

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 236

By: Haste

COMMITTEE SUBSTITUTE

An Act relating to income tax; defining terms; providing credit to qualified employers for certain compensation paid and expenses incurred; stipulating credit amount; limiting credit amount; requiring certain compliance for eligibility; prohibiting credit for certain compensation paid and expenses incurred; prohibiting refundability of credit; authorizing the carry forward of credit; limiting annual credit amount; prescribing enforcement of annual limit; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.305 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Aerospace or defense sector" means a private or public organization located in this state and engaged in:

a. the manufacture of aerospace defense hardware or software,

- b. aerospace or defense maintenance, repair, and overhaul,
- c. the supply of parts to the aerospace or defense industry,
- d. the provisions of services and support relating to the aerospace or defense industry,
- e. research and development of aerospace or defense technology and systems, or
- f. the training of aerospace or defense personnel;

2. "CMMC" means the Cybersecurity Maturity Model Certification of the United States Department of Defense; and

3. "Qualified employer" means a sole proprietor, general partnership, limited liability partnership, limited liability company, corporation, or other legally recognized business entity in this state whose business:

- a. is engaged in a contract for products or services with the United States Department of Defense that requires Level 2 CMMC compliance or is engaged in a contract with a business that is engaged in a contract for products or services with the United States Department of Defense that requires Level 2 CMMC compliance,
- b. has between five and two hundred employees,
- c. is not compliant with CMMC as of January 1, 2026, and
- d. is involved in the aerospace or defense sector.

1 B. For tax years 2026 through 2031, a qualified employer shall
2 be allowed a credit against the tax imposed pursuant to Section 2355
3 of Title 68 of the Oklahoma Statutes equal to fifty percent (50%) of
4 compensation paid to employees necessary to achieve initial CMMC
5 compliance and expenses incurred to achieve initial CMMC compliance.

6 C. The credit authorized by subsection B of this section shall
7 not exceed Fifty Thousand Dollars (\$50,000.00) cumulatively for all
8 tax years for each qualified employer.

9 D. To be eligible for the credit authorized pursuant to this
10 section, a qualified employer shall achieve CMMC compliance.

11 E. No credit shall be authorized pursuant to this section for
12 compensation paid and expenses incurred to maintain CMMC compliance
13 after initially achieving CMMC compliance.

14 F. The credit authorized by this section shall not be used to
15 reduce the tax liability of the taxpayer to less than zero (0).

16 G. Any credit claimed, but not used, may be carried forward, in
17 order, to each of the five (5) subsequent tax years.

18 H. For tax year 2028 and subsequent tax years, the total amount
19 of credits authorized pursuant to subsection B of this section shall
20 be adjusted annually to limit the annual amount of credits to Seven
21 Million Five Hundred Thousand Dollars (\$7,500,000.00). The Oklahoma
22 Tax Commission shall annually calculate and publish a percentage by
23 which the credits authorized by this section shall be reduced so the
24 total amount of credits used to offset tax does not exceed the

1 annual limit. The formula to be used for the percentage adjustment
2 shall be Seven Million Five Hundred Thousand Dollars (\$7,500,000.00)
3 divided by the amount of credit claimed in the second preceding tax
4 year. In the event the total tax credits authorized by this section
5 exceed the annual limit in any tax year, the Tax Commission shall
6 permit any excess but shall factor such excess into the percentage
7 adjustment formula for subsequent tax years.

8 SECTION 2. This act shall become effective November 1, 2025.

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