

ENGROSSED HOUSE
BILL NO. 1246

By: Roach and Boyd (Laura)

(revenue and taxation - Workforce Training Incentive Act -
income tax credit - codification - effective date)

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

SECTION 1. This act shall be known and may be cited as the
"Workforce Training Incentive Act".

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 2357.35 of Title 68, unless
there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Eligible employer" means an establishment
engaged in an activity that qualifies the business
entity for incentive payments pursuant to the
Oklahoma Quality Jobs Program Act, irrespective of
whether the business applies for or receives such
incentive payments; and
2. "Qualified employee training expense" means
that:
 - a. the expense is a direct payment by the employer to an
eligible education or training provider subject to a
maximum amount of Three Thousand Dollars (\$3,000.00)
per employee per calendar year,
 - b. the payment is made to:

- (1) an entity within The Oklahoma State System of Higher Education, a private institution of higher education, a facility under the jurisdiction of the Oklahoma State Department of Vocational and Technical Education, a public school district or a private business entity if the private business entity is subject to the jurisdiction of the Oklahoma Board of Private Vocational Schools, or
 - (2) an entity other than an entity described in division (1) of this subparagraph if the credit claimant demonstrates to the Tax Commission that the education or training provided was only available from such an entity based upon the need for specialized equipment, facilities or other factors requiring the payment to be made to the entity and that the equivalent education or training could not be provided by an entity described in division (1) of this subparagraph,
- c. the employee upon whose behalf the expenditure is made is a resident of the State of Oklahoma and:
- (1) is a new employee and earns at least Seven Dollars (\$7.00) per hour after the completion of the education or training for which the expenditure is made, or
 - (2) is an existing employee and receives at least a ten percent (10%) increase in wages from the employer within one (1) year after the educational service or training is provided, and
- d. the person providing the instruction to the employee has not been an employee of the entity claiming the credit authorized by this section within one (1) year of the date the education or training is provided.

The Oklahoma Tax Commission may request additional documentation from a credit claimant if the credit is based upon an expense incurred for training provided by an instructor who was an employee of the credit claimant within one (1) year at the date the expense was incurred. The Tax Commission may require adequate proof from the credit claimant that an instructor who was an employee of the claimant within such one-year period provided instruction to at least three (3) other entities or employees of entities in addition to the claimant within the one-year period.

B. For taxable years beginning after December 31, 1997, there shall be allowed as a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes, an amount equal to fifty percent (50%) of the cost of a qualified employee training expense incurred by an eligible employer.

C. If the tax credit authorized by subsection B of this section exceeds the amount of income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of the credit not used as an offset against the income taxes of a taxable year may be carried forward as a credit against subsequent income tax liability for a period not to exceed four (4) years.

D. The Oklahoma Tax Commission, on or before January 31 of each year, shall submit a report regarding the credit authorized by this section to both houses of the Oklahoma Legislature. Such report shall summarize the total amount of credits claimed and likely to be claimed and allowed pursuant to the provisions of this section. In order to assist in the reporting of the information required by this subsection, the Tax Commission shall develop a form or shall modify existing forms so that data may be collected regarding the actual costs incurred by each credit claimant, the number of employees for whose benefit the qualifying expenditures were incurred, the wage

levels of employees for whose benefit the qualifying expenditures were incurred and such other information as the Tax Commission may require.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8-101 of Title 40, unless there is created a duplication in numbering, reads as follows:

There is hereby created the Job Training Partnership Committee within the Oklahoma Employment Security Commission in accordance with the purposes of the Job Training Partnership Act of 1982, 29 U.S.C., Section 1501 et seq.

SECTION 4. Section 1 of this act shall not be codified in the Oklahoma Statutes.

SECTION 5. This act shall become effective January 1, 1998.

Passed the House of Representatives the 10th day of March, 1997.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1997.

President of the Senate