

1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 1639

By: Bingman

6 COMMITTEE SUBSTITUTE

7 An Act relating to tax rebates; providing short  
8 title; creating the Quality Workforce Act; defining  
9 terms; limiting total rebate payments; authorizing  
10 the payment of rebates by the Oklahoma Tax Commission  
11 subject to approval by the Oklahoma Department of  
12 Commerce for qualified workforce investment;  
13 providing for the manner in which rebate payments  
14 shall be made; establishing procedures related to  
15 rebate payments; establishing requirements which must  
16 be met before specified application is approved;  
17 establishing procedures related to the program;  
18 providing for the existence of a specified agreement  
19 once an application is approved; creating the Quality  
20 Workforce Rebate Payment Fund and providing for the  
21 deposit of monies into, and the use and expenditure  
22 of, contents of the fund; limiting the liability of  
23 the Quality Workforce Rebate Payment Fund to fund  
24 balance; providing for promulgation of rules by  
specified agencies; providing penalty; providing for  
codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 3921 of Title 68, unless there  
is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Quality  
Workforce Act".

1 SECTION 2. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 3922 of Title 68, unless there  
3 is created a duplication in numbering, reads as follows:

4 As used in the Quality Workforce Act:

5 1. "Approved certificate or degree" means a program of  
6 education located in Oklahoma and approved by the Oklahoma  
7 Department of Commerce prior to the time the establishment makes an  
8 initial application, which will result in the granting of an  
9 associate degree by an accredited public or private institution of  
10 higher education or an industrial or vocational licensing or  
11 certification program;

12 2. "Basic industry" means any industry which meets the criteria  
13 set provided pursuant to paragraph 1 of Section 3913 of Title 68 of  
14 the Oklahoma Statutes;

15 3. "Critical occupation" means an occupation identified by the  
16 Oklahoma Department of Commerce as a critical industry certification  
17 which meets the guidelines of the identified core competencies of  
18 the state based on wealth generation, growth potential and  
19 competitive advantage; and

20 4. "Eligible employee" means an individual who is a resident of  
21 this state and is a full time employee of the establishment making  
22 application for a rebate, who is serving in a position or function  
23 which qualifies as a critical occupation, and for whom the  
24 establishment has paid the cost of tuition and materials necessary

1 to obtain an approved license, certificate or degree during or prior  
2 to full time employment;

3 5. "Establishment" means any for profit business, no matter  
4 what legal form, including, but not limited to, a sole  
5 proprietorship, partnership, corporation, or limited liability  
6 corporation;

7 6. "Full-time employment" means employment of persons residing  
8 in this state and working for thirty (30) hours per week or more in  
9 this state, which has a minimum six-month duration during any  
10 twelve-month period;

11 7. "Rebate" means a payment to an establishment for one hundred  
12 five percent (105%) of the amount of tuition and materials paid on  
13 behalf of an eligible employee for an approved license, certificate  
14 or degree;

15 8. "Rebate supplement" means:

16 a. if applicable, an amount equal to five percent (5%) of  
17 the amount of any tuition and materials paid on behalf  
18 of an eligible employee who is a veteran of the Armed  
19 Forces of the United States; and

20 b. if applicable, an amount equal to five percent (5%) of  
21 the amount of any tuition and materials paid on behalf  
22 of an eligible employee who was, or whose household  
23 was, enrolled in the Oklahoma Medicaid program at the  
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1                   time of matriculation into an approved license,  
2                   certificate or degree program.

3           SECTION 3.       NEW LAW       A new section of law to be codified  
4 in the Oklahoma Statutes as Section 3923 of Title 68, unless there  
5 is created a duplication in numbering, reads as follows:

6           A.   An eligible establishment which receives approval by the  
7 Oklahoma Department of Commerce pursuant to the provisions of the  
8 Quality Workforce Act may receive a rebate from the Oklahoma Tax  
9 Commission equal to amounts paid for workforce investment for  
10 eligible employees plus any rebate supplement.  Such payments shall  
11 be made until fully reimbursed but annual payments shall be limited  
12 to an amount equal to five percent (5%) of the average wage of all  
13 employees of the establishment multiplied by the number of eligible  
14 employees.

15           B.   In order to receive rebate payments, an establishment shall  
16 apply to, and be approved by, the Oklahoma Department of Commerce on  
17 forms prescribed by the Department.

18           C.   Before approving the application for rebate payments, the  
19 Department shall establish that the establishment applying:

20           1.   Is eligible subject to the applicable definitions provided  
21 in Section 2 of this act;

22           2.   Is not currently participating or applying to participate in  
23 the Oklahoma Quality Jobs Program Act, the Saving Quality Jobs Act,  
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1 the Former Military Facility Development Act, the Small Employer  
2 Quality Jobs Act or the 21st Century Quality Jobs Incentive Act;

3 3. Has a basic health benefit plan which, as determined by the  
4 Department, meets the requirements of divisions (1) through (7) of  
5 subparagraph b of paragraph 1 of subsection A of Section 3603 of  
6 Title 68 of the Oklahoma Statutes and which has been offered or will  
7 be offered to individuals within twelve (12) months of employment;

8 4. Has obtained the applicable approval of the certificate or  
9 degree program prior to the matriculation of an employee or  
10 potential employee; and

11 5. Has documentation of direct payment to an institution for  
12 the completion of an approved license, certificate or degree.

13 D. Upon a determination that an applicant is qualified pursuant  
14 to subsection C of this section, the Oklahoma Department of Commerce  
15 shall notify the Oklahoma Tax Commission and provide it with a copy  
16 of the application and approval. Such approval shall include, but  
17 not be limited to, the approved license, certificate or degree  
18 program, the name of the eligible employee and the critical  
19 occupation identified. The Tax Commission may require the  
20 establishment to submit additional information as may be necessary  
21 to administer the provisions of this act. Eligible establishments  
22 may be audited by the Oklahoma Tax Commission to verify eligibility  
23 for rebate payments. Once the application is approved, an agreement  
24 shall be deemed to exist between the establishment and the State of

1 Oklahoma requiring rebate payments to be made for as long as the  
2 establishment retains eligibility, within the limitations of this  
3 act as it exists at the time of such approval.

4 SECTION 4. NEW LAW A new section of law to be codified  
5 in the Oklahoma Statutes as Section 3924 of Title 68, unless there  
6 is created a duplication in numbering, reads as follows:

7 There is hereby created within the State Treasury a special fund  
8 for the Oklahoma Tax Commission to be designated the "Quality  
9 Workforce Rebate Payment Fund". The Tax Commission is hereby  
10 authorized and directed to withhold a portion of the taxes levied  
11 and collected pursuant to Section 2355 of Title 68 of the Oklahoma  
12 Statutes for deposit into the fund. The amount deposited shall  
13 equal the sum estimated by the Tax Commission to be sufficient to  
14 pay rebate payments claimed pursuant to the provisions of Section 3  
15 of this act. All of the amounts deposited in such fund shall be  
16 used and expended by the Tax Commission solely for the purposes and  
17 in the amounts authorized by the Quality Workforce Act. The  
18 liability of the State of Oklahoma to make rebate payments under the  
19 Quality Workforce Act shall be limited to the balance contained in  
20 the fund created by this section.

21 SECTION 5. NEW LAW A new section of law to be codified  
22 in the Oklahoma Statutes as Section 3925 of Title 68, unless there  
23 is created a duplication in numbering, reads as follows:

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1           The Oklahoma Department of Commerce and the Oklahoma Tax  
2 Commission shall promulgate rules necessary to implement their  
3 respective duties and responsibilities under the provisions of the  
4 Quality Workforce Act.

5           SECTION 6.           NEW LAW           A new section of law to be codified  
6 in the Oklahoma Statutes as Section 3926 of Title 68, unless there  
7 is created a duplication in numbering, reads as follows:

8           Any person making an application, claim for payment or any  
9 report, return, statement, invoice, or other instrument or providing  
10 any other information pursuant to the provisions of this act who  
11 willfully makes a false or fraudulent application, claim, report,  
12 return, statement, invoice, or other instrument, or who willfully  
13 provides any false or fraudulent information, or any person who  
14 willfully aids or abets another in making such false or fraudulent  
15 application, claim, report, return, statement, invoice, or other  
16 instrument, or who willfully aids or abets another in providing any  
17 false or fraudulent information, upon conviction, shall be guilty of  
18 a misdemeanor. The fine for a violation of this provision shall not  
19 be less than One Thousand Dollars (\$1,000.00) nor more than Fifty  
20 Thousand Dollars (\$50,000.00). Any person convicted of a violation  
21 of this section shall be liable for the repayment of all rebate  
22 payments which were paid to the establishment. Interest shall be  
23 due on such payments at the rate of ten percent (10%) per annum.

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1 SECTION 7. This act shall become effective November 1, 2014.

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