

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1830

By: Jett

7 AS INTRODUCED

8 An Act relating to incentives; amending 68 O.S. 2021,
9 Section 3604, as last amended by Section 157, Chapter
10 452, O.S.L. 2024 (68 O.S. Supp. 2025, Section 3604),
11 which relates to the Oklahoma Quality Jobs Program
Act; prohibiting employment of certain individuals to
qualify for certain payments; updating statutory
language; and providing an effective date.

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

16 SECTION 1. AMENDATORY 68 O.S. 2021, Section 3604, as
17 last amended by Section 157, Chapter 452, O.S.L. 2024 (68 O.S. Supp.
18 2025, Section 3604), is amended to read as follows:

19 Section 3604. A. Except as otherwise provided in subsection I
20 or subsection L of this section, an establishment which meets the
21 qualifications specified in the Oklahoma Quality Jobs Program Act
22 may receive quarterly incentive payments for a ten-year period from
23 the Oklahoma Tax Commission pursuant to the provisions of the
24 Oklahoma Quality Jobs Program Act; provided, such an establishment

1 defined or classified in the NAICS North American Industry
2 Classification System (NAICS) Manual under U.S. Industry No. 711211
3 (2007 version) may receive quarterly incentive payments for a
4 thirty-year period. The amount of such payments shall be equal to
5 the net benefit rate multiplied by the actual gross payroll of new
6 direct jobs for a calendar quarter as verified by the Oklahoma
7 Employment Security Commission. For an establishment defined or
8 classified in the NAICS Manual under U.S. Industry No. 711211 (2007
9 version) that entered into a contract pursuant to the Oklahoma
10 Quality Jobs Program Act with the Oklahoma Department of Commerce
11 before ~~the effective date of this act~~ November 1, 2023:

12 1. The contract shall be extended from fifteen (15) years to
13 thirty (30) years; and

14 2. The extension shall not include additional money awarded but
15 shall allow for payments to continue for the thirty-year period, or
16 until the net benefit for the new direct jobs for the original
17 contract has been fully paid out as calculated based upon the
18 original application.

19 B. In order to receive incentive payments, an establishment
20 shall apply to the Oklahoma Department of Commerce. The application
21 shall be on a form prescribed by the Department and shall contain
22 such information as may be required by the Department to determine
23 if the applicant is qualified. An establishment may apply for an
24 effective date for a project, which shall not be more than twenty-

1 four (24) months from the date the application is submitted to the
2 Department.

3 C. Except as otherwise provided by subsection D or E of this
4 section, in order to qualify to receive such payments, the
5 establishment applying shall be required to:

6 1. Be engaged in a basic industry;

7 2. Have an annual gross payroll for new direct jobs projected
8 by the Department to equal or exceed Two Million Five Hundred
9 Thousand Dollars (\$2,500,000.00) within three (3) years of the first
10 complete calendar quarter following the start date; and

11 3. Have a number of full-time-equivalent employees subject to
12 the tax imposed by Section 2355 of this title and working an annual
13 average of thirty (30) or more hours per week in new direct jobs
14 located in this state equal to or in excess of eighty percent (80%)
15 of the total number of new direct jobs; and

16 4. Provide no employment to an individual that meets the
17 definition of an H-1B nonimmigrant, as provided in 8 U.S.C., Section
18 1182(n) (4) (C).

19 D. In order to qualify to receive incentive payments as
20 authorized by the Oklahoma Quality Jobs Program Act, an
21 establishment engaged in an activity described under:

22 1. Industry Group Nos. 3111 through 3119 of the NAICS Manual
23 shall be required to:

1 a. have an annual gross payroll for new direct jobs
2 projected by the Department to equal or exceed One
3 Million Five Hundred Thousand Dollars (\$1,500,000.00)
4 within three (3) years of the first complete calendar
5 quarter following the start date and make, or which
6 will make within one (1) year, at least seventy-five
7 percent (75%) of its total sales, as determined by the
8 Incentive Approval Committee pursuant to the
9 provisions of subsection B of Section 3603 of this
10 title, to out-of-state customers or buyers, to in-
11 state customers or buyers if the product or service is
12 resold by the purchaser to an out-of-state customer or
13 buyer for ultimate use, or to the federal government,
14 unless the annual gross payroll equals or exceeds Two
15 Million Five Hundred Thousand Dollars (\$2,500,000.00)
16 in which case the requirements for purchase of output
17 provided by this subparagraph shall not apply, and
18 b. have a number of full-time-equivalent employees
19 working an average of thirty (30) or more hours per
20 week in new direct jobs equal to or in excess of
21 eighty percent (80%) of the total number of new direct
22 jobs; and
23 2. Division (4) of subparagraph a of paragraph 1 of subsection
24 A of Section 3603 of this title, shall be required to:

- a. have an annual gross payroll for new direct jobs projected by the Department to equal or exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00) within three (3) years of the first complete calendar quarter following the start date, and
- b. have a number of full-time-equivalent employees working an average of thirty (30) or more hours per week in new direct jobs equal to or in excess of eighty percent (80%) of the total number of new direct jobs.

E. 1. An establishment which locates its principal business activity within a site consisting of at least ten (10) acres which:

- a. is a federal Superfund removal site,
- b. is listed on the National Priorities List established under Section 9605 of Title 42 of the United States Code,
- c. has been formally deferred to the state in lieu of listing on the National Priorities List, or
- d. has been determined by the Department of Environmental Quality to be contaminated by any substance regulated by a federal or state statute governing environmental conditions for real property pursuant to an order of the Department of Environmental Quality,

1 shall qualify for incentive payments irrespective of its actual
2 gross payroll or the number of full-time-equivalent employees
3 engaged in new direct jobs.

4 2. In order to qualify for the incentive payments pursuant to
5 this subsection, the establishment shall conduct the activity
6 resulting in at least fifty percent (50%) of its Oklahoma taxable
7 income or adjusted gross income, as determined under Section 2358 of
8 this title, whether from the sale of products or services or both
9 products and services, at the physical location which has been
10 determined not to comply with the federal or state statutes
11 described in this subsection with respect to environmental
12 conditions for real property. The establishment shall be subject to
13 all other requirements of the Oklahoma Quality Jobs Program Act
14 other than the exemptions provided by this subsection.

15 3. In order to qualify for the incentive payments pursuant to
16 this subsection, the entity shall obtain from the Department of
17 Environmental Quality a letter of concurrence that:

- 18 a. the site designated by the entity does meet one or
19 more of the requirements listed in paragraph 1 of this
20 subsection, and
- 21 b. the site is being or has been remediated to a level
22 which is consistent with the intended use of the
23 property.

1 In making its determination, the Department of Environmental
2 Quality may rely on existing data and information available to it,
3 but may also require the applying entity to provide additional data
4 and information, as necessary.

5 4. If authorized by the Department of Environmental Quality
6 pursuant to paragraph 3 of this subsection, the entity may utilize a
7 remediated portion of the property for its intended purpose prior to
8 remediation of the remainder of the site, and shall qualify for
9 incentive payments based on employment associated with the portion
10 of the site.

11 F. Except as otherwise provided by subsection G of this
12 section, for applications submitted on and after June 4, 2003, in
13 order to qualify to receive incentive payments as authorized by the
14 Oklahoma Quality Jobs Program Act, in addition to other
15 qualifications specified herein, an establishment shall be required
16 to pay new direct jobs an average annualized wage which equals or
17 exceeds:

18 1. One hundred ten percent (110%) of the average county wage as
19 determined by the Oklahoma Department of Commerce based on the most
20 recent U.S. United States Department of Commerce data for the county
21 in which the new direct jobs are located. For purposes of this
22 paragraph, health care premiums paid by the applicant for
23 individuals in new direct jobs shall be included in the annualized
24 wage; or

1 2. One hundred percent (100%) of the average county wage as
2 that percentage is determined by the Oklahoma Department of Commerce
3 based upon the most recent U.S. United States Department of Commerce
4 data for the county in which the new jobs are located. For purposes
5 of this paragraph, health care premiums paid by the applicant for
6 individuals in new direct jobs shall not be included in the
7 annualized wage.

8 Provided, no average wage requirement shall exceed Twenty-five
9 Thousand Dollars (\$25,000.00), in any county. This maximum wage
10 threshold shall be indexed and modified from time to time based on
11 the latest Consumer Price Index year-to-date percent change release
12 as of the date of the annual average county wage data release from
13 the Bureau of Economic Analysis of the U.S. United States Department
14 of Commerce.

15 G. 1. As used in this subsection, "opportunity zone" means one
16 or more census tracts in which, according to the most recent Federal
17 Decennial Census, at least thirty percent (30%) of the residents
18 have annual gross household incomes from all sources below the
19 poverty guidelines established by the U.S. United States Department
20 of Health and Human Services. An establishment which is otherwise
21 qualified to receive incentive payments and which locates its
22 principal business activity in an opportunity zone shall not be
23 subject to the requirements of subsection F of this section.

24 2. As used in this subsection:

a. "negative economic event" means:

(1) a man-made disaster or natural disaster as

defined in Section 683.3 of Title 63 of the

Oklahoma Statutes, resulting in the loss of a

significant number of jobs within a particular

county of this state, or

(2) an economic circumstance in which a significant

number of jobs within a particular county of this

state have been lost due to an establishment

changing its structure, consolidating with

another establishment, closing or moving all

part of its operations out of this state, and

b. "significant number of jobs" means Local Area

Unemployment Statistics (LAUS) data, as determined by

the United States Bureau of Labor Statistics, for a

county which are equal to or in excess of five percent

(5%) of the total amount of Local Area Unemployment.

Statistics (LAUS) data for that county for the

calendar year, or most recent twelve-month period in

which employment is measured, preceding the event.

An establishment which is otherwise qualified to receive

incentive payments and which locates in a county in which a negative

economic event has occurred within the eighteen-month period

preceding the start date shall not be subject to the requirements of

1 subsection F of this section; provided, an establishment shall not
2 be eligible to receive incentive payments based upon a negative
3 economic event with respect to jobs that are transferred from one
4 county of this state to another.

5 H. The Oklahoma Department of Commerce shall determine if the
6 applicant is qualified to receive incentive payments.

7 I. If the applicant is determined to be qualified by the
8 Department and is not subject to the provisions of subparagraph d of
9 paragraph 7 of subsection A of Section 3603 of this title, the
10 Department shall conduct a ~~cost/benefit~~ cost-benefit analysis to
11 determine the estimated net direct state benefits and the net
12 benefit rate applicable for a ten-year period beginning with the
13 first complete calendar quarter following the start date and to
14 estimate the amount of gross payroll for a ten-year period beginning
15 with the first complete calendar quarter following the start date or
16 for a thirty-year period for an establishment defined or classified
17 in the NAICS Manual under U.S. Industry No. 711211 (2007 version).

18 In conducting such ~~cost/benefit~~ cost-benefit analysis, the
19 Department shall consider quantitative factors, such as the
20 anticipated level of new tax revenues to the state along with the
21 added cost to the state of providing services, and such other
22 criteria as deemed appropriate by the Department. In no event shall
23 incentive payments, cumulatively, exceed the estimated net direct
24 state benefits, except for applicants subject to the provisions of

1 subparagraph d of paragraph 7 of subsection A of Section 3603 of
2 this title.

3 J. Upon approval of such an application, the Department shall
4 notify the Tax Commission and shall provide it with a copy of the
5 contract and the results of the ~~cost/benefit~~ cost-benefit analysis.
6 The Tax Commission may require the qualified establishment to submit
7 such additional information as may be necessary to administer the
8 provisions of the Oklahoma Quality Jobs Program Act. The approved
9 establishment shall file quarterly claims with the Tax Commission
10 and shall continue to file such quarterly claims during the ten-year
11 incentive period to show its continued eligibility for incentive
12 payments, as provided in Section 3606 of this title, or until it is
13 no longer qualified to receive incentive payments. The
14 establishment may be audited by the Tax Commission to verify such
15 eligibility. Once the establishment is approved, an agreement shall
16 be deemed to exist between the establishment and the State of
17 Oklahoma, requiring the continued incentive payment to be made as
18 long as the establishment retains its eligibility as defined in and
19 established pursuant to this section and Sections 3603 and 3606 of
20 this title and within the limitations contained in the Oklahoma
21 Quality Jobs Program Act, which existed at the time of such
22 approval. An establishment described in this subsection shall be
23 required to repay all incentive payments received under the Oklahoma
24 Quality Jobs Program Act if the establishment is determined by the

1 Oklahoma Tax Commission to no longer have business operations in the
2 state within three (3) years from the beginning of the calendar
3 quarter for which the first incentive payment claim is filed.

4 K. A municipality with a population of less than one hundred
5 thousand (100,000) persons in which an establishment eligible to
6 receive quarterly incentive payments pursuant to the provisions of
7 this section is located may file a claim with the Tax Commission for
8 up to twenty-five percent (25%) of the amount of such payment. The
9 amount of such claim shall not exceed amounts paid by the
10 municipality for direct costs of municipal infrastructure
11 improvements to provide water and sewer service to the
12 establishment. Such claim shall not be approved by the Tax
13 Commission unless the municipality and the establishment have
14 entered into a written agreement for such claims to be filed by the
15 municipality prior to submission of the application of the
16 establishment pursuant to the provisions of this section. If such
17 claim is approved, the amount of the payment to the establishment
18 made pursuant to the provisions of Section 3606 of this title shall
19 be reduced by the amount of the approved claim by the municipality
20 and the Tax Commission shall issue a warrant to the municipality in
21 the amount of the approved claim in the same manner as warrants are
22 issued to qualifying establishments.

23 L. For any contract executed by an establishment on or after
24 August 2, 2018, five percent (5%) of the quarterly incentive payment

1 amount shall be transferred by the Oklahoma Tax Commission to the
2 Oklahoma Quick Action Closing Fund.

3 SECTION 2. This act shall become effective November 1, 2026.

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