

MEMORANDUM

OKLAHOMA TAX COMMISSION
TAX POLICY AND RESEARCH

DATE: May 20, 2014

SUBJECT: SB 1639 – Conference Committee Substitute for Engrossed (Req. No. 3773)

TO: Rick Miller, Director
Joe Gappa, Deputy Director

FROM: Michael C. Kaufmann, Tax Policy Analyst

The Conference Committee Substitute for Engrossed SB 1639 (Req. No. 3773) proposes to create the *Quality Workforce Act*. This measure would allow rebates to be paid to qualifying establishments for “workforce investments”¹ for eligible employees in “critical occupations”². The rebate is 100% of the tuition and materials paid on behalf of an eligible employee by qualifying establishments for an approved license, certificate, or degree, with potential supplemental amounts of 5% for veterans of the U.S. Armed Service or for employees whose household is enrolled in the Oklahoma Medicaid program. The proposed rebates would be paid from a newly created *Quality Workforce Rebate Payment Fund* which would consist of sufficient deposits from sales and income tax collections. The maximum amount that can be deposited into the *Quality Workforce Rebate Payment Fund* is \$5 million per year. Rebates cannot be paid before July 1, 2015

There is no change in sales and income tax collections for FY15 and a projected decrease in sales and income tax collections of \$5 million for FY16 as a result of this measure.

¹ Workforce investments are not defined, but the rebate is based on the amount of tuition and materials paid on behalf of an eligible employee by qualifying establishments for an approved license, certificate, or degree.

² Critical occupations are not defined, but are to be identified by the Oklahoma Department of Commerce.