

BILL SUMMARY
2nd Session of the 57th Legislature

Bill No.:	HB 3887
Version:	CS
Request Number:	11450
Author:	Rep. Wallace
Date:	3/2/2020
Impact:	Quality Jobs Incentive

Net Benefit to the State

Research Analysis

The committee substitute for HB3887 establishes the Oklahoma Remote Quality Jobs Incentive Act to provide incentive payments to qualified proxy establishments for attracting remote workers to the state. The measure creates payroll, wage and job criteria for qualified establishments and vests program implementation duties with the Oklahoma Department of Commerce (ODOC) and Oklahoma Tax Commission (OTC). Qualified companies must be approved by the ODOC, estimate new payroll in excess of \$1.5 million in the first calendar year, designate at least 80 percent those new workers as full-time employees working an average of 30 hours or more per week and ensure that its workers are enrolled in a health plan that has minimum coverage limits.

Quarterly incentive payments may be rewarded to a qualified establishment for up to 10 quarters and will be determined by the following formula: (net benefit rate up to 5% to be determined by the ODOC) x (actual gross payroll of new direct jobs resulting from the hiring of remote workers).

The measure also creates the Oklahoma Remote Quality Jobs Incentive Payment Fund and directs the OTC to withhold a portion of state income taxes to deposit into the fund to be used for incentive payments. The measure also adds language that prevents any qualified company for double-dipping on other state incentives provided for job creation and establishes penalties for false or fraudulent applications to the program.

Prepared By: Quyen Do

Fiscal Analysis

The measure creates the Oklahoma Remote Quality Jobs Incentive Act, providing employers of full-time-equivalent remote workers the opportunity to participate in the Quality Jobs Incentive Program and receive incentive payments similar to other Quality Job programs. Cost-benefit analysis undertaken by the Department of Commerce determines qualification and the net benefit rate used to determine incentive payments. The incentive rate may not exceed five percent (5.0%). Benefit rates are set such that the employment and the incentive are a net benefit to the state.

Prepared By: Mark Tygret

Other Considerations

None.

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