

OKLAHOMA STATE SENATE
GENERAL CONFERENCE COMMITTEE ON APPROPRIATIONS
COMMITTEE REPORT

May 16, 2025

Mr. President:

Mr. Speaker:

The Conference Committee, to which was referred

SB287

By: Pugh of the Senate and Miller of the House

Title: Income tax; modifying tax years for aerospace tax credit. Effective date.

together with Engrossed House Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the House recede from all Amendments.

SB 287

Respectfully submitted,

SENATE CONFEREES:



Hall



Pederson

Brooks

Prieto

Dossett

Pugh

Gollihare

Rader

Goodwin

Reinhardt

Green

Rosino

Haste

Sacchieri

Hicks

Seifried

Howard

Stanley

Jech

Stewart

Kirt

Thompson

Murdock

Weaver

Woods

HOUSE CONFEREES:

General Conference Committee on Appropriations

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 287 By: Pugh of the Senate
3 and
4 Miller and Pae of the House
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7 An Act relating to income tax; amending 68 O.S. 2021,
8 Sections 2357.302, 2357.303, and 2357.304, as amended
9 by Section 2, Chapter 313, O.S.L. 2024 (68 O.S. Supp.
10 2024, Section 2357.304), which relate to income tax
11 credit for qualified employers and employees in the
12 aerospace sector; modifying tax years for which
13 credit may be claimed; and providing an effective
14 date.
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16 AMENDMENT NO. 1. Strike the title, enacting clause, and entire bill
17 and insert:
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19 "[income tax - income tax credit - qualified
20 employers and employees aerospace sector -
21 institutions of higher education - effective date]
22
23

24 ~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

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

Section 2357.301. As used in Sections 2357.301 through 2357.304 of this title:

1. "Aerospace sector" means a private or public organization located in this state and engaged in the manufacture of aerospace or defense hardware or software, aerospace maintenance, aerospace repair and overhaul, supply of parts to the aerospace industry, 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;

2. "Compensation" means payments in the form of contract labor for which the payor is required to provide a Form 1099 to the person paid, wages subject to withholding tax paid to a part-time employee or full-time employee or salary or other remuneration. Compensation shall not include employer-provided retirement, medical or health-care benefits, reimbursement for travel, meals, lodging or any other expense;

3. "Institution" means an institution within The Oklahoma State System of Higher Education or any other public or private college or university that is accredited by a national accrediting body;

4. "Qualified employer" means a sole proprietor, general partnership, limited partnership, limited liability company,

1 corporation, other legally recognized business entity or public
2 entity whose principal business activity involves the aerospace
3 sector, or an institution of higher education within this state that
4 has a research, innovation, and education institute dedicated to
5 aerospace research and technology;

6 5. "Qualified employee" means any person, regardless of the
7 date of hire, employed in this state by or contracting in this state
8 with a qualified employer on or after January 1, 2009, who was not
9 employed in the aerospace sector in this state immediately preceding
10 employment or contracting with a qualified employer, and who has
11 been either:

- 12 a. awarded an undergraduate or graduate degree from a
13 qualified program by an institution, or
- 14 b. licensed as a Professional Engineer by the State Board
15 of Licensure for Professional Engineers and Land
16 Surveyors pursuant to Section 475.15 of Title 59 of
17 the Oklahoma Statutes.

18 Provided, the definition shall not be interpreted to exclude any
19 person who was employed in the aerospace sector, but not as a full-
20 time engineer, prior to being awarded an undergraduate or graduate
21 degree from a qualified program by an institution or any person who
22 has been awarded an undergraduate or graduate degree from a
23 qualified program by an institution and is employed by a
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1 professional staffing company and assigned to work in the aerospace
2 sector in this state.

3 Provided, the definition of qualified employee for an employee
4 employed or under contract with an institution of higher education
5 within this state that has a research and education institute
6 dedicated to aerospace research and technology only applies to those
7 individuals actively working within the research, innovation, and
8 education institute dedicated to aerospace research and technology.

9 Beginning on or after January 1, 2024, the definition shall also
10 not be interpreted to exclude any person (1) who previously
11 qualified and established the credit against the tax imposed
12 pursuant to Section 2355 of this title and becomes employed by a
13 different qualified employer, or (2) who establishes the credit
14 against the tax imposed pursuant to Section 2355 of this title for
15 the first time and becomes employed by a different qualified
16 employer in subsequent years, provided a person in either case has
17 not claimed the credit for the lifetime maximum of five (5) years;

18 6. "Qualified program" means a program at an institution that
19 includes a graduate or undergraduate program that has been
20 accredited by the Engineering Accreditation Commission of the
21 Accreditation Board for Engineering and Technology (ABET) and that
22 awards an undergraduate or graduate degree. Both the undergraduate
23 and graduate programs of the same discipline of engineering at an
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1 institution shall be part of the qualified program if either program
2 is ABET accredited; and

3 7. "Tuition" means the average annual amount paid by a
4 qualified employee for enrollment and instruction in a qualified
5 program. Tuition shall not include the cost of books, fees or room
6 and board.

7 SECTION 2. AMENDATORY 68 O.S. 2021, Section 2357.302, is
8 amended to read as follows:

9 Section 2357.302. A. Except as provided in subsection F of
10 this section, for ~~taxable years beginning after December 31, 2008,~~
11 ~~and ending before January 1, 2026~~ tax years 2009 through 2032, a
12 qualified employer shall be allowed a credit against the tax imposed
13 pursuant to Section 2355 of this title for tuition reimbursed to a
14 qualified employee.

15 B. The credit authorized by subsection A of this section may be
16 claimed only if the qualified employee has been awarded an
17 undergraduate or graduate degree within one (1) year of commencing
18 employment with the qualified employer.

19 C. The credit authorized by subsection A of this section shall
20 be in the amount of fifty percent (50%) of the tuition reimbursed to
21 a qualified employee for the first through fourth years of
22 employment. In no event shall this credit exceed fifty percent
23 (50%) of the average annual amount paid by a qualified employee for
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1 enrollment and instruction in a qualified program at a public
2 institution in Oklahoma.

3 D. The credit authorized by subsection A of this section shall
4 not be used to reduce the tax liability of the qualified employer to
5 less than zero (0).

6 E. No credit authorized by this section shall be claimed after
7 the fourth year of employment.

8 F. No credit otherwise authorized by the provisions of this
9 section may be claimed for any event, transaction, investment,
10 expenditure or other act occurring on or after July 1, 2010, for
11 which the credit would otherwise be allowable. The provisions of
12 this subsection shall cease to be operative on July 1, 2011.
13 Beginning July 1, 2011, the credit authorized by this section may be
14 claimed for any event, transaction, investment, expenditure or other
15 act occurring on or after July 1, 2011, according to the provisions
16 of this section.

17 SECTION 3. AMENDATORY 68 O.S. 2021, Section 2357.303, is
18 amended to read as follows:

19 Section 2357.303. A. Except as provided in subsection F of
20 this section, for ~~taxable years beginning after December 31, 2008,~~
21 ~~and ending before January 1, 2026~~ tax years 2009 through 2032, a
22 qualified employer shall be allowed a credit against the tax imposed
23 pursuant to Section 2355 of this title for compensation paid to a
24 qualified employee.

1 B. The credit authorized by subsection A of this section shall
2 be in the amount of:

3 1. Ten percent (10%) of the compensation paid for the first
4 through fifth years of employment in the aerospace sector if the
5 qualified employee graduated from an institution located in this
6 state; or

7 2. Five percent (5%) of the compensation paid for the first
8 through fifth years of employment in the aerospace sector if the
9 qualified employee graduated from an institution located outside
10 this state.

11 C. The credit authorized by this section shall not exceed
12 Twelve Thousand Five Hundred Dollars (\$12,500.00) for each qualified
13 employee annually.

14 D. The credit authorized by this section shall not be used to
15 reduce the tax liability of the qualified employer to less than zero
16 (0).

17 E. No credit authorized pursuant to this section shall be
18 claimed after the fifth year of employment.

19 F. No credit otherwise authorized by the provisions of this
20 section may be claimed for any event, transaction, investment,
21 expenditure or other act occurring on or after July 1, 2010, for
22 which the credit would otherwise be allowable. The provisions of
23 this subsection shall cease to be operative on July 1, 2011.

24 Beginning July 1, 2011, the credit authorized by this section may be

1 claimed for any event, transaction, investment, expenditure or other
2 act occurring on or after July 1, 2011, according to the provisions
3 of this section.

4 SECTION 4. AMENDATORY 68 O.S. 2021, Section 2357.304, as
5 amended by Section 2, Chapter 313, O.S.L. 2024 (68 O.S. Supp. 2024,
6 Section 2357.304), is amended to read as follows:

7 Section 2357.304. A. Except as provided in subsection D of
8 this section, for ~~taxable years beginning after December 31, 2008,~~
9 ~~and ending before January 1, 2026~~ tax years 2009 through 2032, a
10 qualified employee shall be allowed a credit against the tax imposed
11 pursuant to Section 2355 of this title of up to Five Thousand
12 Dollars (\$5,000.00) per tax year for a period of time not to exceed
13 five (5) years during the lifetime of the qualified employee. This
14 credit may be claimed in nonconsecutive tax years.

15 B. The credit authorized by this section shall not be used to
16 reduce the tax liability of the taxpayer to less than zero (0).

17 C. Any credit claimed, but not used, may be carried over, in
18 order, to each of the five (5) subsequent taxable years.

19 D. No credit otherwise authorized by the provisions of this
20 section may be claimed for any event, transaction, investment,
21 expenditure or other act occurring on or after July 1, 2010, for
22 which the credit would otherwise be allowable. The provisions of
23 this subsection shall cease to be operative on July 1, 2011.

24 Beginning July 1, 2011, the credit authorized by this section may be

1 claimed for any event, transaction, investment, expenditure or other
2 act occurring on or after July 1, 2011, according to the provisions
3 of this section.

4 SECTION 5. This act shall become effective November 1, 2025."

5 Passed the House of Representatives the 5th day of May, 2025.

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8 Presiding Officer of the House of
Representatives

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10 Passed the Senate the ____ day of _____, 2025.

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13 Presiding Officer of the Senate

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1 ENGROSSED SENATE
2 BILL NO. 287

By: Pugh of the Senate

3 and

4 Miller and Pae of the House
5

6 An Act relating to income tax; amending 68 O.S. 2021,
7 Sections 2357.302, 2357.303, and 2357.304, as amended
8 by Section 2, Chapter 313, O.S.L. 2024 (68 O.S. Supp.
9 2024, Section 2357.304), which relate to income tax
10 credit for qualified employers and employees in the
11 aerospace sector; modifying tax years for which
12 credit may be claimed; and providing an effective
13 date.

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

15 SECTION 6. AMENDATORY 68 O.S. 2021, Section 2357.302, is
16 amended to read as follows:

17 Section 2357.302. A. Except as provided in subsection F of
18 this section, for ~~taxable years beginning after December 31, 2008,~~
19 ~~and ending before January 1, 2026~~ tax years 2009 through 2031, a
20 qualified employer shall be allowed a credit against the tax imposed
21 pursuant to Section 2355 of this title for tuition reimbursed to a
22 qualified employee.

23 B. The credit authorized by subsection A of this section may be
24 claimed only if the qualified employee has been awarded an

1 undergraduate or graduate degree within one (1) year of commencing
2 employment with the qualified employer.

3 C. The credit authorized by subsection A of this section shall
4 be in the amount of fifty percent (50%) of the tuition reimbursed to
5 a qualified employee for the first through fourth years of
6 employment. In no event shall this credit exceed fifty percent
7 (50%) of the average annual amount paid by a qualified employee for
8 enrollment and instruction in a qualified program at a public
9 institution in Oklahoma.

10 D. The credit authorized by subsection A of this section shall
11 not be used to reduce the tax liability of the qualified employer to
12 less than zero (0).

13 E. No credit authorized by this section shall be claimed after
14 the fourth year of employment.

15 F. No credit otherwise authorized by the provisions of this
16 section may be claimed for any event, transaction, investment,
17 expenditure or other act occurring on or after July 1, 2010, for
18 which the credit would otherwise be allowable. The provisions of
19 this subsection shall cease to be operative on July 1, 2011.
20 Beginning July 1, 2011, the credit authorized by this section may be
21 claimed for any event, transaction, investment, expenditure or other
22 act occurring on or after July 1, 2011, according to the provisions
23 of this section.

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SECTION 7. AMENDATORY 68 O.S. 2021, Section 2357.303, is

amended to read as follows:

Section 2357.303. A. Except as provided in subsection F of this section, for ~~taxable years beginning after December 31, 2008, and ending before January 1, 2026~~ tax years 2009 through 2031, a qualified employer shall be allowed a credit against the tax imposed pursuant to Section 2355 of this title for compensation paid to a qualified employee.

B. The credit authorized by subsection A of this section shall be in the amount of:

1. Ten percent (10%) of the compensation paid for the first through fifth years of employment in the aerospace sector if the qualified employee graduated from an institution located in this state; or

2. Five percent (5%) of the compensation paid for the first through fifth years of employment in the aerospace sector if the qualified employee graduated from an institution located outside this state.

C. The credit authorized by this section shall not exceed Twelve Thousand Five Hundred Dollars (\$12,500.00) for each qualified employee annually.

D. The credit authorized by this section shall not be used to reduce the tax liability of the qualified employer to less than zero (0).

1 E. No credit authorized pursuant to this section shall be
2 claimed after the fifth year of employment.

3 F. No credit otherwise authorized by the provisions of this
4 section may be claimed for any event, transaction, investment,
5 expenditure or other act occurring on or after July 1, 2010, for
6 which the credit would otherwise be allowable. The provisions of
7 this subsection shall cease to be operative on July 1, 2011.
8 Beginning July 1, 2011, the credit authorized by this section may be
9 claimed for any event, transaction, investment, expenditure or other
10 act occurring on or after July 1, 2011, according to the provisions
11 of this section.

12 SECTION 8. AMENDATORY 68 O.S. 2021, Section 2357.304, as
13 amended by Section 2, Chapter 313, O.S.L. 2024 (68 O.S. Supp. 2024,
14 Section 2357.304), is amended to read as follows:

15 Section 2357.304. A. Except as provided in subsection D of
16 this section, for ~~taxable years beginning after December 31, 2008,~~
17 ~~and ending before January 1, 2026~~ tax years 2009 through 2031, a
18 qualified employee shall be allowed a credit against the tax imposed
19 pursuant to Section 2355 of this title of up to Five Thousand
20 Dollars (\$5,000.00) per tax year for a period of time not to exceed
21 five (5) years during the lifetime of the qualified employee. This
22 credit may be claimed in nonconsecutive tax years.

23 B. The credit authorized by this section shall not be used to
24 reduce the tax liability of the taxpayer to less than zero (0).

1 C. Any credit claimed, but not used, may be carried over, in
2 order, to each of the five (5) subsequent taxable years.

3 D. No credit otherwise authorized by the provisions of this
4 section may be claimed for any event, transaction, investment,
5 expenditure or other act occurring on or after July 1, 2010, for
6 which the credit would otherwise be allowable. The provisions of
7 this subsection shall cease to be operative on July 1, 2011.
8 Beginning July 1, 2011, the credit authorized by this section may be
9 claimed for any event, transaction, investment, expenditure or other
10 act occurring on or after July 1, 2011, according to the provisions
11 of this section.

12 SECTION 9. This act shall become effective November 1, 2025.

13 Passed the Senate the 24th day of February, 2025.

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15 _____
16 Presiding Officer of the Senate

17 Passed the House of Representatives the ____ day of _____,
18 2025.

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20 _____
21 Presiding Officer of the House
22 of Representatives
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