

1 ENGROSSED HOUSE  
2 BILL NO. 2402

By: Fetgatter of the House

3 and

4 Murdock of the Senate

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7 [ revenue and taxation - Oklahoma Advanced  
8 Manufacturing Incentive Act of 2025 - establishing  
9 time period - eligibility requirements -  
10 collaboration ]

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

SECTION 1. NEW LAW A new section of law not to be  
codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Oklahoma  
Advanced Manufacturing Incentive Act of 2025".

SECTION 2. NEW LAW A new section of law not to be  
codified in the Oklahoma Statutes reads as follows:

The Oklahoma Advanced Manufacturing Incentive Act of 2025 shall  
establish a tax incentive and direct grant program to attract  
manufacturers of low-grade waste heat electrification technology to

1 Oklahoma. This program is intended to encourage investment, job  
2 creation, and energy sector expansion.

3 SECTION 3. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 4520 of Title 68, unless there  
5 is created a duplication in numbering, reads as follows:

6 A. Eligible manufacturers, as defined by subsection D of this  
7 section, entering the low-grade waste heat electrification  
8 technology market shall qualify for Oklahoma state corporate income  
9 tax abatements. The tax abatements shall be tiered as follows:

10 1. Tier 1: Manufacturers who invest Ten Million Dollars  
11 (\$10,000,000.00) or more and the creation of at least fifty jobs in  
12 Oklahoma shall receive up to thirty percent (30%) abatement on  
13 corporate income taxes for five (5) years; and

14 2. Tier 2: Manufacturers who invest Twenty Million Dollars  
15 (\$20,000,000.00) or more and the creation of at least one hundred  
16 jobs in Oklahoma shall receive up to fifty percent (50%) abatement  
17 on corporate income taxes for five (5) years.

18 Both Tier 1 and Tier 2 abatements shall be renewable for an  
19 additional five-year period, contingent upon compliance and  
20 continued investment.

21 B. The Oklahoma Department of Commerce is authorized to  
22 administer a direct grant program which shall be capped at Twenty  
23 Million Dollars (\$20,000,000.00) over five (5) years. The grants  
24 shall be prioritized as follows:

1 1. Manufacturing facilities located in areas qualifying for the  
2 federal New Markets Tax Credit or within existing manufacturing hubs  
3 as defined by the United States Department of Commerce; and

4 2. Projects with substantial contributions to Oklahoma's energy  
5 sector and the state's economy.

6 C. The total amount of incentives provided under this act in  
7 any fiscal year shall not exceed Eight Million Dollars  
8 (\$8,000,000.00). Any unused funds in any fiscal year shall roll  
9 over to subsequent years within the program's five-year term.

10 D. To qualify for incentives under this act, manufacturers  
11 shall meet the following criteria:

12 1. Establish new manufacturing operations in Oklahoma for the  
13 production of low-grade waste heat electrification technology,  
14 defined as technology recovering waste heat below two hundred (200)  
15 degrees Celsius or four hundred (400) degrees Fahrenheit and  
16 incorporating advanced heat exchangers (HXs) for OEM applications;  
17 and

18 2. Submit an eligibility application to the Oklahoma Department  
19 of Commerce, including:

- 20 a. business and operational plans, and
- 21 b. investment and job creation commitments.

22 E. The recipients of any incentive provided under this act  
23 shall file an annual report with the Oklahoma Department of Commerce  
24 detailing the total dollar amount of investments made, number of

1 jobs created and retained, and progress and contributions to the  
2 state's energy and economic development goals. The Oklahoma  
3 Department of Commerce shall compile an annual program performance  
4 report for submission to the Governor and the Legislature.

5 F. The Oklahoma Department of Commerce shall collaborate with  
6 state educational institutions and workforce development agencies to  
7 develop training programs tailored to low-grade waste heat  
8 electrification technology manufacturing and ensure a skilled labor  
9 pool is available to support the sector's growth.

10 G. The Oklahoma Department of Commerce shall promulgate  
11 administrative rules within ninety (90) days of this act's effective  
12 date to ensure transparent and efficient implementation.

13 H. This act shall cease to have the force and effect of law on  
14 July 1, 2030.

15 Passed the House of Representatives the 3rd day of March, 2025.

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Presiding Officer of the House  
of Representatives

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Passed the Senate the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

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Presiding Officer of the Senate

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