

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	SB 1068
Version:	ENGR
Request Number:	NA
Author:	Rep. Jordan
Date:	3/28/2018
Impact:	Tax Commission:
No Revenue Impact for FY-19 or FY-20	

Research Analysis

Engrossed SB1068 modifies the requirements for businesses to receive the Investment/New Jobs tax credit and changes the number of years the credit can be carried forward effective tax year 2018. There are two methods for receiving the credit, which depends on a minimum amount of investment in depreciable property or new jobs created. The measure increases the minimum investment required from \$50,000 to \$150,000 and increases the minimum wage threshold for new jobs created from \$7000 to \$33,500. Qualifying business may carry forward unused credit for up to five years if the credits were awarded based on an investment in depreciable property or 10 years for credits awarded based on the amount of new jobs created.

Prepared By: Quyen Do

Fiscal Analysis

From the Tax Commission:

This measure proposes to increase the wage component to \$33,500 annually and the depreciable property component would require an investment of at least \$150,000. Further this measure proposes to amend the time period to which the credits allowed but not used may be carried over. Unused credits based on investment in qualified depreciable property may be carried over for five years after the year of qualification. Unused credits based on a net increase in employment may be carried over for ten years after the year of qualification.

There is no impact to income tax collections in FY19 or FY20 as a result of this proposal. Preliminary tax year 2016 data suggest the Oklahoma Investment/New Jobs Credit has significant amounts of unused carryover available to be used in future tax years. The amended eligibility requirements as well as the new carryover provisions proposed in this measure would not have any short term effect on income tax collections.

Prepared By: Mark Tygret

Other Considerations

None.

