

BILL SUMMARY
2nd Session of the 54th Legislature

Bill No.:	HB 2509
Version:	CS
Request Number:	10364
Author:	Rep. Sears
Date:	2/25/2014
Impact:	Tax Commission: Minimal Decrease in Revenue

Research Analysis

HB2509 extends the sunset date of the aerospace engineer tax credit to January 1, 2018. The measure also modifies the definition of qualified employee to include those who worked in the aerospace sector, not as full time engineers, prior to receiving an undergraduate or graduate degree.

Prepared By: Quyen Do

Fiscal Analysis

The Proposed Committee Substitute (Req. No. 10303) for HB 2509 proposes to amend 68 O.S. §§ 2357.301-304 (Aerospace Credit¹) extending the sunset date to January 1, 2018. Also, this measure amends the definition of a qualified employee to provide that a person who worked in the aerospace sector (other than full-time engineers) before receiving an undergraduate or graduate degree, or any person who has received an undergraduate or graduate degree and is employed by a professional staffing company and assigned to work in the aerospace sector in this state shall not be excluded from this definition. This measure clarifies that an aerospace employee meets the definition of a qualified employee if they begin their employment in Oklahoma on or after January 1, 2009, regardless of their hire date.

There is no additional fiscal impact due to extending the sunset date through tax year 2017. Amending the definition of a qualified employee would have a minimal fiscal impact, which would occur in FY15 when the 2014 income tax returns are filed.

¹ Under current law, two (2) income tax credits are available to employers based on the amount of wages paid to a qualified employee and the amount of tuition that is reimbursed to a qualified employee. There is also an income tax credit for the engineer-employee in the amount of Five Thousand Dollars (\$5,000) per year for five (5) years.

Prepared By: Mark Tygret

Other Considerations

None.