

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 SENATE BILL 1707

By: Leewright

6 AS INTRODUCED

7 An Act relating to industry incentives; amending 68  
8 O.S. 2021, Section 3915, which relates to quarterly  
9 report requirements of the 21st Century Quality Jobs  
10 Incentive Act; providing for transfer of  
11 establishment to certain other incentive payments  
12 upon failure to meet certain requirements; requiring  
13 establishment to meet the requirements of certain  
14 act; providing participation limit for certain  
15 transfer; limiting certain incentive payment; and  
16 providing an effective date.

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

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

17 Section 3915. A. 1. Beginning with the first complete  
18 calendar quarter after the application of the establishment is  
19 approved by the Oklahoma Department of Commerce, the establishment  
20 shall begin filing quarterly reports with the Oklahoma Tax  
21 Commission that specify the actual number and individual gross  
22 taxable payroll of new direct jobs for the establishment and such  
23 other information as required by the Tax Commission. In no event  
24 shall the first claim for incentive payments be filed later than

1 three (3) years from the start date designated by the Department.

2 The Tax Commission shall verify the actual individual gross taxable  
3 payroll for new direct jobs. If the Tax Commission is not able to  
4 provide such verification utilizing all available resources, the Tax  
5 Commission may request additional information from the establishment  
6 as may be necessary or may request the establishment to revise its  
7 reports.

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

12 2. Upon receipt of a report for the initial calendar quarter of  
13 the incentive period and for each subsequent calendar quarter  
14 thereafter, the Tax Commission shall determine if the establishment  
15 has met the following requirements:

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

22 b. after the establishment created ten new direct jobs:

23 (1) paid the individuals it employed in new direct  
24 jobs an average annualized wage which equaled or  
25

1 exceeded the requirements of paragraph 3 of  
2 subsection C of Section 3914 of this title, and  
3 (2) created and/or maintained the minimum number of  
4 new direct jobs as specified in the 21st Century  
5 Quality Jobs Incentive Act.

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

11 a. the initial net benefit rate multiplied by the amount  
12 of gross taxable payroll of new direct jobs actually  
13 paid by the establishment during the initial twelve  
14 (12) quarters of the contract or until the  
15 establishment reaches ten new direct jobs, whichever  
16 comes first, or

17 b. the fulfillment net benefit rate multiplied by the  
18 amount of gross taxable payroll of new direct jobs  
19 actually paid by the establishment after it creates or  
20 maintains ten new direct jobs.

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

1 C. 1. An establishment which does not meet the requirements of  
2 paragraph 2 of subsection A of this section within twelve (12)  
3 quarters of the date of its application shall be ineligible to  
4 receive any incentive payments pursuant to its application and  
5 approval.

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

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

22 a. the establishment's wages, jobs, and payroll meet the  
23 required thresholds of the incentive program to which  
24 the establishment transfers,

1        b. the total combined quarters of participation between  
2        the establishment's participation in this act and  
3        either the Small Employer Quality Jobs Incentive Act  
4        or the Oklahoma Quality Jobs Program Act is not  
5        greater than is provided by subsection A of Section  
6        3904 of this title, if transferring to the Small  
7        Employer Quality Jobs Incentive Act or provided by  
8        subsection A of Section 3604, if transferring to the  
9        Oklahoma Quality Jobs Program, and

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

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

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

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