



BILL/VERSION:	SB 1392 / Introduced	ANALYST: MK
AUTHORS:	Senator Rader	DATE: 2/6/2026
TAX(ES):	Income Tax	
SUBJECT(S):	Aerospace Employee Tax Credit	
EFFECTIVE DATE:	November 1, 2026	Emergency <input type="checkbox"/>

ESTIMATED REVENUE IMPACT:
FY27: Minimal decrease in income tax collections
FY28: Decrease in income tax collections of \$1.6 million.

ANALYSIS: SB 1392 proposes to amend 68 O.S. § 2357.304 relating to the income tax credit for employees in the aerospace sector by increasing the credit amount to \$10,000 per year beginning with tax year 2027. Under current law, a qualified employee is allowed an income tax credit of \$5,000 per year for a period of time not to exceed 5 years. Any credit claimed, but not used, may be carried over for up to 5 taxable years during the lifetime of the qualified employee.

Tax year 2023 income tax return data shows \$20.3¹ million of this credit was claimed and \$9.9 million was used to offset income tax on 2,745 income tax returns. For tax year 2023, it is estimated that approximately 830 returns would have been able to use all or part of the increased credit amount to offset \$1.6 million of tax.² Some of the taxpayers qualifying for the higher credit amount may reduce their income tax withholding, resulting in a potential minimal decrease in income tax collections for FY27. The full impact of \$1.6 million is expected in FY28.

¹ The \$20.3 million of credits claimed was comprised of \$9.6 million in credits carried over from a prior year and \$10.7 million in credits generated in 2023. Approximately 49% of the available credits were used to offset income tax.

² This amount may be overstated due to the income tax rate reduction passed in the 2025 legislative session. The overstatement is potentially mitigated by wage growth in the aerospace sector.

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DATE	JOSEPH P. GAPPA, FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted. This estimate reflects current available data as of the date of issuance and is subject to revision if additional information becomes known.