for any calendar
15 year after ~~the effective date of this act~~ January 1,
16 2011, be allocated for credits for donations to a
17 cancer research institute, and

18 ~~e.~~ g. in the event the total tax credits authorized by this
19 section exceed One Million Dollars (\$1,000,000.00) in
20 any ~~calendar~~ year for ~~either~~ a cancer research
21 institute or One Million Dollars (\$1,000,000.00) for
22 tax years 2011 through 2024, and One Million Five
23 Hundred Thousand Dollars (\$1,500,000.00) for tax year
24 2025 and subsequent tax years for an independent

1 biomedical research institute, the Oklahoma Tax
2 Commission shall permit any excess ~~over One Million~~
3 ~~Dollars (\$1,000,000.00)~~ but shall factor such excess
4 into the percentage adjustment formula for subsequent
5 years for that type of donation. However, any such
6 adjustment to the formula for donations to an
7 independent biomedical research institute shall not
8 affect the formula for donations to a cancer research
9 institute, and any such adjustment to the formula for
10 donations to a cancer research institute shall not
11 affect the formula for donations to an independent
12 biomedical research institute.

13 3. For purposes of this section, "independent biomedical
14 research institute" means an organization in this state which is
15 exempt from taxation pursuant to the provisions of Section 501(c)(3)
16 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) whose
17 primary focus is conducting peer-reviewed basic biomedical research.

18 The organization shall:

- 19 a. have a board of directors,
- 20 b. be able to accept grants in its own name,
- 21 c. be an identifiable institute that has its own
22 employees and administrative staff, and
- 23 d. receive at least ~~Fifteen Million Dollars~~
24 ~~(\$15,000,000.00)~~ Twenty Million Dollars

1 (\$20,000,000.00) in National ~~Institute~~ Institutes of
2 Health funding each year.

3 4. For purposes of this section, "cancer research institute"
4 means an organization which is exempt from taxation pursuant to the
5 Internal Revenue Code and whose primary focus is raising the
6 standard of cancer clinical care in Oklahoma through peer-reviewed
7 cancer research and education or a not-for-profit supporting
8 organization, as that term is defined by the Internal Revenue Code,
9 affiliated with a tax-exempt organization whose primary focus is
10 raising the standard of cancer clinical care in Oklahoma through
11 peer-reviewed cancer research and education. The tax-exempt
12 organization whose primary focus is raising the standard of cancer
13 clinical care in Oklahoma through peer-reviewed cancer research and
14 education shall:

- 15 a. either be an independent research institute or a
16 program that is part of a state university which is a
17 member of The Oklahoma State System of Higher
18 Education, and
19 b. receive at least Four Million Dollars (\$4,000,000.00)
20 in National Cancer Institute funding each year.

21 B. In no event shall the amount of the credit exceed the amount
22 of any tax liability of the taxpayer.

1 C. Any credits allowed but not used in any tax year may be
2 carried over, in order, to each of the four (4) years following the
3 year of qualification.

4 D. The Tax Commission shall have the authority to prescribe
5 forms for purposes of claiming the credit authorized by this
6 section.

7 SECTION 2. This act shall become effective November 1, 2024.

8 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
9 February 19, 2024 - DO PASS AS AMENDED BY CS

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