

1 ENGROSSED HOUSE
2 BILL NO. 2956

By: Cockroft, Sherrer and
Hoskin of the House

3 and

4 Sharp of the Senate
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8 An Act relating to revenue and taxation; amending 68
9 O.S. 2011, Section 3903, as amended by Section 27,
10 Chapter 227, O.S.L. 2013 (68 O.S. Supp. 2013, Section
11 3903), which relates to the Small Employer Quality
12 Jobs Incentive Act; modifying definition; providing
13 an effective date; and declaring an emergency.

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

15 SECTION 1. AMENDATORY 68 O.S. 2011, Section 3903, as
16 amended by Section 27, Chapter 227, O.S.L. 2013 (68 O.S. Supp. 2013,
17 Section 3903), is amended to read as follows:

18 Section 3903. As used in the Small Employer Quality Jobs
19 Incentive Act:

20 1. "Basic industry" means a basic industry as defined under the
21 Oklahoma Quality Jobs Program Act in divisions (1) through (9) of
22 subparagraph a of paragraph 1 of subsection A of Section 3603 of
23 this title, excluding those activities described in division (10) of
24 subparagraph a of paragraph 1 of subsection A of Section 3603 of
this title. Provided, for the purposes of the Small Employer

1 Quality Jobs Incentive Act, the determination required by
2 subdivision (b) of division (7) or division (8) of subparagraph a of
3 paragraph 1 of subsection A of Section 3603 of this title shall be
4 made by the Oklahoma Department of Commerce and not the Incentive
5 Approval Committee;

6 2. "Establishment" means any business, no matter what legal
7 form, including, but not limited to, a sole proprietorship,
8 partnership, corporation, or limited liability corporation located
9 ~~in a county with a population of not more than two hundred thousand~~
10 ~~(200,000) persons, as determined by the Department of Commerce based~~
11 ~~on the most recent U.S. Department of Commerce data or located in an~~
12 ~~"opportunity zone"; provided, a business classified as research and~~
13 ~~development in the physical, engineering and life sciences as~~
14 ~~described under U.S. Industry Number 541710 or classified as a~~
15 ~~testing laboratory as described under U.S. Industry Number 541380 in~~
16 ~~the North American Industry Classification System (NAICS) Manual~~
17 ~~shall be considered to be an establishment for purposes of the Small~~
18 ~~Employer Quality Jobs Incentive Act regardless of the population of~~
19 ~~the county in which the establishment is located. As used in this~~
20 ~~paragraph, "opportunity zone" means one or more census tracts in~~
21 ~~which, according to the most recent Federal Decennial Census, at~~
22 ~~least thirty percent (30%) of the residents have annual gross~~
23 ~~household incomes from all sources below the poverty guidelines~~
24 ~~established by the U.S. Department of Health and Human Services;~~

1 3. "Estimated direct state benefits" means the tax revenues
2 projected by the Oklahoma Department of Commerce to accrue to the
3 state as a result of new direct jobs;

4 4. "Estimated direct state costs" means the costs projected by
5 the Department to accrue to the state as a result of new direct
6 jobs. Such costs shall include, but not be limited to:

7 a. the costs of education of new state resident children,

8 b. the costs of public health, public safety and
9 transportation services to be provided to new state
10 residents,

11 c. the costs of other state services to be provided to
12 new state residents, and

13 d. the costs of other state services;

14 5. "Estimated net direct state benefits" means the estimated
15 direct state benefits less the estimated direct state costs;

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

20 7. "Gross taxable payroll" means wages, as defined in Section
21 2385.1 of this title, for new direct jobs;

22 8. "Net benefit rate" means the estimated net direct state
23 benefits computed as a percentage of gross payroll; provided:
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1 a. the net benefit rate may be variable and shall not
2 exceed five percent (5%), and

3 b. in no event shall incentive payments, cumulatively,
4 exceed the estimated net direct state benefits; and

5 9. "New direct job" means full-time employment which did not
6 exist in this state prior to the date of approval, by the Oklahoma
7 Department of Commerce, of an application made pursuant to the Small
8 Employer Quality Jobs Incentive Act. A job shall be deemed to exist
9 in this state prior to approval of an application if the activities
10 and functions for which the particular job exists have been ongoing
11 at any time within six (6) months prior to such approval.

12 SECTION 2. This act shall become effective July 1, 2014.

13 SECTION 3. It being immediately necessary for the preservation
14 of the public peace, health and safety, an emergency is hereby
15 declared to exist, by reason whereof this act shall take effect and
16 be in full force from and after its passage and approval.

1 Passed the House of Representatives the 12th day of March, 2014.

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4 Presiding Officer of the House
of Representatives

5 Passed the Senate the ____ day of _____, 2014.

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9 Presiding Officer of the Senate