

1 **SENATE FLOOR VERSION**

2 February 15, 2022

3 **AS AMENDED**

4 SENATE BILL NO. 1707

5 By: Leewright

6 **[industry incentives - 21st Century Quality Jobs**
7 **Incentive Act - establishment to certain other**
8 **incentive payments - participation limit - effective**
9 **date]**

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

11 SECTION 1. AMENDATORY 68 O.S. 2021, Section 3915, is
12 amended to read as follows:

13 Section 3915. A. 1. Beginning with the first complete
14 calendar quarter after the application of the establishment is
15 approved by the Oklahoma Department of Commerce, the establishment
16 shall begin filing quarterly reports with the Oklahoma Tax
17 Commission that specify the actual number and individual gross
18 taxable payroll of new direct jobs for the establishment and such
19 other information as required by the Tax Commission. In no event
20 shall the first claim for incentive payments be filed later than
21 three (3) years from the start date designated by the Department.
22 The Tax Commission shall verify the actual individual gross taxable
23 payroll for new direct jobs. If the Tax Commission is not able to
24 provide such verification utilizing all available resources, the Tax

1 Commission may request additional information from the establishment
2 as may be necessary or may request the establishment to revise its
3 reports.

4 The establishment shall continue filing such reports during the
5 ten-year incentive period or until it is no longer qualified to
6 receive incentive payments. Such reports shall constitute a claim
7 for quarterly incentive payments by the establishment.

8 2. Upon receipt of a report for the initial calendar quarter of
9 the incentive period and for each subsequent calendar quarter
10 thereafter, the Tax Commission shall determine if the establishment
11 has met the following requirements:

12 a. during the initial twelve (12) quarters of the
13 contract or until the establishment creates ten new
14 direct jobs, paid the individuals it employed in new
15 direct jobs an average annualized wage that exceeded
16 the requirements of paragraph 3 of subsection C of
17 Section 3914 of this title, or

18 b. after the establishment created ten new direct jobs:
19 (1) paid the individuals it employed in new direct
20 jobs an average annualized wage which equaled or
21 exceeded the requirements of paragraph 3 of
22 subsection C of Section 3914 of this title, and
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24

1 (2) created and/or maintained the minimum number of
2 new direct jobs as specified in the 21st Century
3 Quality Jobs Incentive Act.

4 3. Upon determining that an establishment has met the
5 requirements of paragraph 2 of this subsection for the initial
6 calendar quarter of the incentive period, the Tax Commission shall
7 issue a warrant to the establishment in an amount which shall be
8 equal to either:

- 9 a. the initial net benefit rate multiplied by the amount
10 of gross taxable payroll of new direct jobs actually
11 paid by the establishment during the initial twelve
12 (12) quarters of the contract or until the
13 establishment reaches ten new direct jobs, whichever
14 comes first, or
- 15 b. the fulfillment net benefit rate multiplied by the
16 amount of gross taxable payroll of new direct jobs
17 actually paid by the establishment after it creates or
18 maintains ten new direct jobs.

19 B. Except as provided in subsection C of this section, the
20 quarterly incentive payment provided for in subsection A of this
21 section shall be allowed in each of the thirty-nine (39) subsequent
22 calendar quarters.

23 C. 1. An establishment which does not meet the requirements of
24 paragraph 2 of subsection A of this section within twelve (12)

1 quarters of the date of its application shall be ineligible to
2 receive any incentive payments pursuant to its application and
3 approval.

4 2. An establishment which at any time during the thirty-nine
5 (39) subsequent calendar quarters does not meet the requirements of
6 paragraph 2 of subsection A of this section shall be ineligible to
7 receive an incentive payment during the calendar quarter in which
8 such requirements are not met.

9 3. An establishment which has met the requirements of paragraph
10 2 of subsection A of this section within twelve (12) quarters of the
11 date of its application, but which at any time during the subsequent
12 twenty-eight (28) quarters fails to meet the requirements of
13 paragraph 2 of subsection A of this section in four (4) consecutive
14 quarters, shall be ineligible to receive any further incentive
15 payments pursuant to its application and approval under this act;
16 provided, the establishment may request to transfer its
17 participation to the Small Employer Quality Jobs Incentive Act,
18 Section 3901 et seq. of this title or the Oklahoma Quality Jobs
19 Program Act, Section 3601 et seq. of this title if:

- 20 a. the establishment's wages, jobs, and payroll meet the
21 required thresholds of the incentive program to which
22 the establishment transfers,
- 23 b. the total combined quarters of participation between
24 the establishment's participation in this act and

1 either the Small Employer Quality Jobs Incentive Act
2 or the Oklahoma Quality Jobs Program Act is not
3 greater than is provided by subsection A of Section
4 3904 of this title, if transferring to the Small
5 Employer Quality Jobs Incentive Act or provided by
6 subsection A of Section 3604, if transferring to the
7 Oklahoma Quality Jobs Program, and

8 c. the total amount of incentives payable to the
9 establishment is limited to the total incentive
10 payments the establishment would have been eligible to
11 receive had the establishment initially participated
12 in the Small Employer Quality Jobs Incentive Act or
13 the Oklahoma Quality Jobs Program Act as applicable.

14 An establishment that elects to transfer participation pursuant
15 to the provisions of this paragraph, shall not receive incentives
16 provided by this act for the remainder of its contract executed
17 pursuant to the provisions of this act.

18 SECTION 2. This act shall become effective November 1, 2022.

19 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
20 February 15, 2022 - DO PASS AS AMENDED
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