

# OKLAHOMA TAX COMMISSION

## REVENUE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: February 14, 2022

BILL NUMBER: SB 1787 STATUS AND DATE OF BILL: Introduced 1/20/2022

AUTHORS: House n/a Senate Kirt

TAX TYPE (S): Quality Jobs SUBJECT: Other

PROPOSAL: Amendatory

SB 1787 proposes to amend both 68 O.S. §§ 3604 and 3604.1 of the *Oklahoma Quality Jobs Program Act*, by requiring that the new direct jobs pay a required average annualized wage both at the effective date of the agreement and the beginning of the sixth year of the agreement.

EFFECTIVE DATE: November 1, 2022

### REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 23: -0-

FY 24: -0-

Feb. 14, 2022

DATE

Rick Miller

DIVISION DIRECTOR

mk

2/15/2022

DATE

Huan Gong

HUAN GONG, ECONOMIST

2/15/2022

DATE

[Signature]

FOR THE COMMISSION

*The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.*

## ATTACHMENT TO REVENUE IMPACT - SB 1787 [Introduced] Prepared 2/14/2022

SB 1787 proposes to amend both 68 O.S. §§ 3604 and 3604.1 of the *Oklahoma Quality Jobs Program Act*,<sup>1</sup> *Oklahoma Quality Jobs Program Act*, by requiring that the new direct jobs pay a required average annualized wage both at the effective date of the agreement and the beginning of the sixth year of the agreement.

Under current law, participating establishments enter into a 10-year contract outlining the requirements that must be met to receive rebates over that term. These contracts require that the establishment pays a minimum average wage<sup>2</sup> over the 10-year period. Once the minimum wage requirement is established, it is not updated at any point over the 10-year contract.

This measure would require that an average annualized wage be paid at both the effective date of the agreement and the beginning of the sixth year of the agreement.

No changes in revenue are anticipated as a result of this proposal due to the revenue neutral features of the *Oklahoma Quality Jobs Program Act*.

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<sup>1</sup> The provisions of 3604.1 are specific to allow qualified federal contractors to receive quarterly incentive pursuant to the provisions of the *Oklahoma Quality Jobs Program Act*.

<sup>2</sup> The average wage of newly created jobs must be greater than or equal to the lesser of the average county wage, or the state threshold wage calculated by the Department of Commerce, which is currently \$35,376.