

1 ENGROSSED HOUSE
2 BILL NO. 2019

3 By: Pae and Gise of the House

4 and

5 Pugh of the Senate

6

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2021, Section 2357.302, which relates to
9 aerospace industry tax credit for employee tuition
10 reimbursement; amending 68 O.S. 2021, Section
11 2357.303, which relates to aerospace industry tax
12 credit for compensation paid to employees; amending
13 68 O.S. 2021, Section 2357.304, as amended by Section
14 2, Chapter 313, O.S.L. 2024 (68 O.S. Supp. 2024,
15 Section 2357.304), which relates to aerospace
16 industry credit for employees; modifying dates to
17 extend credits; and providing an effective date.

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

19 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2357.302, is
20 amended to read as follows:

21 Section 2357.302. A. Except as provided in subsection F of
22 this section, for taxable years beginning after December 31, 2008,
23 and ending before January 1, 2026 2032, a qualified employer shall
24 be allowed a credit against the tax imposed pursuant to Section 2355
of this title for tuition reimbursed to a qualified employee.

B. The credit authorized by subsection A of this section may be
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.

1 SECTION 2. AMENDATORY 68 O.S. 2021, Section 2357.303, is
2 amended to read as follows:

3 Section 2357.303. A. Except as provided in subsection F of
4 this section, for taxable years beginning after December 31, 2008,
5 and ending before January 1, ~~2026~~ 2032, a qualified employer shall
6 be allowed a credit against the tax imposed pursuant to Section 2355
7 of this title for compensation paid to a qualified employee.

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

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

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

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

21 D. The credit authorized by this section shall not be used to
22 reduce the tax liability of the qualified employer to less than zero
23 (0).
24

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 3. 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~~ 2032, a qualified employee shall
18 be allowed a credit against the tax imposed pursuant to Section 2355
19 of this title of up to Five Thousand Dollars (\$5,000.00) per tax
20 year for a period of time not to exceed five (5) years during the
21 lifetime of the qualified employee. This credit may be claimed in
22 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).

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

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

Beginning July 1, 2011, the credit authorized by this section may be claimed for any event, transaction, investment, expenditure or other act occurring on or after July 1, 2011, according to the provisions of this section.

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

Passed the House of Representatives the 12th day of March, 2025.

Presiding Officer of the House
of Representatives

Presiding Officer of the Senate