

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: January 15, 2024

BILL NUMBER: SB 1490 **STATUS AND DATE OF BILL:** Introduced 12/15/23

AUTHORS: House: N/A Senate: Pugh

TAX TYPE(S): Income Tax **SUBJECT:** Credit

PROPOSAL: Amendatory

SB 1490 proposes to amend 68 O.S. § 2357.301 and 2357.304, relating to the credit for qualified aerospace employees. The proposal provides that a qualified employee may not have been employed in the aerospace sector in Oklahoma immediately preceding employment or contracting with a qualified employer for the first year in which the credit is claimed and allows a qualified employee to claim the credit for five nonconsecutive tax years.

EFFECTIVE DATE: November 1, 2024

REVENUE IMPACT:

The number of additional aerospace employees who could qualify for the credit under the proposal is unknown.

FY 25: Unknown decrease in income tax revenue.

FY 26: Unknown decrease in income tax revenue.

1/15/24

DATE




MARIE SCHUBLE, DIVISION DIRECTOR

bf

1/15/24

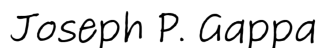
DATE



HUAN GONG, ECONOMIST

1/15/2024

DATE



JOSEPH GAPPA, 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.

CURRENT LAW:

A credit for employees in the aerospace sector is authorized under 68 O.S. §§ 2357.301 and 2357.304. “Qualified employee” for the credit means any person, regardless of the date of hire, employed in Oklahoma by or contracting in Oklahoma with a qualified employer on or after January 1, 2009, who was not employed in the aerospace sector in Oklahoma immediately preceding employment or contracting with a qualified employer.¹ A qualified aerospace employee is allowed a credit of up to \$5,000 per year for up to five years. Any unused credits may be carried over to five subsequent taxable years.

PROPOSED AMENDMENTS:

SB 1490 proposes to amend 68 O.S. § 2357.301, providing that a qualified employee may not have been employed in the aerospace sector in Oklahoma immediately preceding employment or contracting with a qualified employer for the first year in which the credit is claimed.

The proposal further amends 68 O.S. § 2357.304 to allow a qualified employee to claim the credit for five nonconsecutive tax years.

ANTICIPATED IMPACT:

The number of additional aerospace employees who could qualify for the credit under the proposal is unknown. As a result, the expected impact of the proposal is an unknown decrease in income tax revenue, beginning for FY 2025 when the 2024 returns are filed.

¹ Additional education requirements apply.