

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 SENATE BILL 1006

By: Allen

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6 AS INTRODUCED

7 An Act relating to the Oklahoma Quality Jobs Program
8 Act; amending 68 O.S. 2011, Section 3607, as amended
9 by Section 26, Chapter 227, O.S.L. 2013 (68 O.S.
10 Supp. 2015, Section 3607), which relates to
11 eligibility of certain establishments to receive
specified tax credits; limiting time period during
which establishment may receive both incentive
payments and tax credits; and providing an effective
date.

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

15 SECTION 1. AMENDATORY 68 O.S. 2011, Section 3607, as
16 amended by Section 26, Chapter 227, O.S.L. 2013 (68 O.S. Supp. 2015,
17 Section 3607), is amended to read as follows:

18 Section 3607. A. Notwithstanding any other provision of law,
19 if a qualified establishment receives an incentive payment pursuant
20 to the provisions of Section 3601 et seq. of this title, neither the
21 qualified establishment nor its contractors or subcontractors shall
22 be eligible to receive the credits or exemptions provided for in the
23 following provisions of law in connection with the activity for
24 which the incentive payment was received:

1. Paragraphs 16 and 17 of Section 1357 of this title;
2. Paragraph 7 of Section 1359 of this title;
3. Section 2357.4 of this title; except as provided in subsection B of this section;
4. Section 2357.7 of this title;
5. Section 2-11-303 of Title 27A of the Oklahoma Statutes;
6. Section 2357.22 of this title;
7. Section 2357.31 of this title;
8. Section 54003 of this title;
9. Section 54006 of this title;
10. Section 625.1 of Title 36 of the Oklahoma Statutes;
11. Subsections C and D of Section 2357.59 of this title;
12. Section 2357.13 of this title; or
13. Section 4201 of this title.

B. Any establishment which has qualified to receive quarterly incentive payments pursuant to subsection B of Section 3604 of this title for a ten-year period with a project start date after January 1, 2010 and before January 1, 2017, shall be eligible to receive the credit provided for in Section 2357.4 of this title if such establishment:

1. Qualifies for the credit allowed pursuant to paragraph 1 of subsection B of Section 2357.4 of this title based on an investment made after January 1, 2010;

1 2. Pays an average annualized wage which equals or exceeds the
2 average state wage as determined by the Department of Commerce based
3 on the most recent U.S. Department of Commerce data; and

4 3. Obtains a determination letter from the Oklahoma Department
5 of Commerce that the business activity of the entity will result in
6 a positive net benefit rate.

7 C. For purposes of the exception provided for in this section:

8 1. "Estimated direct state benefits" has the meaning set out in
9 paragraph 4 of subsection A of Section 3603 of this title;

10 2. "Estimated indirect state benefits" means the indirect new
11 tax revenues projected by the Oklahoma Department of Commerce to
12 accrue to the state, including, but not limited to, revenue
13 generated from ancillary support jobs directly related to the
14 primary business;

15 3. "Estimated direct state costs" has the meaning set out in
16 paragraph 5 of subsection A of Section 3603 of this title; and

17 4. "Estimated indirect state costs" means the costs projected
18 by the Oklahoma Department of Commerce to accrue to the state as a
19 result of new indirect jobs. Such costs shall include, but not be
20 limited to, costs enumerated in paragraph 3 of this subsection.

21 D. Any establishment which has qualified to receive quarterly
22 incentive payments pursuant to subsection B of Section 3604 of this
23 title for a ten-year period with a project start date after January
24 1, 2010, shall be eligible to receive the credit provided for in

1 Section 2357.4 of this title pursuant to the provisions of this
2 section if such establishment obtains a determination letter from
3 the Oklahoma Department of Commerce that the business activity of
4 the entity will result in a positive net benefit rate, to be
5 computed by the Oklahoma Department of Commerce using a methodology
6 which provides for the analysis of estimated direct state benefits,
7 estimated indirect state benefits, estimated direct state costs and
8 estimated indirect state costs. The Oklahoma Department of Commerce
9 shall use such information as it determines to be relevant for the
10 analysis required by this subsection including, but not limited to,
11 the type of business activity in which the entity is engaged or will
12 be engaged, amount of capital investment, type of assets acquired or
13 utilized by the business entity, economic impact of the business
14 activity within the relevant geographic region and such other
15 factors as the Department determines to be relevant. The Oklahoma
16 Department of Commerce may use information regarding the business
17 entity alone or in conjunction with relevant information regarding
18 other business activity in a geographically relevant area
19 surrounding the principal business location of the primary business
20 entity in order to perform the computation of the net benefit rate.
21 If the result of the analysis is a positive net benefit rate, the
22 establishment shall be allowed to qualify to receive quarterly
23 incentive payments pursuant to subsection B of Section 3604 of this
24 title for a ten-year period and shall be eligible to receive the

1 credit provided for in Section 2357.4 of this title. The Oklahoma
2 Department of Commerce shall transmit a determination letter to the
3 authorized representative of the establishment and shall also
4 transmit a copy of the determination letter to the Oklahoma Tax
5 Commission, regardless of whether the result is a positive or
6 negative net benefit rate.

7 SECTION 2. This act shall become effective January 1, 2017.

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