

THE HOUSE OF REPRESENTATIVES  
Thursday, March 6, 2008

Committee Substitute for  
House Bill No. 3114

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 3114 - By: PETERSON (RON)  
AND JETT of the House.

( workforce incentives - Oklahoma Workforce Incentives Act of 2008 –  
noncodification - effective date )

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

1 SECTION 1. NEW LAW A new section of law not to be codified in the  
2 Oklahoma Statutes reads as follows:

3 This act shall be known and may be cited as the “Oklahoma Workforce Incentives  
4 Act of 2008”.

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

8 A. As used in this section:

9 1. “Eligible employers” means a business entity primarily engaged in the sale of  
10 goods or services in one of the following categories:

11 a. aerospace,

12 b. energy,

- 1 c. advanced manufacturing and processing,
- 2 d. biotechnology,
- 3 e. information technology, and
- 4 f. health care;

5 2. “Tier 1 qualified employees” means:

- 6 a. engineers employed by an eligible employer described by subparagraph
- 7 a, b or c of paragraph 1 of this subsection for the first time in the state
- 8 within five (5) years of graduation from an institution of higher
- 9 education or within five (5) years of the successful completion of a
- 10 training program for the specific employment in which the employee is
- 11 engaged and whose compensation is equal to or in excess of the Tier 1
- 12 qualified compensation amount, and
- 13 b. scientists employed by an eligible employer described by subparagraph
- 14 a, b, c, d, e or f of paragraph 1 of this subsection for the first time in the
- 15 state within five (5) years of graduation from an institution of higher
- 16 education or within five (5) years of the successful completion of a
- 17 training program for the specific employment in which the employee is
- 18 engaged and whose compensation is equal to or in excess of the Tier 1
- 19 qualified compensation amount;

20 3. “Tier 1 qualified compensation amount” means Sixty Thousand Dollars

21 (\$60,000.00) annually including employer-provided health care benefits;

22 4. “Tier 2 qualified employees” means:

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

- 1 a. technologists employed by an eligible employer described by  
2 subparagraph a, b, c, d, e or f of paragraph 1 of this subsection for the  
3 first time in the state within five (5) years of graduation from an  
4 institution of higher education or within five (5) years of the successful  
5 completion of a training program for the specific employment in which  
6 the employee is engaged and whose compensation is equal to or in  
7 excess of the Tier 2 qualified compensation amount,
- 8 b. professional service providers employed by an eligible employer  
9 described by subparagraph b or c of paragraph 1 of this subsection for  
10 the first time in the state within five (5) years of graduation from an  
11 institution of higher education or within five (5) years of the successful  
12 completion of a training program for the specific employment in which  
13 the employee is engaged and whose compensation is equal to or in  
14 excess of the Tier 2 qualified compensation amount, and
- 15 c. welders employed by an eligible employer described by subparagraph  
16 a, b or c of paragraph 1 of this subsection for the first time in the state  
17 within five (5) years of graduation from an institution of higher  
18 education or within five (5) years of the successful completion of a  
19 training program for the specific employment in which the employee is  
20 engaged and whose compensation is equal to or in excess of the Tier 2  
21 qualified compensation amount; and

1           5. “Tier 2 qualified compensation amount” means Forty Thousand Dollars  
2 (\$40,000.00) annually including employer-provided health care benefits.

3           B. For taxable years beginning after December 31, 2008, and ending not later than  
4 December 31, 2013, there shall be allowed to either a Tier 1 qualified employee or a Tier  
5 2 qualified employee a credit against the tax imposed pursuant to Section 2355 of Title  
6 68 of the Oklahoma Statutes:

7           1. In the amount of Six Thousand Dollars (\$6,000.00) per taxable year for a Tier 1  
8 qualified employee regardless of filing status; or

9           2. In the amount of Three Thousand Dollars (\$3,000.00) per taxable year for a Tier  
10 2 qualified employee regardless of filing status.

11           C. The total amount of all credits that may be claimed pursuant to this section  
12 shall not exceed Three Million Five Hundred Thousand Dollars (\$3,500,000.00) per fiscal  
13 year. The limitation imposed by this subsection shall be allocated between employees  
14 from the Tier 1 category and employees from the Tier 2 category as follows:

15           1. Two Million One Hundred Thousand Dollars (\$2,100,000.00) for all Tier 1 tax  
16 credit claimants; and

17           2. One Million Four Hundred Thousand Dollars (\$1,400,000.00) for all Tier 2 tax  
18 credit claimants.

19           D. The Oklahoma Department of Commerce shall identify and certify all persons  
20 who are eligible to claim the tax credit authorized by this section to the Oklahoma Tax  
21 Commission on an annual basis and upon request for current information as may be  
22 requested by the Tax Commission.

1           E. The Oklahoma Department of Commerce shall conduct a study to determine the  
2 economic benefit resulting from the allowance of the tax credit authorized by this section.  
3 The results of the study shall be prepared in the form of an annual report which shall be  
4 submitted to the Governor, the Speaker of the Oklahoma House of Representatives and  
5 the President Pro Tempore of the Oklahoma State Senate not later than January 31 each  
6 year summarizing the economic impact of the tax credit program during the preceding  
7 calendar year.

8           SECTION 3. This act shall become effective January 1, 2009.

9           COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,  
10 dated 03-05-08 - DO PASS, As Amended and Coauthored.