SENATE FLOOR VERSION
February 18, 2014

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 1639 By: Bingman of the Senate

and

Hall of the House

[tax rebates - Quality Workforce Act - rebate payments - Quality Workforce Rebate Payment Fund - penalty - codification - 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".

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

As used in the Quality Workforce Act:

1. "Approved certificate or degree" means a program of education located in Oklahoma and approved by the Oklahoma Department of Commerce prior to the time the establishment makes an initial application, which will result in the granting of an

associate degree by an accredited public or private institution of higher education or an industrial or vocational licensing or certification program;

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

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

4. "Eligible employee" means an individual who is a resident of this state and is a full time employee of the establishment making application for a rebate, who is serving in a position or function which qualifies as a critical occupation, and for whom the establishment has paid the cost of tuition and materials necessary to obtain an approved license, certificate or degree during or prior to full time employment;

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

6. "Full-time employment" means employment of persons residing in this state and working for thirty (30) hours per week or more in

this state, which has a minimum six-month duration during any twelve-month period;

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

8. "Rebate supplement" means:

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

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

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

A. An eligible establishment which receives approval by the Oklahoma Department of Commerce pursuant to the provisions of the Quality Workforce Act may receive a rebate from the Oklahoma Tax Commission equal to amounts paid for workforce investment for

eligible employees plus any rebate supplement. Such payments shall be made until fully reimbursed but annual payments shall be limited to an amount equal to five percent (5%) of the average wage of all employees of the establishment multiplied by the number of eligible employees.

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

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

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

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

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

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

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

D. Upon a determination that an applicant is qualified pursuant to subsection C of this section, the Oklahoma Department of Commerce shall notify the Oklahoma Tax Commission and provide it with a copy of the application and approval. Such approval shall include, but not be limited to, the approved license, certificate or degree program, the name of the eligible employee and the critical occupation identified. The Tax Commission may require the establishment to submit additional information as may be necessary to administer the provisions of this act. Eligible establishments may be audited by the Oklahoma Tax Commission to verify eligibility for rebate payments. Once the application is approved, an agreement shall be deemed to exist between the establishment and the State of Oklahoma requiring rebate payments to be made for as long as the establishment retains eligibility, within the limitations of this act as it exists at the time of such approval.

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

There is hereby created within the State Treasury a special fund for the Oklahoma Tax Commission to be designated the "Quality Workforce Rebate Payment Fund". The Tax Commission is hereby authorized and directed to withhold a portion of the taxes levied

and collected pursuant to Section 2355 of Title 68 of the Oklahoma Statutes for deposit into the fund. The amount deposited shall equal the sum estimated by the Tax Commission to be sufficient to pay rebate payments claimed pursuant to the provisions of Section 3 of this act. All of the amounts deposited in such fund shall be used and expended by the Tax Commission solely for the purposes and in the amounts authorized by the Quality Workforce Act. The liability of the State of Oklahoma to make rebate payments under the Quality Workforce Act shall be limited to the balance contained in the fund created by this section.

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

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

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

Any person making an application, claim for payment or any report, return, statement, invoice, or other instrument or providing any other information pursuant to the provisions of this act who willfully makes a false or fraudulent application, claim, report,

return, statement, invoice, or other instrument, or who willfully provides any false or fraudulent information, or any person who willfully aids or abets another in making such false or fraudulent application, claim, report, return, statement, invoice, or other instrument, or who willfully aids or abets another in providing any false or fraudulent information, upon conviction, shall be guilty of a misdemeanor. The fine for a violation of this provision shall not be less than One Thousand Dollars ($1,000.00) nor more than Fifty Thousand Dollars ($50,000.00). Any person convicted of a violation of this section shall be liable for the repayment of all rebate payments which were paid to the establishment. Interest shall be due on such payments at the rate of ten percent (10%) per annum.

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

COMMITTEE REPORT BY: COMMITTEE ON FINANCE
February 18, 2014 - DO PASS AS AMENDED