

BILL SUMMARY

MEASURE: CS for HB 3239

AUTHOR: Representative Skye McNeil

SUBJECT: Providing Tax Incentives for the Aerospace Sector/ Renaming the Oklahoma Aeronautics Commission to the Oklahoma Aerospace Commission

PROVISIONS:

- Sections 1-16:** Amendatory. Renames the Oklahoma Aeronautics Commission to the Oklahoma Aerospace Commission every time the name appears in statute.
- Section 17:** New Law. Provides defining terms relating to Act.
- Section 18:** New Law. Provides that qualified employers receive a tax credit for tuition reimbursed to a qualified employee. The credit can only be claimed if the qualified employee commences employment within one (1) year of graduation. Credit is in the amount of fifty percent (50%) of the reimbursed tuition for the first through fourth years.
- Section 19:** New Law. Provides that a qualified employer be allowed a tax credit for compensation paid to a qualified employee. The credit is in the amount of:
- Ten percent (10%) of the compensation paid to an employee who graduated from an institution *located within the state* is allowable from the first through fifth years of employment.
 - Five percent (5%) of the compensation paid to an employee who graduated from an institution *located outside the state* is allowable from the first through fifth years of employment.

The credits cannot be used to reduce the tax liability of the employer to less than zero (0) and cannot be claimed after the fifth year of employment. The authorized credit shall also not exceed \$12,500.00.

- Section 20:** New Law. Provides that a qualified employee be allowed a tax credit of up to Five Thousand Dollars (\$5,000.00) a year for a period not to exceed five (5) years. Also specifies that the credit cannot be used to reduce the tax liability of the taxpayer to less than zero (0).

Sections 21-24: Amendatory. Renames the Oklahoma Aeronautics Commission to the Oklahoma Aerospace Commission every time the name appears in a statute.

Section 25: Provides effective date for Sections 1-16 and Sections 21-24.

Section 26: Provides effective date for Sections 17-20.

EFFECTIVE

DATE: January 1, 2009 for Sections 17-20. November 1, 2008 for Sections 1-16 and Sections 21-24.

PREPARED

BY: Dusty Darr, Research Analyst

DATE: February 21, 2008