

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 4273

6 By: Miller

7 COMMITTEE SUBSTITUTE

8 [income tax - credit - employees - aerospace -
9 higher education - effective date]

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

13 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2357.301, as
14 amended by Section 1, Chapter 313, O.S.L. 2024 (68 O.S. Supp. 2025,
15 Section 2357.301), is amended to read as follows:

16 Section 2357.301. As used in Sections 2357.301 through 2357.304
17 of this title:

18 1. "Aerospace sector" means a private or public organization
19 located in this state and engaged in the manufacture of aerospace or
20 defense hardware or software, aerospace maintenance, aerospace
21 repair and overhaul, supply of parts to the aerospace industry,
22 provision of services and support relating to the aerospace
23 industry, research and development of aerospace technology and
24 systems and the education and training of aerospace personnel;

1 2. "Compensation" means payments in the form of contract labor
2 for which the payor is required to provide a Form 1099 to the person
3 paid, wages subject to withholding tax paid to a part-time employee
4 or full-time employee or salary or other remuneration. Compensation
5 shall not include employer-provided retirement, medical or health-
6 care benefits, reimbursement for travel, meals, lodging or any other
7 expense;

8 3. "Institution" means an institution within The Oklahoma State
9 System of Higher Education or any other public or private college or
10 university that is accredited by a national accrediting body;

11 4. "Qualified employer" means a sole proprietor, general
12 partnership, limited partnership, limited liability company,
13 corporation, other legally recognized business entity or public
14 entity whose principal business activity involves the aerospace
15 sector, or a four-year institution of higher education with an R1
16 research designation that has a research, innovation, and education
17 institute dedicated to aerospace research and technology;

18 5. "Qualified employee" means any person, regardless of the
19 date of hire, employed in this state by or contracting in this state
20 with a qualified employer on or after January 1, 2009, who was not
21 employed in the aerospace sector in this state immediately preceding
22 employment or contracting with a qualified employer, and who has
23 been either:
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- 1 a. awarded an undergraduate or graduate degree from a
2 qualified program by an institution, or
3 b. licensed as a Professional Engineer by the State Board
4 of Licensure for Professional Engineers and Land
5 Surveyors pursuant to Section 475.15 of Title 59 of
6 the Oklahoma Statutes.

7 Provided, the definition shall not be interpreted to exclude any
8 person who was employed in the aerospace sector, but not as a full-
9 time engineer, prior to being awarded an undergraduate or graduate
10 degree from a qualified program by an institution or any person who
11 has been awarded an undergraduate or graduate degree from a
12 qualified program by an institution and is employed by a
13 professional staffing company and assigned to work in the aerospace
14 sector in this state.

15 Provided, the definition of qualified employee for an individual
16 employed or under contract with an institution of higher education
17 located within this state that has an R1 research designation and
18 that has a research and education institute dedicated to aerospace
19 research and technology only applies to those individuals actively
20 working within a research, innovation, and education institute
21 dedicated to aerospace research and technology.

22 Beginning on or after January 1, 2024, the definition shall also
23 not be interpreted to exclude any person (1) who previously
24 qualified and established the credit against the tax imposed

1 pursuant to Section 2355 of this title and becomes employed by a
2 different qualified employer, or (2) who establishes the credit
3 against the tax imposed pursuant to Section 2355 of this title for
4 the first time and becomes employed by a different qualified
5 employer in subsequent years, provided a person in either case has
6 not claimed the credit for the lifetime maximum of five (5) years;

7 6. "Qualified program" means a program at an institution that
8 includes a graduate or undergraduate program that has been
9 accredited by the Engineering Accreditation Commission of the
10 Accreditation Board for Engineering and Technology (ABET) and that
11 awards an undergraduate or graduate degree. Both the undergraduate
12 and graduate programs of the same discipline of engineering at an
13 institution shall be part of the qualified program if either program
14 is ABET accredited; and

15 7. "Tuition" means the average annual amount paid by a
16 qualified employee for enrollment and instruction in a qualified
17 program. Tuition shall not include the cost of books, fees or room
18 and board.

19 SECTION 2. This act shall become effective January 1, 2027.

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