

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 2085

By: Jackson

5
6 COMMITTEE SUBSTITUTE

7 (aerospace - Oklahoma Aeronautics Commission -

8 tuition reimbursement - interns - college credit

9 for internship - codification -

10 effective dates)

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

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 94 of Title 3, unless there is
17 created a duplication in numbering, reads as follows:

18 A. The Oklahoma Aeronautics Commission (the Commission) shall
19 focus available resources and funds to promote and support increased
20 emphasis on growing, retaining and attracting an engineering
21 workforce to support the aerospace sector in the state.

22 B. "Aerospace sector" means a private or public organization
23 engaged in the manufacture of aerospace or defense hardware or
24 software, aerospace maintenance, aerospace repair and overhaul,

1 supply of parts to the aerospace industry, provision of services and
2 support relating to the aerospace industry, research and development
3 of aerospace technology and systems, and the education and training
4 of aerospace personnel.

5 C. "Qualified program" means a program that produces graduates:

6 1. From an Accrediting Board for Engineering and Technology
7 (ABET) accredited baccalaureate degree program;

8 2. With a Master of Science or Doctorate Degree in physics,
9 chemistry, mathematics, statistics, computer science or engineering;
10 or

11 3. With a Bachelor of Science Degree in physics, chemistry,
12 mathematics, statistics, computer science and others as may be
13 deemed appropriate by the Commission.

14 D. 1. Subject to the availability of funds for this purpose,
15 the Commission shall implement and offer a scientific and
16 engineering employment incentive program to retain and attract an
17 engineering workforce. The scientific and engineering employment
18 incentive program shall be for graduates of qualified programs in
19 science and engineering at the undergraduate or graduate level who
20 declare an intention to serve and who subsequently serve in this
21 state for a minimum of five (5) years in the science and engineering
22 field within the aerospace sector. Students meeting the criteria
23 provided in this subsection shall be given the opportunity to
24 participate in the program.

1 2. The Commission is authorized to make employment incentive
2 payments pursuant to the provisions of this subsection to persons
3 participating in the program who actually render a minimum of five
4 (5) years of service in the aerospace sector. The total amount of
5 the employment incentive payments for any qualified person shall not
6 exceed an amount equal to four times the average annual cost of
7 undergraduate resident tuition and mandatory fees for full-time
8 enrollment at public and private higher education institutions in
9 the state which offer qualified programs and shall be prorated
10 annually over five (5) years of service.

11 3. The Commission shall require the execution of appropriate
12 contracts with eligible persons participating in the program.
13 Persons failing to comply with the requirements of the program shall
14 not be eligible for the employment incentive payments provided for
15 in this subsection.

16 4. If insufficient funds are available for employment
17 incentive payments to qualified persons during any fiscal year, the
18 Commission may make reductions in the payments made to persons
19 participating in the program.

20 E. The Commission may use an amount, not to exceed Two Hundred
21 Thousand Dollars (\$200,000.00) annually, to administratively manage
22 the employment incentive program.

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1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2357.301 of Title 68, unless
3 there is created a duplication in numbering, reads as follows:

4 A. As used in this section:

5 1. "Qualified person" means any person having been awarded a
6 baccalaureate or master's degree from a qualified program by an
7 institution;

8 2. "Qualified program" means a program that produces graduates
9 from an Accrediting Board for Engineering and Technology (ABET)
10 accredited baccalaureate degree program, or graduates with a Master
11 of Science or Doctorate Degree or Bachelor of Science Degree in
12 physics, chemistry, mathematics, statistics, computer science, and
13 others as may be deemed appropriate by the Commission;

14 3. "Institution" means an institution within The Oklahoma State
15 System of Higher Education or any other public or private accredited
16 college or university that is accredited by a national accrediting
17 body;

18 4. "Qualified employer" means a sole proprietor, general
19 partnership, limited partnership, limited liability company,
20 corporation or other legally recognized business entity whose
21 principal business activity involves aerospace sector;

22 5. "Aerospace Sector" means as defined in subsection B of
23 Section 1 of this act; and
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1 6. "Qualified wage cost" means either payments in the form of
2 contract labor for which the payor is required to provide a Form
3 1099 to the person paid, or wages subject to withholding paid to a
4 part-time employee or full-time employee for wages, salary or other
5 remuneration paid to such person, exclusive of any employer-provided
6 retirement benefit, employer-provided medical or health care
7 benefit, reimbursement for travel, meals, lodging or any other
8 expense reimbursed to the graduate.

9 B. For taxable years beginning after December 31, 2007, there
10 shall be allowed a credit against the tax imposed pursuant to
11 Section 2355 of Title 68 of the Oklahoma Statutes for qualified wage
12 costs incurred with respect to a qualified person by a qualified
13 employer.

14 C. The credit authorized by subsection B of this section shall
15 be in the amount of:

16 1. Thirty percent (30%) of the qualified wage cost for the
17 first through fifth years of employment if the employee graduated
18 from an institution located in the state; and

19 2. Twenty percent (20%) of the qualified wage cost for the
20 first through fifth years of employment if the graduate is from an
21 institution located outside the state.

22 D. The credit authorized by this section shall not be used to
23 reduce the tax liability of the taxpayer to less than zero (0).

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1 E. Any credit not used may be carried over, in order, to each
2 of the five (5) subsequent taxable years.

3 F. No credit otherwise authorized pursuant to this section
4 shall be claimed by a qualified employer based upon qualifying wage
5 costs with respect to a qualified person after the fifth taxable
6 year for which any credit authorized by this section is claimed
7 based upon qualified wage costs with respect to such qualified
8 person, regardless of the total number of employers claiming a
9 credit authorized by this section.

10 G. The provisions of this section shall not prohibit a
11 qualified employer from claiming a credit for qualified wage costs
12 if the qualified person to whom remuneration or compensation was
13 paid previously worked for any other qualified employer who claimed
14 credit authorized by this section.

15 SECTION 3. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 2357.302 of Title 68, unless
17 there is created a duplication in numbering, reads as follows:

18 A. As used in this section:

19 1. "Qualified person" means a person defined by paragraph 1 of
20 subsection A of Section 2 of this act;

21 2. "Qualified program" means a program defined by paragraph 2
22 of subsection A of Section 2 of this act;

23 3. "Institution" means any college or university defined by
24 paragraph 3 of subsection A of Section 2 of this act; and

1 4. "Qualified employer" means an employer defined by paragraph
2 4 of subsection A of Section 2 of this act.

3 B. For taxable years beginning after December 31, 2007, there
4 shall be allowed a credit against the tax imposed pursuant to
5 Section 2355 of Title 68 of the Oklahoma Statutes in an amount not
6 to exceed Five Thousand Dollars (\$5,000.00) per year for a period of
7 time not to exceed five (5) years to a qualified person employed by
8 a qualified employer.

9 C. The credit authorized by this section shall not be used to
10 reduce the tax liability of the taxpayer to less than zero (0).

11 D. Any credit claimed, but not used, may be carried over, in
12 order, to each of the five (5) subsequent taxable years.

13 SECTION 4. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 2357.303 of Title 68, unless
15 there is created a duplication in numbering, reads as follows:

16 A. As used in this section:

17 1. "Qualified employer" means a sole proprietor, general or
18 limited partnership, corporation, limited liability company or other
19 legally recognized business or government entity whose principal
20 business activity involves the aerospace sector;

21 2. "Aerospace sector" means a private or public organization
22 defined by subsection B of Section 1 of this act;

23 3. "Eligible employment" means work performed by a qualified
24 intern for an qualified employer within the State of Oklahoma;

1 4. "Compensation" means wages or salary or other remuneration
2 paid by an qualified employer to a qualified intern during the
3 period of time the student has been certified by the college or
4 university in which the student is enrolled to be an intern; and

5 5. "Qualified intern" means a student enrolled with a minimum
6 of three (3) hours in regularly graded course work at an institution
7 within The Oklahoma State System of Higher Education or any other
8 private college or university that is accredited by a national
9 accrediting body and located within the state who is pursuing a
10 bachelor's degree in science or engineering and who is considered by
11 the college or university in which they are enrolled to be either a
12 junior or senior for academic purposes or is a student who is
13 pursuing a graduate-level program or professional degree in physics,
14 chemistry, mathematics, statistics, computer science, and others as
15 may be deemed appropriate by the Commission.

16 B. For taxable years beginning after December 31, 2007, there
17 shall be allowed a credit against the tax imposed pursuant to
18 Section 2355 of Title 68 of the Oklahoma Statutes equal to fifty
19 percent (50%) of the compensation paid by a qualified employer to a
20 qualified intern for eligible employment.

21 C. Any person who becomes placed as a qualified intern with a
22 qualified employer that may claim the credit authorized by this
23 section may receive college credit for the hours worked if the
24 student successfully completes all the requirements for the

1 internship established by the college or university in which the
2 student is enrolled. The State Regents for Higher Education shall
3 establish a policy regarding the number of hours of college credit
4 to be awarded based upon the number of hours worked by the intern
5 for institutions in the State System of Higher Education.

6 D. The credit authorized by this section shall not be used to
7 reduce the liability of the taxpayer to less than zero (0).

8 E. Any credit claimed, but not used, may be carried over, in
9 order, to each of the five (5) succeeding taxable years.

10 SECTION 5. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 2357.304 of Title 68, unless
12 there is created a duplication in numbering, reads as follows:

13 A. As used in this section:

14 1. "Qualified internship recruiting expense" means:

15 a. advertising costs, and

16 b. travel and lodging expenses to the extent such
17 expenses are directly related to the process for
18 interviewing, communications and other activity the
19 principal purpose of which is to identify and engage
20 the services of a qualified intern;

21 2. "Qualified intern" means a person defined by paragraph 5 of
22 subsection A of Section 4 of this act; and

23 3. "Qualified employer" means an employer as defined in
24 paragraph 1 of subsection A of Section 4 of this act.

1 B. For taxable years beginning after December 31, 2007, there
2 shall be allowed a credit against the tax imposed pursuant to
3 Section 2355 of Title 68 of the Oklahoma Statutes equal to fifty
4 percent (50%) of qualified internship recruiting expenses paid by a
5 qualified employer.

6 C. The credit authorized by this section shall not be used to
7 reduce the liability of the taxpayer to less than zero (0).

8 D. Any credit authorized, but not used, may be carried over, in
9 order, to each of the five (5) succeeding taxable years.

10 SECTION 6. Section 1 of this act shall become effective
11 November 1, 2007.

12 SECTION 7. Sections 2 through 5 of this act shall become
13 effective January 1, 2008.

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15 51-1-7529 CJB 03/06/07

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