

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 SENATE BILL 1005

By: Newberry

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5  
6 AS INTRODUCED

7 An Act relating to revenue and taxation; providing  
8 short title; defining terms; providing for an income  
9 tax credit to certain employees during specified time  
10 period; setting amount of credit based on certain  
11 criteria; prohibiting credit under certain  
12 circumstances; limiting total credit to be granted  
13 and providing for distribution thereof; limiting use  
14 of credit; requiring Oklahoma Department of Commerce  
15 to identify certain eligible persons and conduct and  
16 distribute specified study; authorizing Oklahoma Tax  
17 Commission to promulgate rules; and providing an  
18 effective date.

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

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

22 This act shall be known and may be cited as the "Oklahoma  
23 Workforce Incentives Act of 2009".

24 SECTION 2. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 2357.305 of Title 68, unless  
there is created a duplication in numbering, reads as follows:

A. As used in this section:

1 1. "Eligible employers" means a business entity primarily  
2 engaged in the sale of goods or services in one of the following  
3 categories:

- 4 a. aerospace,
- 5 b. energy,
- 6 c. advanced manufacturing and processing,
- 7 d. biotechnology,
- 8 e. information technology, and
- 9 f. health care;

10 2. "Tier 1 qualified employees" means:

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

1 successful completion of a training program for the  
2 specific employment in which the employee is engaged  
3 and whose compensation is equal to or in excess of the  
4 Tier 1 qualified compensation amount;

5 3. "Tier 1 qualified compensation amount" means Sixty Thousand  
6 Dollars (\$60,000.00) annually including employer-provided health  
7 care benefits;

8 4. "Tier 2 qualified employees" means:

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

19 b. professional service providers employed by an eligible  
20 employer described by subparagraph b or c of paragraph  
21 1 of this subsection for the first time in the state  
22 within five (5) years of graduation from an  
23 institution of higher education or within five (5)  
24 years of the successful completion of a training

1 program for the specific employment in which the  
2 employee is engaged and whose compensation is equal to  
3 or in excess of the Tier 2 qualified compensation  
4 amount, and

5 c. welders employed by an eligible employer described by  
6 subparagraph a, b or c of paragraph 1 of this  
7 subsection for the first time in the state within five  
8 (5) years of graduation from an institution of higher  
9 education or within five (5) years of the successful  
10 completion of a training program for the specific  
11 employment in which the employee is engaged and whose  
12 compensation is equal to or in excess of the Tier 2  
13 qualified compensation amount; and

14 5. "Tier 2 qualified compensation amount" means Forty Thousand  
15 Dollars (\$40,000.00) annually including employer-provided health  
16 care benefits.

17 B. For taxable years beginning after December 31, 2009, and  
18 ending not later than December 31, 2014, there shall be allowed to  
19 either a Tier 1 qualified employee or a Tier 2 qualified employee a  
20 credit against the tax imposed pursuant to Section 2355 of Title 68  
21 of the Oklahoma Statutes:

22 1. In the amount of Five Thousand Dollars (\$5,000.00) per  
23 taxable year for a Tier 1 qualified employee regardless of filing  
24 status; or

1           2. In the amount of Two Thousand Five Hundred Dollars  
2 (\$2,500.00) per taxable year for a Tier 2 qualified employee  
3 regardless of filing status.

4           C. No taxpayer who receives a credit pursuant to Section  
5 2357.304 of Title 68 of the Oklahoma Statutes shall be eligible to  
6 receive the credit provided by this section for the same tax year.

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

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

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

16           E. The credit authorized by this section shall not be used to  
17 reduce the tax liability of the qualified employee to less than  
18 zero.

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

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

9 H. The Tax Commission may promulgate such rules as may be  
10 necessary to implement this section.

11 SECTION 3. This act shall become effective January 1, 2010.

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