

1 ENGROSSED HOUSE
2 BILL NO. 2768

3 By: Caldwell (Trey) and Kane of
4 the House

5 and

6
7 Hall and Haste of the
8 Senate

9
10 An Act relating to revenue and taxation; amending 68
11 O.S. 2021, Sections 3653 and 3658, which relate to
12 the Oklahoma Quality Jobs Incentive Leverage Act;
13 modifying definition; and increasing certain
14 limitation caps related to qualifying investment
15 amounts.

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

17 SECTION 1. AMENDATORY 68 O.S. 2021, Section 3653, is
18 amended to read as follows:

19 Section 3653. As used in this act:

20 1. "Establishment" means a business that:

21 a. has at least One Hundred Fifteen Million Dollars
22 (\$115,000,000.00) in annual gross compensation paid
23 with respect to jobs located in Oklahoma according to
24 Oklahoma Employment Security records and company
reports for the three (3) years prior to the
irrevocable election filing date provided by Section
3658 of this title,

- 1 b. has an average salary of at least Forty Thousand
2 Dollars (\$40,000.00) paid to employees as of the
3 irrevocable election filing date provided by Section
4 3658 of this title,
- 5 c. intends to add substantial gross compensation, as
6 defined below, with respect to full-time-equivalent
7 employment located in Oklahoma within three (3) years
8 of filing an initial irrevocable election with the
9 Oklahoma Department of Commerce pursuant to the
10 provisions of subsection A of Section 3658 of this
11 title,
- 12 d. has at least Two Hundred Million Dollars
13 (\$200,000,000.00) total investment in Oklahoma,
- 14 e. intends to add investment for additional modernization
15 and retooling of a facility located in the state, on
16 or after the effective date of this act, of at least
17 One Hundred Million Dollars (\$100,000,000.00), but for
18 purposes of this act not in excess of an additional
19 Two Hundred Fifty Million Dollars (\$250,000,000.00)
20 Seven Hundred Million Dollars (\$700,000,000.00) within
21 five (5) years of filing a second irrevocable election
22 with the Oklahoma Department of Commerce pursuant to
23 the provisions of subsection A of Section 3658 of this
24 title, unless the establishment has completed at least

1 eighty percent (80%) of the expenditures for the
2 additional investment by the end of the five-year
3 period in which case the establishment shall be
4 allowed a one-year extension for completion of the
5 investment,

6 f. for purposes of an initial irrevocable election filed
7 prior to the effective date of this act, has and
8 maintains at least one thousand five hundred fifty
9 (1,550) full-time employees in the state, and

10 g. is described by Industry Number 3011, Industry Group
11 Number 301, Major Group 30 of the Standard Industrial
12 Classification Manual (SIC), latest revision;

13 2. "Gross compensation" means wages, as defined in Section
14 2385.1 of Title 68 of the Oklahoma Statutes, and benefits paid on
15 behalf of employees receiving wages; and

16 3. "Substantial gross compensation" means annualized
17 compensation of Four Million Dollars (\$4,000,000.00) or more within
18 three (3) years of filing the initial irrevocable election with the
19 Oklahoma Department of Commerce pursuant to Section 3658 of this
20 title.

21 SECTION 2. AMENDATORY 68 O.S. 2021, Section 3658, is
22 amended to read as follows:

23 Section 3658. A. An establishment, as defined in Section 3653
24 of this title, which has been authorized to receive incentive

1 payments pursuant to the Oklahoma Quality Jobs Program Act prior to
2 the effective date of this act, and that intends to use proceeds
3 derived from the sale of obligations issued pursuant to Section 3654
4 of this title which obligations are issued on or after the effective
5 date of this act, shall, as a condition of being eligible to make
6 use of such proceeds, file a second irrevocable election with the
7 Oklahoma Department of Commerce.

8 B. An establishment shall file its second irrevocable election
9 with the Oklahoma Department of Commerce not later than one hundred
10 eighty (180) days prior to the last date that withholding tax
11 revenues attributable to the payroll of the establishment are
12 legally required to be used in satisfaction of any debt service
13 requirements or related costs imposed pursuant to an issuance of
14 obligations by the Oklahoma Development Finance Authority if such
15 issuance occurred prior to the effective date of this act. Such
16 second irrevocable election shall be required in order for the
17 establishment to be eligible for use of any proceeds from the sale
18 of additional obligations authorized by Section 3654 of this title
19 which obligations are issued on or after the effective date of this
20 act. From the date upon which the second irrevocable election is
21 filed until the last date upon which withholding tax revenues
22 attributable to the payroll of the establishment are legally
23 required to be used in satisfaction of any debt service requirements
24 or related costs imposed as a result of obligations issued by the

1 Oklahoma Development Finance Authority prior to the effective date
2 of this act, the five-year period of time within which the
3 establishment would otherwise be required to make investment
4 pursuant to this act shall be extended.

5 C. Upon filing such second irrevocable election, any incentive
6 payments which would have been paid to the establishment pursuant to
7 the Oklahoma Quality Jobs Program Act after such filing shall be
8 deposited to the Quality Jobs Program Incentive Leverage Fund. Such
9 incentive payments shall be treated as an asset of the establishment
10 which has been paid to the State of Oklahoma for purposes of this
11 act.

12 D. Beginning upon the later date of July 1, 2009, or the first
13 date upon which the revenues payable to the Authority from the
14 Quality Jobs Program Incentive Leverage Fund are no longer committed
15 to the payment of debt service requirements and related costs in
16 connection with obligations issued by the Authority pursuant to the
17 Quality Jobs Incentive Leverage Act prior to the effective date of
18 this act, and for each fiscal year thereafter as otherwise required
19 by this act, monies transferred to the Quality Jobs Program
20 Incentive Leverage Fund shall be used for the payment of principal
21 and interest or other costs associated with the additional issuance
22 of obligations by the Oklahoma Development Finance Authority
23 pursuant to the provisions of Section 3654 of this title as a result
24 of a second irrevocable election. Not later than January 1 and July

1 1 of each year, the Oklahoma Development Finance Authority shall
2 certify to the Oklahoma Department of Commerce and the Oklahoma Tax
3 Commission the amount which will be required for payment of
4 principal, interest and other costs associated with the issuance of
5 such obligations for the succeeding six-month period.

6 E. Beginning on the later date of July 1, 2009, or the first
7 date upon which the revenues payable to the Authority from the
8 Quality Jobs Program Incentive Leverage Fund are no longer committed
9 to the payment of debt service requirements and related costs in
10 connection with obligations issued by the Authority pursuant to the
11 Quality Jobs Incentive Leverage Act prior to the effective date of
12 this act, and for each fiscal year thereafter as otherwise required
13 by this act, as often as may be necessary for the Oklahoma
14 Development Finance Authority to make payments with respect to
15 indebtedness issued pursuant to the provisions of this act as a
16 result of a second irrevocable election, the Tax Commission shall
17 transfer from the revenues specified in Section 3659 of this title
18 an amount required to equal the difference between the incentive
19 payment deposit and the amount certified pursuant to the provisions
20 of subsection C of this section. The Tax Commission shall then
21 transfer the total amount required pursuant to the certification to
22 the Oklahoma Development Finance Authority.

23 F. An establishment to which proceeds from the sale of any
24 obligations issued by the Oklahoma Development Finance Authority are

1 made available as provided by this act pursuant to a second
2 irrevocable election shall not claim any tax credits that would
3 otherwise be authorized pursuant to Section 2357.4 of Title 68 of
4 the Oklahoma Statutes as a result of jobs created or capital
5 investment made as a direct result of the use of such bond proceeds.
6 For purposes of this subsection and for purposes of computing any
7 tax credit pursuant to Section 2357.4 of Title 68 of the Oklahoma
8 Statutes, "bond proceeds" shall mean the amount transferred, paid or
9 made available to the establishment together with the total amount
10 of principal and interest paid by the Oklahoma Development Finance
11 Authority with respect to any amount of proceeds transferred, paid
12 or made available to the establishment.

13 G. An establishment that files a second irrevocable election
14 authorized by this section and to which proceeds from the sale of
15 obligations authorized by Section 3654 of this title are paid or
16 made available may utilize income tax credits earned prior to the
17 effective date of this act pursuant to Section 2357.4 of Title 68 of
18 the Oklahoma Statutes for a period of fifteen (15) taxable years
19 subsequent to the year in which the election is filed.

20 H. An establishment that files a second irrevocable election
21 authorized by this section and to which any proceeds from the sale
22 of obligations authorized by Section 3654 of this title are paid or
23 made available shall not be eligible to claim any exemption pursuant
24 to Section 6B of Article X of the Oklahoma Constitution or Section

1 2902 of Title 68 of the Oklahoma Statutes with respect to real or
2 personal property constituting the facility described by the
3 establishment pursuant to the disclosure document as provided by
4 Section 3655 of this title. The maximum amount of investment in any
5 facility for purposes of the foregone exemption required by this
6 subsection shall be ~~Five Hundred Million Dollars (\$500,000,000.00)~~
7 Seven Hundred Million Dollars (\$700,000,000.00), inclusive of any
8 amounts invested prior to the effective date of this act.

9 I. An establishment that files a second irrevocable election
10 authorized by this section and to which any proceeds from the sale
11 of obligations authorized by Section 3654 of this title are paid or
12 made available shall not be eligible to claim any exemption
13 otherwise available pursuant to Section 1359 of Title 68 of the
14 Oklahoma Statutes with respect to the facility constructed,
15 acquired, improved or equipped with such proceeds. The provisions
16 of this subsection shall not require any waiver of sales tax
17 exemption with respect to personal property acquired for the
18 manufacturing process after completion of construction of the
19 applicable facility.

Passed the House of Representatives the 20th day of May, 2025.

Presiding Officer of the House
of Representatives

Passed the Senate the _____ day of _____, 2025.

Presiding Officer of the Senate