

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 HOUSE BILL 3887

By: Wallace

6 AS INTRODUCED

7 An Act relating to revenue and taxation; enacting the  
8 Oklahoma Remote Quality Jobs Incentive Act; stating  
9 legislative intent; defining terms; providing for  
10 payment of incentive amounts; providing for  
11 computation of incentive payment amounts; creating  
12 Oklahoma Remote Quality Jobs Incentive Payment Fund;  
13 providing for deposit of income tax revenues;  
14 prescribing method for determining deposit; providing  
15 for codification; providing an effective date; and  
16 declaring an emergency.

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

15 SECTION 1. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 4501 of Title 68, unless there  
17 is created a duplication in numbering, reads as follows:

18 This act shall be known and may be cited as the "Oklahoma Remote  
19 Quality Jobs Incentive Act".

20 SECTION 2. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 4502 of Title 68, unless there  
22 is created a duplication in numbering, reads as follows:

23 It is the intent of the Legislature that:  
24

1        1. The State of Oklahoma provide appropriate incentives to  
2 attract growth industries and sectors that employ remote workers to  
3 Oklahoma through a policy of rewarding businesses with a highly  
4 skilled, knowledge-based workforce;

5        2. The Oklahoma Department of Commerce and the Oklahoma Tax  
6 Commission implement the provisions of this act and exercise all  
7 powers as authorized in this act. The exercise of powers conferred  
8 by this act shall be deemed and held to be the performance of  
9 essential public purposes; and

10       3. Nothing herein shall be construed to constitute a guarantee  
11 or assumption by the State of Oklahoma of any debt of any  
12 individual, company, corporation or association nor to authorize the  
13 credit of the State of Oklahoma to be given, pledged or loaned to  
14 any individual, company, corporation or association.

15       SECTION 3.       NEW LAW       A new section of law to be codified  
16 in the Oklahoma Statutes as Section 4503 of Title 68, unless there  
17 is created a duplication in numbering, reads as follows:

18       A. As used in the Oklahoma Remote Quality Jobs Incentive Act:

19       1. "Basic industry" means an establishment that attracts remote  
20 workers to the state whose purpose is to increase the state's  
21 population may receive rebates on the remote workers provided that  
22 the remote workers meet the wage and health insurance requirements  
23 in state and provide evidence of such to the proxy establishment;  
24

1        2. "New direct job" shall include full-time-equivalent  
2 employment in this state of remote workers who are employed by an  
3 establishment other than the proxy establishment which has qualified  
4 to receive incentive payments for attracting remote workers to the  
5 state. Such jobs held by remote workers did not exist in this state  
6 prior to the date of approval by the Oklahoma Department of Commerce  
7 of the application of the proxy establishment. A job shall be  
8 deemed to exist in this state prior to approval of an application if  
9 the activities and functions for which the particular job exists  
10 have been ongoing at any time within six (6) months prior to such  
11 approval;

12        3. "Proxy establishment" means:

13            a. a public trust which:

- 14                    (1) is organized and existing under Section 176 of  
15                                Title 60 of the Oklahoma Statutes for the benefit  
16                                of a geographic area which includes a city or  
17                                county or some combination thereof, and  
18                    (2) benefits a geographic area where new direct jobs  
19                                which meet the requirements of the Oklahoma  
20                                Remote Quality Jobs Incentive Act are created by  
21                                an establishment, other than the proxy  
22                                establishment, which is a branch of the Armed  
23                                Forces of the United States, or  
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1           b.    an establishment which facilitates the attraction of  
2               remote workers to the State of Oklahoma; and

3           4.    "Remote worker" refers to a work flexibility arrangement  
4   under which an employee performs the duties and responsibilities of  
5   such employee's position, and other authorized activities, from an  
6   approved work site other than the location from which the employee  
7   would otherwise work, which shall not be located within the physical  
8   boundaries of the State of Oklahoma.

9           SECTION 4.       NEW LAW       A new section of law to be codified  
10   in the Oklahoma Statutes as Section 4504 of Title 68, unless there  
11   is created a duplication in numbering, reads as follows:

12          A.   A proxy establishment that facilitates the attraction of  
13   remote workers to the State of Oklahoma which meets the  
14   qualifications specified in the Oklahoma Remote Quality Jobs  
15   Incentive Act may receive quarterly incentive payments for a ten-  
16   quarter period. The amount of such payments shall be equal to the  
17   net benefit rate multiplied by the actual gross payroll of new  
18   direct jobs for a calendar quarter as verified by the Oklahoma  
19   Employment Security Commission.

20          B.   In order to qualify to receive incentive payments as  
21   authorized by the Oklahoma Remote Quality Jobs Incentive Act, a  
22   proxy establishment shall be required to:

23           1.   Have an annual gross payroll for new direct jobs projected  
24   by the Oklahoma Department of Commerce to equal or exceed One

1 Million Five Hundred Thousand Dollars (\$1,500,000.00) within one (1)  
2 year of the first complete calendar quarter following the start  
3 date; and

4 2. Have a number of full-time-equivalent employees working an  
5 average of thirty (30) or more hours per week in the new direct jobs  
6 equal to or in excess of eighty percent (80%) of the total number of  
7 new direct jobs.

8 SECTION 5. NEW LAW A new section of law to be codified  
9 in the Oklahoma Statutes as Section 4505 of Title 68, unless there  
10 is created a duplication in numbering, reads as follows:

11 There is hereby created within the State Treasury a special fund  
12 for the Oklahoma Tax Commission to be designated the "Oklahoma  
13 Remote Quality Jobs Incentive Payment Fund". The Oklahoma Tax  
14 Commission is hereby authorized and directed to withhold a portion  
15 of the taxes levied and collected pursuant to Section 2355 of Title  
16 68 of the Oklahoma Statutes for deposit into the fund. The amount  
17 deposited shall equal the sum of an amount determined by multiplying  
18 the net benefit rate provided by the Department of Commerce by the  
19 gross payroll as determined pursuant to the provisions of this act.  
20 All of the amounts deposited in such fund shall be used and expended  
21 by the Tax Commission solely for the purposes and in the amounts  
22 authorized by the Oklahoma Remote Quality Jobs Incentive Act. The  
23 liability of the State of Oklahoma to make the incentive payments  
24

1 under this act shall be limited to the balance contained in the fund  
2 created by this section.

3 SECTION 6. This act shall become effective July 1, 2020.

4 SECTION 7. It being immediately necessary for the preservation  
5 of the public peace, health or safety, an emergency is hereby  
6 declared to exist, by reason whereof this act shall take effect and  
7 be in full force from and after its passage and approval.

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