

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.:	HB3081
Version:	SAHB
Request Number:	
Author:	Rep. Hilbert
Date:	5/6/2022
Impact:	Please see previous summary of this measure

Research Analysis

HB 3081, as introduced, creates an income tax credit for up to 10 percent of qualified economic development expenditures and 50 percent of initial infrastructure expenditures incurred by an eligible business for a qualifying project. The qualifying project must be located in an industrial park, economic development zone, or port in a county with a population of 100,000 or less or be adjacent to a terminal, switching or Class II or III railroad. The Oklahoma Department of Commerce is responsible for verifying the eligibility of a project, reviewing eligible expenses and allocating credits.

Each qualifying project is subject to the following tax credit caps:

- \$6 million for economic development expenditures;
- \$3 million for initial infrastructure expenditures; and
- \$6 million combined cap for both economic development and infrastructure expenditures.

The tax credit may be claimed beginning tax year 2023 through 2027, is subject to a \$12 million annual cap, may be carried over for up to 5 subsequent tax years and may be assigned to a qualifying project affiliate upon submission of a written assignment agreement to the Oklahoma Tax Commission.

Senate Amendment to House Bill

Previously, the measure allowed OTC to permit any excess over the \$12 million cap and factor in the excess into the percentage adjustment formula for subsequent years. The Senate amendment no longer allows that, instead allowing qualifying projects that are not allocated credits due to the tax year limit to be eligible for the credit in subsequent tax years.

Prepared By: Quyen Do

Fiscal Analysis

The measure is currently under review and impact information will be completed.

Prepared By: Mark Tygret

Other Considerations

None.

