

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	SB 1585
Version:	CS
Request Number:	3671
Author:	Rep. Wallace
Date:	4/30/2018
Impact:	Credit Structure Includes Annual Cap
	\$3.0 Million for Tuition and Employment Credit
	\$2.0 Million for Employee Credit

Research Analysis

The committee substitute for SB1585 creates several income tax credits designed to incentivize qualified employers and employees in the vehicle manufacturing industry. The credits are only applicable to vehicle manufacturing companies placed in operation in Oklahoma after the effective date of the act and engineers employed by such firms.

Employer Paid Tuition Reimbursement Tax Credit (effective tax year 2019 through 2025). Credit is equal to 50 percent of the amount of tuition reimbursement to a qualified employee for the first through fourth year of employment.

Employer Payroll Tax Credit (effective tax year 2019 through 2025). Credit is between 5-10 percent of the compensation paid, up to \$12,500 for each qualified employee annually, for the first through fifth year of employment.

Employee Engineer Tax Credit (effective tax year 2019 through 2025). Credit is equal to \$5000 per year for up to five years of employment as a vehicle manufacturing engineer.

The tuition reimbursement and payroll tax credit is capped at \$3 million per year. The employee engineer tax credit is capped at \$2 million per year.

Prepared By: Quyen Do

Fiscal Analysis

The measure provides income tax credits for certain automotive related employers and employees. Credits will be capped on an annual basis, resulting in a maximum direct impact to state revenue of \$3.0 million per years for credits earned by employers (tuition reimbursed and compensation paid) and \$2.0 million for credits earned by employees (credit of up to \$5,000.00)

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Prepared By: Mark Tygret

Other Considerations

None.

