

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 4273

By: Miller

6 AS INTRODUCED

7 An Act relating to income tax; amending 68 O.S. 2021,
8 Section 2357.301, as amended by Section 1, Chapter
9 313, O.S.L. 2024 (68 O.S. Supp. 2025, Section
10 2357.301); which relates to income tax credit for
11 qualified employers and employees in the aerospace
12 sector; modifying definition to include certain
13 institutions of higher education; and providing an
14 effective date.

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

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

19 As used in Sections 2357.301 through 2357.304 of this title:

20 1. "Aerospace sector" means a private or public organization
21 located in this state and engaged in the manufacture of aerospace or
22 defense hardware or software, aerospace maintenance, aerospace
23 repair and overhaul, supply of parts to the aerospace industry,
24 provision of services and support relating to the aerospace
industry, research and development of aerospace technology and
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 an institution of higher education within this state that
16 has a research, innovation, and education institute dedicated to
17 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:

- a. awarded an undergraduate or graduate degree from a qualified program by an institution, or
- b. licensed as a Professional Engineer by the State Board of Licensure for Professional Engineers and Land Surveyors pursuant to Section 475.15 of Title 59 of 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 within this state that has a research and education institute
18 dedicated to aerospace research and technology only applies to those
19 individuals actively working within a research, innovation, and
20 education institute dedicated to aerospace research and technology.

Beginning on or after January 1, 2024, the definition shall also not be interpreted to exclude any person (1) who previously qualified and established the credit against the tax imposed pursuant to Section 2355 of this title and becomes employed by a

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

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

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

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

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