

1 ENGROSSED HOUSE  
2 BILL NO. 2768

By: Caldwell (Trey) and Kane of  
the House

3 and

4 Hall and Haste of the  
5 Senate

6  
7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2021, Sections 3653 and 3658, which relate to  
9 the Oklahoma Quality Jobs Incentive Leverage Act;  
10 modifying definition; and increasing certain  
11 limitation caps related to qualifying investment  
12 amounts.

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

14 SECTION 1. AMENDATORY 68 O.S. 2021, Section 3653, is  
15 amended to read as follows:

16 Section 3653. As used in this act:

17 1. "Establishment" means a business that:

18 a. has at least One Hundred Fifteen Million Dollars  
19 (\$115,000,000.00) in annual gross compensation paid  
20 with respect to jobs located in Oklahoma according to  
21 Oklahoma Employment Security records and company  
22 reports for the three (3) years prior to the  
23 irrevocable election filing date provided by Section  
24 3658 of this title,

- b. has an average salary of at least Forty Thousand Dollars (\$40,000.00) paid to employees as of the irrevocable election filing date provided by Section 3658 of this title,
- c. intends to add substantial gross compensation, as defined below, with respect to full-time-equivalent employment located in Oklahoma within three (3) years of filing an initial irrevocable election with the Oklahoma Department of Commerce pursuant to the provisions of subsection A of Section 3658 of this title,
- d. has at least Two Hundred Million Dollars (\$200,000,000.00) total investment in Oklahoma,
- e. intends to add investment for additional modernization and retooling of a facility located in the state, on or after the effective date of this act, of at least One Hundred Million Dollars (\$100,000,000.00), but for purposes of this act not in excess of an additional ~~Two Hundred Fifty Million Dollars (\$250,000,000.00)~~ Seven Hundred Million Dollars (\$700,000,000.00) within five (5) years of filing a second irrevocable election with the Oklahoma Department of Commerce pursuant to the provisions of subsection A of Section 3658 of this title, unless the establishment has completed at least

1 eighty percent (80%) of the expenditures for the  
2 additional investment by the end of the five-year  
3 period in which case the establishment shall be  
4 allowed a one-year extension for completion of the  
5 investment,

6 f. for purposes of an initial irrevocable election filed  
7 prior to the effective date of this act, has and  
8 maintains at least one thousand five hundred fifty  
9 (1,550) full-time employees in the state, and

10 g. is described by Industry Number 3011, Industry Group  
11 Number 301, Major Group 30 of the Standard Industrial  
12 Classification Manual (SIC), latest revision;

13 2. "Gross compensation" means wages, as defined in Section  
14 2385.1 of Title 68 of the Oklahoma Statutes, and benefits paid on  
15 behalf of employees receiving wages; and

16 3. "Substantial gross compensation" means annualized  
17 compensation of Four Million Dollars (\$4,000,000.00) or more within  
18 three (3) years of filing the initial irrevocable election with the  
19 Oklahoma Department of Commerce pursuant to Section 3658 of this  
20 title.

21 SECTION 2. AMENDATORY 68 O.S. 2021, Section 3658, is  
22 amended to read as follows:

23 Section 3658. A. An establishment, as defined in Section 3653  
24 of this title, which has been authorized to receive incentive

1 payments pursuant to the Oklahoma Quality Jobs Program Act prior to  
2 the effective date of this act, and that intends to use proceeds  
3 derived from the sale of obligations issued pursuant to Section 3654  
4 of this title which obligations are issued on or after the effective  
5 date of this act, shall, as a condition of being eligible to make  
6 use of such proceeds, file a second irrevocable election with the  
7 Oklahoma Department of Commerce.

8       B. An establishment shall file its second irrevocable election  
9 with the Oklahoma Department of Commerce not later than one hundred  
10 eighty (180) days prior to the last date that withholding tax  
11 revenues attributable to the payroll of the establishment are  
12 legally required to be used in satisfaction of any debt service  
13 requirements or related costs imposed pursuant to an issuance of  
14 obligations by the Oklahoma Development Finance Authority if such  
15 issuance occurred prior to the effective date of this act. Such  
16 second irrevocable election shall be required in order for the  
17 establishment to be eligible for use of any proceeds from the sale  
18 of additional obligations authorized by Section 3654 of this title  
19 which obligations are issued on or after the effective date of this  
20 act. From the date upon which the second irrevocable election is  
21 filed until the last date upon which withholding tax revenues  
22 attributable to the payroll of the establishment are legally  
23 required to be used in satisfaction of any debt service requirements  
24 or related costs imposed as a result of obligations issued by the

1 Oklahoma Development Finance Authority prior to the effective date  
2 of this act, the five-year period of time within which the  
3 establishment would otherwise be required to make investment  
4 pursuant to this act shall be extended.

5 C. Upon filing such second irrevocable election, any incentive  
6 payments which would have been paid to the establishment pursuant to  
7 the Oklahoma Quality Jobs Program Act after such filing shall be  
8 deposited to the Quality Jobs Program Incentive Leverage Fund. Such  
9 incentive payments shall be treated as an asset of the establishment  
10 which has been paid to the State of Oklahoma for purposes of this  
11 act.

12 D. Beginning upon the later date of July 1, 2009, or the first  
13 date upon which the revenues payable to the Authority from the  
14 Quality Jobs Program Incentive Leverage Fund are no longer committed  
15 to the payment of debt service requirements and related costs in  
16 connection with obligations issued by the Authority pursuant to the  
17 Quality Jobs Incentive Leverage Act prior to the effective date of  
18 this act, and for each fiscal year thereafter as otherwise required  
19 by this act, monies transferred to the Quality Jobs Program  
20 Incentive Leverage Fund shall be used for the payment of principal  
21 and interest or other costs associated with the additional issuance  
22 of obligations by the Oklahoma Development Finance Authority  
23 pursuant to the provisions of Section 3654 of this title as a result  
24 of a second irrevocable election. Not later than January 1 and July

1 1 of each year, the Oklahoma Development Finance Authority shall  
2 certify to the Oklahoma Department of Commerce and the Oklahoma Tax  
3 Commission the amount which will be required for payment of  
4 principal, interest and other costs associated with the issuance of  
5 such obligations for the succeeding six-month period.

6 E. Beginning on the later date of July 1, 2009, or the first  
7 date upon which the revenues payable to the Authority from the  
8 Quality Jobs Program Incentive Leverage Fund are no longer committed  
9 to the payment of debt service requirements and related costs in  
10 connection with obligations issued by the Authority pursuant to the  
11 Quality Jobs Incentive Leverage Act prior to the effective date of  
12 this act, and for each fiscal year thereafter as otherwise required  
13 by this act, as often as may be necessary for the Oklahoma  
14 Development Finance Authority to make payments with respect to  
15 indebtedness issued pursuant to the provisions of this act as a  
16 result of a second irrevocable election, the Tax Commission shall  
17 transfer from the revenues specified in Section 3659 of this title  
18 an amount required to equal the difference between the incentive  
19 payment deposit and the amount certified pursuant to the provisions  
20 of subsection C of this section. The Tax Commission shall then  
21 transfer the total amount required pursuant to the certification to  
22 the Oklahoma Development Finance Authority.

23 F. An establishment to which proceeds from the sale of any  
24 obligations issued by the Oklahoma Development Finance Authority are

1 made available as provided by this act pursuant to a second  
2 irrevocable election shall not claim any tax credits that would  
3 otherwise be authorized pursuant to Section 2357.4 of Title 68 of  
4 the Oklahoma Statutes as a result of jobs created or capital  
5 investment made as a direct result of the use of such bond proceeds.  
6 For purposes of this subsection and for purposes of computing any  
7 tax credit pursuant to Section 2357.4 of Title 68 of the Oklahoma  
8 Statutes, "bond proceeds" shall mean the amount transferred, paid or  
9 made available to the establishment together with the total amount  
10 of principal and interest paid by the Oklahoma Development Finance  
11 Authority with respect to any amount of proceeds transferred, paid  
12 or made available to the establishment.

13 G. An establishment that files a second irrevocable election  
14 authorized by this section and to which proceeds from the sale of  
15 obligations authorized by Section 3654 of this title are paid or  
16 made available may utilize income tax credits earned prior to the  
17 effective date of this act pursuant to Section 2357.4 of Title 68 of  
18 the Oklahoma Statutes for a period of fifteen (15) taxable years  
19 subsequent to the year in which the election is filed.

20 H. An establishment that files a second irrevocable election  
21 authorized by this section and to which any proceeds from the sale  
22 of obligations authorized by Section 3654 of this title are paid or  
23 made available shall not be eligible to claim any exemption pursuant  
24 to Section 6B of Article X of the Oklahoma Constitution or Section

1 2902 of Title 68 of the Oklahoma Statutes with respect to real or  
2 personal property constituting the facility described by the  
3 establishment pursuant to the disclosure document as provided by  
4 Section 3655 of this title. The maximum amount of investment in any  
5 facility for purposes of the foregone exemption required by this  
6 subsection shall be ~~Five Hundred Million Dollars (\$500,000,000.00)~~  
7 Seven Hundred Million Dollars (\$700,000,000.00), inclusive of any  
8 amounts invested prior to the effective date of this act.

9 I. An establishment that files a second irrevocable election  
10 authorized by this section and to which any proceeds from the sale  
11 of obligations authorized by Section 3654 of this title are paid or  
12 made available shall not be eligible to claim any exemption  
13 otherwise available pursuant to Section 1359 of Title 68 of the  
14 Oklahoma Statutes with respect to the facility constructed,  
15 acquired, improved or equipped with such proceeds. The provisions  
16 of this subsection shall not require any waiver of sales tax  
17 exemption with respect to personal property acquired for the  
18 manufacturing process after completion of construction of the  
19 applicable facility.



1 Passed the House of Representatives the 20th day of May, 2025.

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4 Presiding Officer of the House  
5 of Representatives

6 Passed the Senate the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

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9 Presiding Officer of the Senate