

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	SB324
Version:	ENGR
Request Number:	
Author:	Rep. Hill
Date:	4/8/2025
Impact:	No revenue impact
Administrative cost between \$26,000 and \$39,000	

Research Analysis

Engrossed SB324 creates the Oklahoma Research and Development Rebate Fund and Program to allow qualifying establishments to receive a five percent rebate reimbursement for qualified research expenditures. The program will be administered by the Oklahoma Department of Commerce and is limited to a \$20 million cap every fiscal year.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, SB324 proposes to modify the incentive structure for qualified research expenditures and transfers oversight from the Oklahoma Tax Commission to the Oklahoma Department of Commerce. While there is no revenue impact associated with this measure, officials from the Department of Commerce indicate that the administration of the rebate program will cost the agency between \$26,000 and \$39,000. As the Department of Commerce is an appropriated agency, they may seek additional funding from the State.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT:**FY26: \$0**

ANALYSIS: The Engrossed Version for SB 324 significantly alters the incentive structure for qualified research expenditures by replacing the income tax credit proposed in the Introduced Version with a rebate program administered by the Oklahoma Department of Commerce.

Key Changes:

- There is no impact on state tax collections, as the shift from a tax credit to a rebate program removes any direct effect on income tax revenues. Rather than reducing tax liabilities, the incentive will now be funded through a dedicated rebate appropriation managed by the Oklahoma Department of Commerce.
- Oversight is transferred from the Oklahoma Tax Commission to the Oklahoma Department of Commerce.
- A \$20 million annual cap is established for total rebates available per fiscal year.
- Businesses must apply separately for rebates rather than claiming them through their tax returns.
- Establishments must file all required Oklahoma tax returns to be eligible for the rebate.

Overall, the Engrossed Version shifts program administration from the Oklahoma Tax Commission to the Oklahoma Department of Commerce.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.