

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 60<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB4191</b>
<b>Version:</b>	<b>SUBPCS1</b>
<b>Request Number:</b>	<b>16172</b>
<b>Author:</b>	<b>Rep. Chapman</b>
<b>Date:</b>	<b>2/17/2026</b>
<b>Impact:</b>	<b>No revenue impact \$40,000 administrative cost</b>

**Research Analysis**

The proposed subcommittee substitute for HB4191 revises the eligibility criteria and administration of the Oklahoma Small Employer Quality Jobs Program.

The bill expands the definition of *basic industry* to include motion picture and video production, sound recording, and child day-care services.

The bill also introduces new capital investment requirements. To qualify for the program, a business must invest at least \$500,000 in construction, renovation, or equipment purchases, or generate at least 35 percent of its total sales from out-of-state customers within two years. In addition, job creation thresholds are adjusted based on municipal population size. Businesses located in or adjacent to a municipality with a population of less than 50,000 must create at least five new jobs or increase full-time employment by five percent, whichever is greater. Businesses located in or adjacent to a municipality with a population greater than 50,000 must create at least ten new jobs or increase full-time employment by ten percent, whichever is greater.

For contracts executed after November 1, 2026, the Department of Commerce must verify compliance with investment or sales requirements within 36 months. Businesses that fail to meet these requirements may have their incentive contracts terminated.

Prepared By: Quyen Do

**Fiscal Analysis**

In its current form, HB4191 modifies elements of the qualification for, and administration of, the Small Employer Quality Jobs Incentive Act.

The Oklahoma Tax Commission has provided the following analysis:

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**ESTIMATED REVENUE IMPACT:**

**FY27:** No changes in revenue are anticipated; the Quality Jobs incentive programs are designed to be revenue neutral.

The Proposed Subcommittee Substitute for HB 4191 (Req. No. 16172) amends the introduced version (Req. No. 15931) by expanding the definition of "basic industry" in 68 O.S. § 3903 to include motion picture and video industries (NAICS 5121), sound recording industries (NAICS 5122), and child daycare industries (NAICS 624410).

The Proposed Subcommittee Substitute otherwise retains the provisions of HB 4191 as introduced. As previously described in the revenue impact statement for HB 4191 introduced, the measure modifies administration of the Small Employer Quality Jobs Incentive Act by revising eligibility provisions and expanding review and verification responsibilities of the Oklahoma Dept. of Commerce. The bill adds a definition for qualifying capital investment and requires an establishment, as a condition of receiving incentive payments, to demonstrate either qualifying capital investment or satisfaction of applicable out-of-state sales thresholds. This bill also amends the population thresholds for the qualifying establishments.<sup>i</sup>

For contracts executed on or after November 1, 2026, Commerce must verify that the qualifying capital investment has occurred or that applicable out-of-state sales thresholds have been achieved before any incentive payment may be made. If the applicable requirement is not satisfied within thirty-six months of the application date, the contract is cancelled, and no incentive payments are issued.

**ADMINISTRATIVE CONCERNS:** HB 4191 requires the Tax Commission to withhold incentive payments until Commerce verifies that qualifying capital investment or sales thresholds have been met. Implementing this requirement may necessitate minor system or workflow changes to allow claims to be held. Preliminary estimates indicate these changes may require approximately one month of development at an estimated \$40,000.

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<sup>i</sup> A new population tier for municipalities with 50,000 persons or more is established, reducing the fixed minimum job requirement from fifteen to ten jobs while retaining the 10% of existing employment threshold. The bill also eliminates the existing population tiers below 7,000 persons by consolidating municipalities with fewer than 50,000 persons into a single category and changes the geographic reference for unincorporated areas from the largest municipality to the closest municipality within twenty miles.

Prepared By: Zach Penrod, House Fiscal Staff

**Other Considerations**

None.