

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

HOUSE BILL 1964

By: Newton

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2021, Section 2357.45, which relates to income tax credits for certain medical research activities; providing income tax credit for donations to vision research institutes; modifying provisions related to certain estimate of credits; defining term; and providing an effective date.

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

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

Section 2357.45 A. 1. For tax years beginning after December 31, 2004, there shall be allowed against the tax imposed by Section 2355 of this title, a credit for any taxpayer who makes a donation to an independent biomedical research institute and for tax years beginning after December 31, 2010, a credit for any taxpayer who makes a donation to a cancer research institute and for tax years beginning after December 31, 2023, a credit for any taxpayer who makes a donation to a vision 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~~ 2024 and all subsequent years,
4 the credit percentage, not to exceed fifty percent
5 (50%), shall be adjusted annually so that the total
6 estimate of the credits does not exceed ~~Two Million~~
7 ~~Dollars (\$2,000,000.00)~~ Three Million Dollars
8 (\$3,000,000.00) annually. The formula to be used for
9 the percentage adjusted shall be fifty percent (50%)
10 times One Million Dollars (\$1,000,000.00) divided by
11 the credits claimed in the preceding year for each
12 donation to an independent biomedical research
13 institute and fifty percent (50%) times One Million
14 Dollars (\$1,000,000.00) divided by the credits claimed
15 in the preceding year for each donation to a cancer
16 research institute and fifty percent (50%) times One
17 Million Dollars (\$1,000,000.00) divided by the credits
18 claimed in the preceding year for each donation to a
19 vision research institute,

20 b. in no event shall a taxpayer claim more than one
21 credit for a donation to any independent biomedical
22 research institute and one credit for a donation to a
23 cancer research institute and one credit for a
24 donation to a vision research institute in each

1 taxable year nor shall the credit exceed One Thousand
2 Dollars (\$1,000.00) for each taxpayer for each type of
3 donation,

4 c. for tax year 2011, no more than Fifty Thousand Dollars
5 (\$50,000.00) in total tax credits for donations to a
6 cancer research institute shall be allowed,

7 d. in no event shall more than ~~fifty percent (50%)~~ one-
8 third (1/3) of the ~~Two Million Dollars (\$2,000,000.00)~~
9 Three Million Dollars (\$3,000,000.00) in total tax
10 credits authorized by this section, for any calendar
11 year after the effective date of this act, be
12 allocated for credits for donations to a cancer
13 research institute or be allocated for credits for
14 donations to a vision research institute, and

15 e. in the event the total tax credits authorized by this
16 section exceed One Million Dollars (\$1,000,000.00) in
17 any calendar year for either a vision research
18 institute or a cancer research institute or an
19 independent biomedical research institute, the
20 Oklahoma Tax Commission shall permit any excess over
21 One Million Dollars (\$1,000,000.00) but shall factor
22 such excess into the percentage adjustment formula for
23 subsequent years for that type of donation. However,
24 any such adjustment to the formula for donations to an

1 independent biomedical research institute shall not
2 affect the formula for donations to a cancer research
3 institute or a vision research institute, and any such
4 adjustment to the formula for donations to a cancer
5 research institute shall not affect the formula for
6 donations to an independent biomedical research
7 institute or a vision research institute, and any such
8 adjustment to the formula for donations to a vision
9 research institute shall not affect the formula for
10 donations to an independent biomedical research
11 institute or a cancer research institute.

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

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

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

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

19 5. For purposes of this section, "vision research institute"
20 means an organization which is exempt from taxation pursuant to the
21 Internal Revenue Code with a focus on raising the standard of
22 clinical vision care in Oklahoma through peer-reviewed vision
23 research and education or a not-for-profit supporting organization,
24 as that term is defined by the Internal Revenue Code, affiliated

1 with a tax-exempt organization with a focus on raising the standard
2 of clinical vision care in Oklahoma through peer-reviewed vision
3 research and education. The tax-exempt organization with a focus on
4 raising the standard of clinical vision care in Oklahoma through
5 peer-reviewed vision research and education shall:

- 6 a. either be an independent research institute or an
7 organization that is affiliated with a state
8 university which is a member of The Oklahoma State
9 System of Higher Education,
- 10 b. have a board of directors,
- 11 c. be able to accept donations in its own name or the
12 name of its supporting organization,
- 13 d. be an identifiable institute that has its own
14 employees and administrative staff, and
- 15 e. be involved in the conduct of research funded by the
16 National Institutes of Health at a minimum level of
17 Two Million Dollars (\$2,000,000.00) each year.

18 B. In no event shall the amount of the credit exceed the amount
19 of any tax liability of the taxpayer.

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

1 D. The Tax Commission shall have the authority to prescribe
2 forms for purposes of claiming the credit authorized by this
3 section.

4 SECTION 2. This act shall become effective November 1, 2023.

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