



Oklahoma Business

Incentive and Tax Guide

Published January 2021



OKLAHOMA
Commerce

OKLAHOMA BUSINESS INCENTIVES AND TAX GUIDE FOR FISCAL YEAR 2021

Welcome to the 2021 Oklahoma Business Incentives and Tax Information Guide. The rules, legislation and appropriations related to taxes and incentives are very dynamic, and as changes occur, this Tax Guide will be updated. We encourage you to refer often to this on-line tax guide, as well as the various included hyperlinks, to get the most current information.

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CASH PAYMENT INCENTIVES

THE OKLAHOMA QUALITY JOBS PROGRAM

(68 O.S. § 3601)

The Oklahoma Quality Jobs Program serves as an incentive for companies to expand or relocate jobs to Oklahoma by providing a rebate of a portion of newly created payroll in the state. The program induces the creation of well-paid full-time jobs and promotes economic development. Companies may receive benefits during the first three years of participation while working to achieve the required payroll threshold for full qualification.

Benefits:

- Cash payments of up to 5% of new taxable payroll for up to 10 years.

Requirements:

- Company must be in a qualifying industry as noted by NAICS description.
- Average wage of all newly created full-time jobs must be equal to the average county wage or the state threshold wage, whichever is lower.
- Company must achieve \$2.5 million new annual taxable payroll within 3 years.
- Must offer basic health insurance to employees within 180 days of employment. Employee must not pay any more than 50% of the premium.
- May be combined with Investment/New Jobs Tax Credit under certain circumstances (\$40 million or more in investment within 3 years).
- Up to 6% rebate if at least 10% of new payroll is comprised of qualified military veterans.

VETERANS INCLUSION

Many industries, particularly in aerospace and defense, which are part of Oklahoma's economic engine, pay higher than average wages and employ a high percentage of veterans. An incentive that rewards companies for investing in a veteran labor force would increase the competitiveness of the state to attract expansion and location of new jobs. By effect, this would increase the number of jobs available for and supportive of veterans. This also provides for a higher benefit payout if payroll of new jobs is comprised of a minimum of 10% veterans' payroll.

CLAW BACK PROVISION

A company that participates in the Quality Jobs Program but fails to maintain a business presence in the state within 3 years of start date must repay all program benefits that they received and may not reapply for the program for one year following dismissal.

PAYROLL THRESHOLD REQUIREMENT

A lower annualized payroll threshold of \$1.5 million may apply to the following applicants:

- Food processors with 75% out-of-state sales – See NAICS Nos. 3111 through 3119.
- Firms performing Research, Development, and Testing Services – See NAICS Nos. 541710 and 541380.
- Auxiliary Research and Development Labs of large enterprises.
- Relocations on select former military bases.

In addition, a no payroll threshold applies to companies locating on a site consisting of at least 10 acres that is also a Superfund renewal site or listed on the National Priorities List. Sites may still qualify if not on the list if

they have been formally deferred to the State, or if they are being remediated pursuant to a clean-up plan approved by the Department of Environmental Quality.

The Department of Environmental Quality notifies the Oklahoma Department of Commerce of the qualifying areas and companies.

QUALITY JOBS PROGRAM QUALIFYING INDUSTRIES

BASIC INDUSTRIES

Manufacturing

Industries classified under NAICS Manual Nos. 31, 32, 33, 5111 or 11331.

Research, Development, and Testing Laboratories

See NAICS Manual Nos. 541711, 541712 and 541380.

Central Administrative Offices, Corporate Offices and Technical Services

See NAICS Manual Nos. 5611, 5612, 51821, 519130, 52232, 56142, 524291, 551114.

Certain jobs related to the mining of oil and gas

See NAICS No. 2111, 213111 and 213112; 486

Certain Warehouse/Distribution Operations

See NAICS Manual 42 where 40% of inventory is shipped out of state.

Transportation by Air

See NAICS Manual No. 4811 if corporate headquarters and some reservation activities are within the state or 75% of air transport sales are to out-of-state consumers.

Flight Training Services

See NAICS No. 611512

Federal Civilian Workforce of the Federal Aviation Administration

Where jobs are migrating to Oklahoma from other Federal sites or expansion here

Other Support Activities for Air Transportation

See NAICS Manual 488190

Wind Power Electric Generation Equipment Repair & Maintenance

See NAICS Manual No. 811310

Support Activities for Rail and Water Transport

See NAICS Manual Nos. 4882, 4883

Sports Teams & Clubs

See NAICS Manual No. 711211

SERVICE INDUSTRIES

The program also covers the following service companies, if 75% of sales are out-of-state:

Rail Transportation

See NAICS Nos. 482

Motor Freight Transportation and Warehousing

See NAICS Nos. 493, 484, 4884-4889

Arrangement of Passenger Transportation

See NAICS Nos. 561510, 561599

Transportation of Freight or Cargo

See NAICS No. 541614

Certain Communications Services

See NAICS Nos. 517110, 51741 and 51791

Certain Refuse Systems that distribute methane gas

See NAICS No. 5622

Grocery Wholesale Distributing

See NAICS Nos. 4244 and 4245

Securities, Commodities, Investments

See NAICS No. 523

Insurance Carriers

See NAICS No. 5241

Insurance Claims Processors Only

Included in NAICS Nos. 524210 and 524292

Adjustment and Collection Services

See NAICS No. 561440 (75% of loans to out-of- state debtors)

Miscellaneous Equipment Rental

See NAICS Nos. 5324

Computer Programming, Data Processing and Other Computer Related Services

See NAICS Nos. 5112, 5182, 5191, 519130, and 5415

Miscellaneous Business Services

See NAICS Nos. 561410, 56142, and 51911

Medical and Diagnostic Laboratories

See NAICS No. 6215

Offices of Real Estate Agents & Brokers

See NAICS No. 53120 (and 75% of transactions are out of state)

Engineering, Management and Related Services

See NAICS Nos. 5412, 5414-5417, 54131, 54133, 54136, 54137, and 541990

Agricultural Production

See NAICS Nos. 112120

Professional Organizations

See NAICS No. 813920

Alternative Energy Structure Construction

See NAICS No. 237130

Alternative Energy Equipment Installation

See NAICS Nos. 238160, 238220

Electric Service Companies

The program also applies to electric services companies within NAICS Nos. 221111-221122 - Exempt Electric Wholesale Generators, if 90% of energy input is consumed from in-state sources and 90% of sales are out-of-state.

For more information, contact the Oklahoma Department of Commerce at (800) 879-6552 or info@okcommerce.gov Program Guidelines for the Quality Jobs Program may be found on the Oklahoma Department of Commerce website at [Quality Jobs Guidelines](#). These Guidelines contain the formal application and required supporting documents necessary to apply. Technical assistance in completing the forms may be found there, as well.

SMALL EMPLOYER QUALITY JOBS PROGRAM

(68 O.S. § 3901)

The Small Employer Quality Jobs Program Allows qualifying small businesses (500 employees or less) to receive up to a 5% cash-back incentive for up to 7 years to locate or expand in Oklahoma. Qualifying payroll must be attributable to annual salaries that are 110% to 125% of the average wage of the county in which the jobs are located. Benefits are not payable until the participant has attained both the minimum number of new jobs and the required average wage. Key elements of the program include:

- Cash payments of up to 5% of new payroll for up to 7 years.
- Must have 500 employees or less at the time of application.
- Must have an average of 500 employees or less over the past four (4) quarters at the time of application.
- Must create as few as 5 and as many as 15 new jobs minimum, based on the size of the company and the population of the community where the company is located.
- Must pay the newly created jobs at 110% of the average county wage.

- Must offer basic health insurance within 180 days of employment. **Employee must not pay any more than 50% of the premium.**

Out-of-State Sales requirement (effective July 1, 2019):

- Company must have within 24 months of the date of application sales of at least 35% (and 60% thereafter) of its total sales
 - a) to out-of-state customers or buyers;
 - b) to in-state customers or buyers if the product or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use;
 - c) to the federal government; or company
 - d) is a warehouse distribution operation for wholesale or retail businesses where 40% of inventory is shipped out of state; or
 - e) company’s NAICS Code is 541710 or 541380 (where no out of state sales threshold is required)

Minimum New Jobs by Community

Community Population	New Jobs Required
Less than 3,500	The greater of 5 jobs or 5% of the company’s full-time employment at the date of application
3,500 – 6,999	The greater of 10 jobs or 7.5% of the company’s full-time employment at the date of application
7,000 or more	The greater of 15 jobs or 10% of the company’s full-time employment at the date of application

SMALL EMPLOYER QUALITY JOBS PROGRAM QUALIFYING INDUSTRIES

BASIC INDUSTRIES

Manufacturing

Industries classified under NAICS Manual Nos. 31, 32, 33, 5111 or 11331.

Research and Development and Testing Laboratories

See NAICS Manual Nos. 541711, 541712 and 541380.

Central Administrative Offices, Corporate Offices and Technical Services

See NAICS Manual Nos. 5611, 5612, 51821, 519130, 52232, 56142, 524291, and 551114.

Certain Warehouse/Distribution Operations

See NAICS Manual No. 42 -Where 40% of inventory is shipped out of state.

Transportation by Air

See NAICS Manual No. 4811 if corporate headquarters and some reservation activities are within the state or 75% of air transport sales are to out-of-state consumers.

Flight Training Services

See NAICS No. 611512.

Other Support Activities for Air Transportation

See NAICS Manual No. 488190.

Wind Power Electric Generation Equipment Repair & Maintenance

See NAICS Manual No. 811310.

SERVICE INDUSTRIES

The program also covers the following services companies, provided 35% out of state sales for the first two years and 60% thereafter:

Rail Transportation

See NAICS Nos. 482

Motor Freight Transportation and Warehousing

See NAICS Nos. 493, 484, 4884-4889

Arrangement of Passenger Transportation

See NAICS Nos. 561510, 561599

Transportation of Freight or Cargo

See NAICS No. 541614

Certain Communications Services

See NAICS Nos. 517110, 51741 and 51791

Certain Refuse Systems that distribute methane gas

See NAICS No. 5622

Grocery Wholesale Distributing

See NAICS Nos. 4244 and 4245

Securities, Commodities, Investments

See NAICS No. 523

Insurance Carriers

See NAICS No. 5241

Insurance Claims Processors Only

Included in NAICS Nos. 524210 and 524292

Adjustment and Collection Services

See NAICS No. 561440 (75% of loans to out-of-state debtors)

Miscellaneous Equipment Rental

See NAICS Nos. 5324

Computer Programming, Data Processing and Other Computer Related Services

See NAICS Nos. 5112, 5182, 5191, 519130, and 5415

Miscellaneous Business Services

See NAICS Nos. 561410, 56142, and 51911

Offices of Real Estate Agents & Brokers

See NAICS No. 53120 (and 75% of transactions are out of state)

Medical and Diagnostic Laboratories

See NAICS No. 6215

Engineering, Management and Related Services

See NAICS Nos. 5412, 5414-5417, 54131, 54133, 54136, 54137, and 541990

Agricultural Production

See NAICS Nos. 112120

Professional Organizations

See NAICS No. 813920

Alternative Energy Structure Construction

See NAICS No. 237130

Alternative Energy Equipment Installation

See NAICS Nos. 238160, 238220

Electric Service Companies

The program also applies to electric services companies within NAICS Nos. 221111-221122 - Exempt Electric Wholesale Generators, if 90% of energy input is consumed from in-state sources and 90% of sales are out-of-state.

For more information, contact the Oklahoma Department of Commerce at (800) 879-6552 or info@okcommerce.gov. Program Guidelines for the Small Employer Quality Jobs Program may be found on the Oklahoma Department of Commerce website at [Small Employer Quality Jobs Guidelines](#). The Guidelines contain the formal application and required supporting documents necessary to apply. Technical assistance for completing the forms may be found there, as well.

AUTOMATIC 5% AREAS FOR OKLAHOMA QUALITY JOBS PROGRAM

The Oklahoma Quality Jobs Act offers specific benefits for companies locating in certain economically distressed geographic areas.

For the Quality Jobs Program, companies locating in “Automatic 5% Counties” may qualify for a 5% net benefit rate. Within “Opportunity Zones”, in addition to a 5% net benefit rate, average wage requirements may be waived in the Quality Jobs Program. Other thresholds will still need to be met in order for a company to qualify for the Quality Jobs Program.

Generally, an Automatic 5% County is:

- 2) Reviewed once every year.
- 3) Includes all areas within a County where:
 - a) The County’s Per Capita Income is 15% or more below the Oklahoma Per Capita Income, OR
 - b) The County as a whole has experienced a decrease in population over the last 10 years, OR
 - c) The County’s unemployment rate exceeds the lesser of 5% or 2 percentage points above the state average unemployment rate.
- 4) The legal definition of an Opportunity Zone can be found at [Oklahoma Statutes Title 68, Section 3604 Definitions](#) but generally, an Opportunity Zone includes individual Census Tracts where 30% or more of the population lives below poverty.

If you have questions, about which areas in Oklahoma qualify as Automatic 5% Counties or as Opportunity Zones, contact Lesli Crofford with the Oklahoma Department of Commerce at lesli.crofford@okcommerce.gov or (405) 815-5120.

The areas designated as Automatic 5% Counties under this section are reviewed annually and may change from year to year. Qualifying Counties can be found in the Business Incentives online map: <https://www.okcommerce.gov/doing-business/data-reports/maps-geographic-data/>

For more information, contact the Oklahoma Department of Commerce at (800) 879-6552 or info@okcommerce.gov. Program Guidelines for the Quality Jobs Program may be found on the Oklahoma Department of Commerce website at Quality Jobs Guidelines. These Guidelines contain the formal application and required supporting documents necessary to apply. Technical assistance in completing the forms may be found there, as well.

21st CENTURY QUALITY JOBS PROGRAM

(68 O.S. § 3911)

This incentive was created to attract growth industries and sectors to Oklahoma in the 21st Century through a policy of rewarding businesses with a highly skilled, knowledge-based workforce. It also maximizes the eligible incentive payment by incorporating expanded state benefits by allowing a net benefit rate of up to 10% of payroll.

- Requires at least 10 full-time jobs at an annual average wage of the lesser of the 21st Century state indexed wage or 300% of the county’s average wage.
- Allows a net benefit rate of up to 10% of payroll for up to 10 years.
- Out-of-state sales must be at least 50% for most participants.
- Companies may receive reduced benefits for jobs/wages less than the 10 required while they work towards full qualification, so long as the required average wage is met.
- Target Industries:

- Knowledge-based service industries, including professional, scientific and technical services; music, film and performing arts; and specialty hospitals.

21ST CENTURY QUALITY JOBS PROGRAM QUALIFYING INDUSTRIES BASIC INDUSTRIES

Manufacturing

Industries classified under NAICS Nos. 31-33, 5111 or 11331.

Research and Development and Testing Laboratories

See NAICS Nos. 541711, 541712 and 541380.

Central Administrative Offices, Research and Development, Testing Divisions of other establishments or enterprises

See NAICS Nos. 5611, 5612, 51821, 519130, 52232, 56142, 524291 and 551114.

Certain Warehouse/Distribution centers

See NAICS No 42 where at least 40% of inventory is shipped out-of-state.

Transportation by Air

See NAICS No. 48 if corporate headquarters and some reservations activities are within the state or 75% of air transport sales are to out-of-state consumers.

Wind Power Electric Generation Equipment Repair & Maintenance

See NAICS No. 811310.

Flight Training Services

See NAICS No 611512.

Other Support Activities for Air Transportation

See NAICS No. 488190.

SERVICES - The following Service Companies if 50% of the sales are out-of-state.

Motor Freight Transportation and Warehousing

See NAICS Nos. 493, 484, 4884-4889.

Arrangement of Passenger Transportation

See NAICS Nos. 561510 and 561599.

Transportation of Freight or Cargo

See NAICS No. 541614.

Certain Communication Services

See NAICS Nos. 51741 and 51791.

Certain Refuse Systems that distribute methane gas

See NAICS No. 5622.

Grocery Wholesale Distributing

See NAICS Nos. 4244 and 4245.

Insurance Carriers

See NAICS No. 5241.

Insurance Claims Processors Only

See NAICS Nos. 524210 and 524292.

Adjustment and Collection Services

See NAICS No. 561440 (50% of loans to out of state debtors)

Miscellaneous Equipment Rental

See NAICS No. 5324.

Computer Programming, Data Processing and Other Computer-Related Services

See NAICS Nos. 5112, 5182, 5191 and 5415.

Miscellaneous Business Services

See NAICS Nos. 561410, 56142 and 519110.

Medical and Diagnostic Laboratories

See NAICS No. 6215.

Engineering, Management and Related Services

See NAICS Nos. 5412, 5414, 5415, 5416, 5417, 54131, 54133, 54136-54137 and 541990.

Agricultural Production

See NAICS No. 112120.

Alternative Energy Structure Construction

See NAICS No. 237130.

Alternative Energy Equipment Installation

See NAICS Nos. 238160 and 238220.

Professional Organizations

See NAICS No. 813920.

Electric Service Companies

The program also applies to electric services companies within NAICS Nos. 22111-221122 – Exempt Electric Wholesale Generators if 90% of energy input is consumed from in-state sources and 90% of sales are out-of-state.

ADDITIONAL CODES ADDED FOR 21st CENTURY QUALITY JOBS ONLY:**Specialty Hospitals**

See NAICS No. 62231 (no out-of-state sales requirements).

Performing Arts Companies

See NAICS No. 7111 (no out-of-state sales requirements).

The following qualifying NAICS codes must meet a 50% out-of-state sales requirement:**Heavy and Civil Engineering Construction**

See NAICS No. 237.

Motion Picture and Video Industries

See NAICS No. 5121.

Sound Recording Industries

See NAICS No. 5122.

Securities, Commodity Contracts, Financial Investments & Related Activities

See NAICS No. 523.

Insurance Carriers and Related Activities

See NAICS No. 524.

Funds, Trusts, and other Financial Vehicles

See NAICS No. 525.

Professional, Scientific, and Technical Services -

See NAICS No. 5411, 5412, 5413, 5414, 5418 and 5419.

For more information, contact the Oklahoma Department of Commerce at (800) 879-6552 or info@okcommerce.gov. Program Guidelines for the 21st Century Quality Jobs Program may be found on the Oklahoma Department of Commerce website at [21st Century Quality Jobs Guidelines](#). These Guidelines contain the formal application and required supporting documents necessary to apply. Technical assistance in completing the forms may be found there, as well.

OKLAHOMA QUALITY EVENTS PROGRAM

(68 O.S. § 4302)

The State of Oklahoma has a legitimate interest in economic development related to the occurrence of quality events, and the Legislature finds that the use of state sales tax revenues authorized by this act provides a method by which the state can compete successfully in a national and global economy against other jurisdictions offering similar incentives for such events.

The Quality Events Incentive Act was enacted July 1, 2012 and created the Oklahoma Quality Events Program, which allows communities to recapture eligible expense for hosting a Quality Event. A “Quality Event” is defined as a new event or a meeting of a nationally recognized organization or its members.

Legislation enacted in 2018 amends the Act as follows:

- Extends from June 30, 2018 to June 30, 2021 the sunset date of the Act.

Eliminates the economic impact study currently required for quality events. The Oklahoma Tax Commission will instead make quality event determinations based on actual documentation. Additionally, the Oklahoma Tax Commission shall designate a single employee or division responsible for processing information, making determinations and any other duties related to the Oklahoma Quality Events Incentive Act.

For more information or to make an application, visit tax.ok.gov.

ECONOMIC DEVELOPMENT & INFRASTRUCTURE FUNDING

OKLAHOMA QUICK ACTION CLOSING FUND

(62 O.S. § 48.2)

The Oklahoma Quick Action Closing Fund is exclusively offered by the Governor of Oklahoma and was created for reducing the cost gaps for economic development and related infrastructure development when expenditure of funds is likely a determining factor in locating a high-impact business.

The business making an application must be engaged in a business activity that is eligible for Oklahoma Quality Jobs Program Act incentive payments (68 O.S. § 3603); in a “basic industry” as set forth in the 21st Century Quality Jobs Incentive Act (68 O.S. § 3913); or be a “high impact production company” which has been approved for a rebate (68 O.S. §3624). The average annualized wage for all new full-time employees must also exceed the county average wage as determined by the Department of Commerce based upon the most recent U.S. Department of Commerce data for the county in which all new full-time employees will be located.

The Oklahoma Department of Commerce is responsible for the administration of the Oklahoma Quick Action Closing Fund.

OKLAHOMA BUSINESS EXPANSION INCENTIVE PROGRAM - FORMERLY ECONOMIC DEVELOPMENT POOLED FINANCE

(62 O.S. § 891.1)

The Oklahoma Business Expansion Incentive Program BEIP is available for business expansion projects which include job creation and significant investment in facilities, machinery, and equipment. Complete financial information for three years prior, detailed business plan, detailed budget for expansion project, and other financial information will be required.

A for-profit entity in conjunction with one or more units of local government may make application to the Oklahoma Department of Commerce. The application must move through a competitive scoring process and requires a letter of determination from the Oklahoma Department of Commerce that the project is net benefit positive for the state. If awarded funds, the for-profit entity works through the approval process of the Oklahoma Development Finance Authority (ODFA) to finalize the incentive agreement.

The incentive is in the form of annual cash payments from the State of Oklahoma, which are due on a Promissory Note issued by ODFA. Debt (Promissory Note) issued from the Economic Development Pool may be paid from withholdings taxes, and other revenue, at the for-profit entity benefitted by the incentive.

For debt obligations issued under the Oklahoma Community Economic Development Pooled Finance Act, there is a maximum maturity of 25 years and a maximum coupon rate of 14%. Sixty-five percent of the Economic Development Pool shall be used by ODFA for municipalities that do not exceed 300,000 people. The remaining thirty-five percent may be used by the ODFA for any eligible local government.

Effective September 1, 2010 an evergreen clause permits the renewal of issuing capacity by ODFA.

The pooled finance statute is clear that a “business” that benefits from Business Expansion Incentive Program cannot participate in Quality Jobs or claim Investment Tax Credit.

(The relevant section of the statute is as follows: 62 O.S. §891.12 (I) No for-profit business entity that benefits from proceeds of obligations issued by the Authority from the Economic Development Pool may receive or continue to receive incentive payments pursuant to the Oklahoma Quality Jobs Program Act or claim any investment tax credits otherwise authorized pursuant to Section 2357.4 of Title 68 of

the Oklahoma Statutes during the period of time that any withholding taxes attributable to the payroll of such entity are being paid to the Community Economic Development Pooled Finance Revolving Fund or in any manner used for the payment of principal, interest or other costs associated with any obligations issued by the Authority pursuant to the provisions of this act.)

For information, contact Martin Roberts with the Oklahoma Department of Commerce at (405) 990-9147 or martin.roberts@okcommerce.gov.

TAX EXEMPTIONS AND CREDITS

AD VALOREM EXEMPTION

(68 O.S. § 2902)

The ad valorem exemption may be claimed by a qualifying manufacturing company as defined by Section 6B of Article X of the Oklahoma Constitution. New, expanded or acquired manufacturing facilities (including facilities engaged in research and development) are exempt from the levy of any ad valorem taxes for a period of 5 years.

The provisions of Section 6B of Article X of the Oklahoma Constitution (requiring an existing facility to have been unoccupied for a period of twelve months prior to acquisition) is construed as a qualification for a facility to initially receive an exemption, and w not be deemed to be a qualification for that facility to continue to receive an exemption in each of the four years following the initial year for which the exemption was granted. Such facilities are hereby classified for the purposes of taxation as provided in Section 22 of Article X of the Oklahoma Constitution.

New and expanding manufacturers, research and development companies, computer services and data processing companies with significant out-of-state sales, aircraft repair companies, oil refineries, and certain wind power generators may be eligible for ad valorem tax exemptions for up to 5 years.

Firms must make an annual application to the County Assessor by March 15th of the year in which the exemption is requested. Upon approval of the application, the state will reimburse tax dollars to local taxing jurisdictions, which they would have otherwise received. As a result, although application for the exemption is made to the County Assessor, Oklahoma Tax Commission personnel are involved in the final review to determine the exemption. It is the responsibility of a company to apply for the exemption each year by March 15th.

For more information, contact the Oklahoma Tax Commission, Ad Valorem Division at (405) 521-3160 or visit tax.ok.gov. For forms, visit www.tax.ok.gov or contact a local County Assessor to discuss what property may qualify for the exemption

AD VALOREM EXEMPTION FOR COMPUTER SERVICES AND DATA PROCESSING

(68 O.S. §2902(B)(1)(c))

Computer services and data processing facilities may be eligible for a 5 year exemption from Ad Valorem Tax. Establishments primarily engaged in computer services and data processing as defined under Industrial Group Numbers 5112 and 5415, and U.S. Industry Number 334611 and 519130 of the NAICS Manual must meet the following qualifications:

- Derive at least 50% of their annual gross revenues from the sale of a product or service to an out of state customer or buyer;
- Invest \$250,000 or more in construction, acquisition or expansion cost of the manufacturing facility and;
- Have a net increase in annualized payroll of at least \$250,000 if the facility is located in a county with a population of fewer than 75,000, or at least \$ 1 million dollars if the facility is located in a county with a population of 75,000 or more in the initial application year

Establishments primarily engaged in computer services and data processing as defined under Industrial Group Number 5142 and U.S. Industry Number 514210 of the NAICS Manual must meet the following qualifications:

- 80% of annual gross revenues from the sale of a product or service to an out of state customer or buyer;
- Invest \$7 million dollars or more in capital improvements and;

- Have a net increase in annualized payroll of at least \$250,000 if the facility is located in a county with a population of fewer than 75,000, or at least \$1 million dollars if the facility is located in a county with a population of 75,000 or more in the initial application year.

Applicants must apply for this exemption at their local county assessor office as outlined above.

AD VALOREM EXEMPTION FOR WAREHOUSING AND DISTRIBUTION FACILITIES

(68 O.S. §2902(B)(1)(e))

Warehousing and Distribution Facilities may be eligible for a 5 year exemption from Ad Valorem Tax.

Establishments primarily engaged in distribution as defined under Industry Numbers 49311, 49312, 49313 and 49319 and Industry Sector Number 42 of the NAICS Manual must meet the following qualifications:

- Construction with an initial capital investment of at least \$5 million dollars;
- Employment of at least 100 full-time-equivalent employees and;
- Payment of wages or salaries to its employees at a wage which equals or exceeds 175% of the federally mandated minimum wage, as certified by the Oklahoma Employment Security Commission may be eligible for exemption from ad valorem tax.

Applicants must apply for this exemption at their local county assessor office as outlined above.

AD VALOREM EXEMPTION FOR AUTOMOTIVE FINAL ASSEMBLY MANUFACTURING FACILITIES

(68 O.S. §2902(C)(6))

Automotive Final Assembly Manufacturing Facilities may be eligible for a 5 year exemption from Ad Valorem Tax. Establishments primarily engaged in automotive final assembly manufacturing must meet the following qualifications:

- Construction, acquisition or expansion capital investment of at least \$300 million dollars;
- Employs and retains at least 1,750 full-time-equivalent employees and;

Applicants must apply for this exemption at their local county assessor office as outlined above.

EXEMPT INVENTORY

(Art. 10, § 6A Okla. Const.) (68 O.S. § 2902.2)

Oklahoma’s “Freeport Exemption” refers to the Oklahoma Constitutional provision contained in Oklahoma Constitution Article 10, Section 6A relating to goods, wares and merchandise held for assembly, storage, manufacturing, processing or fabricating purposes held in the state for not more than 9 months, which is exempt from ad valorem taxation. This exemption must be filed with the county assessor by March 15 as other exemption applications.

All tangible personal property is reported to the County Assessor no later than March 15 of each year by filing Form 901 – Business Personal Property Rendition. Form 901-F - Freeport Exemption Declaration must be filed with the rendition if any inventory is claimed as nontaxable pursuant to the Freeport exemption.

For more information, contact the Oklahoma Tax Commission at (405) 521-3160 or visit tax.ok.gov.

AGRICULTURAL COMMODITY PROCESS FACILITY EXCLUSION

Owners of agricultural commodity processing facilities may exclude 15% of their investment in a new or expanded agricultural commodity processing facility located within Oklahoma. “Agricultural commodity

processing facility” means buildings, structures, fixtures and improvements used or operated primarily for the processing or production of agricultural commodities to marketable products. The investment is deemed made when the property is placed in service. Under no circumstances shall this exclusion lower the shareholder’s taxable income below zero. In the event the exclusion does exceed income, any unused portion may be carried over for a period not to exceed six years.

Attach a separate schedule showing the type of investment(s), the date placed in service, the cost, the total exclusion and the exclusion available for each shareholder. Do not include the exclusion in the Oklahoma net distribution income; each shareholder shall report their allowable share of the exclusion on the designated line of their individual return. For a nonresident who does not file a nonresident agreement, include the shareholder’s allowable share in Part 5, line 13.

Oklahoma tax assistance available at www.tax.ok.gov.

INTANGIBLE PROPERTY

(Art. 10, § 6A Okla. Const.)

Effective January 1, 2013, intangible personal property shall not be subject to ad valorem tax or to any other tax in lieu of ad valorem tax within this State.

For more information, visit tax.ok.gov.

AIRCRAFT MANUFACTURERS EXEMPTION LICENSE

(3 O.S. §§ 254 and 256.2)

Manufacturers of aircraft may purchase an exemption license of \$250 in lieu of any ad valorem tax upon aircraft owned by the manufacturer.

For more information, visit tax.ok.gov.

LOCAL INCENTIVE

(62 O.S. § 860)*

Another method for companies to obtain ad valorem incentives or exemptions is for local taxing entities to designate Incentive Districts in the community and allow exemptions of some, or a portion of local taxes, by written agreement amongst all taxing units affected. The revenue is not reimbursed by the state using this method so the decision to allow the exemption is strictly a local one. The exemption is allowed on new investment only and is not available to predominantly “retail” establishments, which by statutory definition do not include hotels or motels. Exemptions are for five years unless the business is located in an Enterprise Zone; then, the exemption may be for up to six years. It may be extended for the sixth year only by agreement of all local taxing entities.

For more information, contact the Oklahoma Tax Commission at (405) 521-3160. For forms or other information visit www.tax.ok.gov.

THE INVESTMENT/NEW JOBS INCOME TAX CREDIT

(68 O.S. § 2357.4)*

Investment/New Jobs Tax Credits provide growing manufacturers a significant tax credit based either on an investment in depreciable property OR on the addition of full-time-equivalent employees engaged in manufacturing, processing, or aircraft maintenance. Participation in this benefit prohibits a manufacturer from participating in the Quality Jobs Program unless the manufacturer makes a qualifying capital investment in excess of \$40 million.

Manufacturers that invest in qualified new depreciable property and hire new employees may compute the five-year tax credit either:

- A. By calculating 1% of the qualifying investment; or
- B. By multiplying \$500 per new employee, and then choosing whichever credit is larger.

Investment in depreciable property must equal at least \$50,000, and the number of employees must not decrease as a result of the investment. Qualified property includes all machinery, fixtures and buildings, including warehousing or substantial improvements to buildings used in a manufacturing operation on a manufacturing site. Eligibility is initially determined each year by the taxpayer on its income tax return.

The credit is computed on a year-by-year basis. Therefore, a company that had qualified in one year for the credit based on new employees hired, but experiences a reduction in employment the next year, would still qualify for a partial credit, unless employment fell below the employment level for the year prior to the first year the credit was allowable. If, in later years, additional qualifying employees were added, a new base employment level would be calculated, and the new series of credits could be taken for the number of employees above that base level of employment.

The number of jobs may fluctuate if the credit is based on investment. However, a loss in number of jobs must not be attributable to the new investment.

QUALITY JOBS + INVESTMENT TAX CREDITS

This incentive is available for manufacturers who have capital investments greater than \$40 million in addition to creating skilled jobs. The incentive lays the foundation for attracting “top-notch” companies to Oklahoma and demonstrates a policy of incentivizing businesses with large (greater than \$40 million) capital investments that create jobs that pay higher than average wages.

- Same as present Quality Jobs Program job creation requirements but the wages must be greater than the state’s average wage.
- Capital investment must be greater than \$40 million within three years of start date to qualify for Investment Tax Credits - a 2% tax credit per year for 5 five years;
- With the ability to take both Quality Jobs and Investment Tax Credits incentives, the number of the Quality Jobs portion is equal to the calculated number;
- There are no automatic 5% areas;
- Companies may not exceed the 5% net benefit rate;
- Quality Jobs + Investment Tax Credits may not be combined with Small Employer Quality Jobs or 21st Century Quality Jobs;
- Only the manufacturing industries that presently qualify for Investment Tax Credits may qualify for this incentive.

For more information, contact the Oklahoma Tax Commission at (405) 521-3160. For forms or more information, visit www.tax.ok.gov.

AMERICA INDIAN LANDS TAX CREDIT

Because of the state’s unique Native American heritage, two-thirds of Oklahoma locations qualify for special federal tax treatment. Businesses locating or expanding in these areas can claim accelerated federal depreciation on their buildings, resulting in tax savings of up to 40%. Additionally, businesses in qualifying areas that hire Native Americans or their spouses living in the area can claim federal tax credits of up to \$4,000 per qualifying employee.

Disclaimer: Expires Dec 31, 2020, and must be renewed for investments that occur past Jan 1, 2021.

ENGINEER WORKFORCE TAX CREDITS

AEROSPACE INDUSTRY ENGINEER WORKFORCE TAX CREDIT

(68 O.S. § 2357.301)

The Aerospace Industry Engineer Workforce Tax Credit is for engineers employed by Oklahoma companies as well as for companies hiring engineers in Oklahoma (credits sunset January 1, 2026).

INDIVIDUAL TAX CREDIT

Personal income tax credit of \$5,000 annually for 5 years for qualified engineers employed by Oklahoma aerospace companies and hired after July 1, 2011. Unused credits may be carried forward for 5 years.

COMPANY TAX CREDIT

Engineers hired by Oklahoma aerospace companies will receive a tax credit equal to 10% of the compensation paid to an engineer for 5 years if the engineer graduated from an Oklahoma accredited institution, or 5% of compensation paid to an engineer graduate of an accredited institution outside Oklahoma.

Restrictions: Corporate income tax credit for compensation paid is capped at \$12,500 annually per qualified employee for 5 years. The qualified employee must have been awarded an undergraduate or graduate degree within 1 year of beginning employment with the qualified employer. The credit cannot be used to reduce the tax liability below \$0.

TUITION TAX CREDIT

Oklahoma aerospace companies are allowed a tax credit in the amount of 50% of the tuition reimbursement to a new engineer graduate for 4 years. Tax credit is calculated at 50% of the corporate reimbursement to employees for tuition in a qualifying engineering degree program at an accredited institution in Oklahoma.

AUTOMOTIVE INDUSTRY ENGINEER WORKFORCE TAX CREDIT

(68 O.S. § 2357.404)

The Automotive Industry Engineer Workforce Tax Credit is intended for engineers employed by automotive manufacturing companies in Oklahoma, as well as for automotive manufacturing companies hiring engineers that manufacture or assemble motor vehicles (automobile, buses, or tractor-trailers) in Oklahoma. Eligibility includes automotive parts manufacturing companies and their employees.

INDIVIDUAL TAX CREDIT

Personal income tax credit of \$5,000 annually for 5 years for qualified engineers employed by Oklahoma automotive manufacturing companies and hired after July 1, 2011. Unused credits may be carried forward for 5 years.

COMPANY TAX CREDIT

Engineers hired by Oklahoma automobile manufacturing companies will receive a tax credit equal to 10% of the compensation paid to an engineer for 5 years if the engineer graduated from an Oklahoma accredited institution, or 5% of compensation paid to an engineer graduate of an accredited institution outside Oklahoma.

Restrictions: Corporate income tax credit for compensation paid is capped at \$12,500 annually per qualified employee for 5 years. The qualified employee must have been awarded an undergraduate or

graduate degree within 1 year of beginning employment with the qualified employer. The credit cannot be used to reduce the tax liability below \$0.

TUITION TAX CREDIT

Oklahoma automotive manufacturing companies are allowed a tax credit in the amount of 50% of the tuition reimbursement to a new engineer graduate for 4 years. Tax credit is calculated at 50% of the corporate reimbursement to employees for tuition in a qualifying engineering degree program at an accredited institution in Oklahoma.

SOFTWARE/CYBERSECURITY EMPLOYEE TAX CREDIT

The Software/Cybersecurity Employee Tax Credit provides up to \$2,200 annually for qualifying employees who receive a degree from a ABET accredited institution, or \$1,800 annually for qualifying employees who are awarded a certificate from a technology center accredited by the Oklahoma State Board of Career and Technology Education.

To receive the credit, employees must meet strict educational requirements and obtain employment in a qualified industry for a qualified employer. Applicable for taxable years beginning on or after January 1, 2020, and ending before January 1, 2030, for any qualifying employee working in the state as of November 1, 2019. The credit can be claimed no more than 7 years and cannot be claimed simultaneously by an individual claiming the Aerospace Engineers tax credit.

QUALIFIED INDUSTRIES:

NAICS No. 21 - Mining, Quarrying, and Oil and Gas Extraction

NAICS No. 22 - Utilities

NAICS Nos. 31, 32, 33 - Manufacturing

NAICS No. 48 - Transportation and Warehousing

NAICS Nos. 51 - Information

NAICS No. 52 - Finance and Insurance

NAICS No. 54 - Professional, Scientific, and Technical Services

NAICS No. 55 – Management of Companies and Enterprises

NAICS No. 62 – Health Care and Social Assistance

NAICS No. 92 – Public Administration

Qualified Employer means a sole proprietor, general partnership, limited partnership, limited liability company, corporation or other legally recognized business entity, or governmental entity that has at least 15 full-time employees.

Qualified Employee means any person employed in Oklahoma by a qualifying employer in a qualifying industry on or after November 1, 2019 who has been awarded a degree in an accredited program from a degree-producing institution, or a certificate or credential in an accredited program from an Oklahoma CareerTech center.

Qualified compensation means average annualized wages paid by a qualifying employer which meet or exceeds 110% of the average county wage. For federal employees, such employees shall meet a GS-5 or equivalent initial hiring threshold in lieu of the wage requirement. Annual wages do not include employer-provided health care or retirement benefits.

ZERO-EMISSION FACILITIES INCOME TAX CREDIT - FORMERLY ALTERNATIVE ENERGY SOURCES TAX CREDIT

(68 O.S. § 2357.32A)

Oklahoma encourages alternative, zero-emission fuel production by providing tax credits to producers of electricity utilizing such sources.

An income tax credit is allowed based on the amount of electricity generated by a qualified zero-emission facility. Credits earned prior to January 1, 2014, are transferable and any unused credit may be carried over for a period of 10 years. For credits earned on or after January 1, 2014, any credit earned but not used shall be refunded at an amount equal to 85% of the amount of the credit. The credit is \$0.0050 for each kilowatt-hour of electricity generated by zero-emission facilities and is available for a period of 10 years. With respect to electricity generated by wind, the facility must be placed in operation not later than July 1, 2017. With respect to electricity generated by moving water, sun, or geothermal energy, the facility must be placed in operation not later than December 31, 2021.

Effective July 1, 2019, taxpayers have the option of irrevocably electing to defer the refund of the tax credit for 10 years. Any credits not directly refunded may be carried forward as a credit against subsequent income tax liability for a period not exceeding ten years. If a taxpayer makes the irrevocable election to carry over credits for a given tax year, any credits remaining in the 10th year of carry forward shall be refunded at 85%.

For more information, contact the Oklahoma Tax Commission at (405) 521-3160 or visit www.tax.ok.gov.

INSURANCE PREMIUM TAX CREDIT

(36 O.S. § 625. 1)

Insurance companies that locate or expand regional home offices in Oklahoma and maintain 200 or more full time year-round employees are eligible for special tax credit against the premium tax imposed in the Insurance Code. Annual credit ranges from 15% to 50% based on the number of employees. This credit is not available to participants in the Quality Jobs Program.

For more information, contact JeanAnn Parsley at the Oklahoma Insurance Department at (405) 521-3967 or jeanann.parsley@oid.ok.gov.

CREDIT FOR PURCHASE OR CONVERSION OF CLEAN-BURNING MOTOR VEHICLE - FORMERLY CLEAN BURNING FUEL MOTOR VEHICLE CREDIT

(68 O.S. 2357.22)

For tax years beginning before December 31, 2027, a one-time income tax credit in the amount of 45% of the cost of the qualified clean-burning motor vehicle fuel property is allowed. (Beginning with tax year 2020, the amount of the credit will be based on the weight of the vehicle). For purposes of this credit “qualified clean-burning motor vehicle fuel property” means:

- Equipment installed to modify a motor vehicle which is propelled by gasoline or diesel fuel so the vehicle may be propelled by compressed natural gas, liquefied natural gas or liquefied petroleum gas. The equipment must be new, not previously used to modify or retrofit any vehicle propelled by gasoline or diesel fuel, and be installed by an alternative fuels equipment technician who is certified in accordance with the Alternative Fuels Technician
- A motor vehicle originally equipped so the vehicle may be propelled by compressed natural gas, liquefied natural gas or liquefied petroleum gas, but only to the extent of the portion of the basis of

such motor vehicle which is attributable to the storage of such fuel, the delivery to the engine of such motor vehicle of such fuel, and the exhaust of gases from combustion of such fuel.

If the credit has not been claimed by any prior owner and the vehicle is purchased with qualified clean-burning motor vehicle fuel property installed by the manufacturer of such motor vehicle and the exact basis which is attributable to such property is unknown, the credit is equal to the lesser of 10% of the cost of the motor vehicle or \$1,500. Beginning with tax year 2020, there is a statewide cap of \$20 million.

CREDIT FOR PROPERTY DIRECTLY RELATED TO THE DELIVERY OF A QUALIFIED FUEL OR FOR A PUBLIC ACCESS RECHARGING SYSTEM FOR VEHICLES PROPELLED BY ELECTRICITY - FORMERLY CLEAN BURNING FUEL VEHICLE INFRASTRUCTURE CREDIT

(68 O.S. § 2357.22)

For tax years beginning before December 31, 2027, a tax credit is available of 75% of the cost of the qualified clean-burning motor vehicle fuel property (per-location). Beginning with tax year 2020, the amount of the credit is reduced to 45%. For purposes of this credit “qualified clean-burning motor vehicle fuel property” means property, not including a building and its structural components, which is:

- directly related to the delivery of compressed natural gas, liquefied natural gas or liquefied petroleum gas, for commercial purposes or for a fee or charge, into the fuel tank of a motor vehicle propelled by such fuel including compression equipment and storage tanks for such fuel at the point where such fuel is so delivered but only if such property is not used to deliver such fuel into any other type of storage tank or receptacle and such fuel is not used for any purpose other than to propel a motor vehicle, or
- a metered-for-fee, public access recharging system for motor vehicles propelled in whole or in part by electricity.

The property must be new, and must not have been previously installed or used to refuel vehicles powered by compressed natural gas, liquefied natural gas or liquefied petroleum gas, hydrogen or electricity.

CREDIT FOR A NATURAL GAS REFUELING STATION IN A PRIVATE RESIDENCE

(68 O.S. § 2357.22)

For tax years beginning before December 31, 2027, a per-location credit equal to the lesser of \$2,500 or 50% of the cost of property which is directly related to the compression and delivery of natural gas from a private home or residence, for noncommercial purposes, into the fuel tank of a motor vehicle propelled by compressed natural gas is allowed. The property must be new and must not have been previously installed or used to refuel vehicles powered by natural gas.

ETHANOL FUEL RETAILER TAX CREDIT

(68 O.S. § 500.10-1)

Beginning January 1, 2006 retailers of ethanol-blended fuel (a blend of gasoline and ethyl alcohol consisting of not more than 15% ethyl alcohol by volume) may claim a motor fuel tax credit of \$0.016 for each gallon of ethanol fuel sold in Oklahoma if the retailer provides a price reduction to the purchaser of the ethanol fuel in the same amount. This incentive is effective unless the federal government mandates the use of reformulated fuel in an area within the state of Oklahoma that is in non-attainment with the National Ambient Air Quality Standards.

OKLAHOMA TOURISM DEVELOPMENT ACT

(68 O.S. §§ 2391 et seq)

Companies that develop new or renovated tourism attraction properties that attract at least 25% of its visitors from out-of-state, have development costs greater than \$500,000, operate on a regular basis, do not negatively impact employment in the state, and have significant positive economic impacts, may receive a state sales tax credit for up to ten (10) years. The maximum credit is capped at:

- 10% of the approved project costs for tourism attraction projects with approved costs of between \$500,000 and \$1 million; or
- 25% of the approved project costs for tourism attraction projects with approved costs greater than \$1 million.

However, the sales tax credit must be revenue neutral to the state and may be lower than the maximum credit.

Companies interested in the Oklahoma Tourism Development Act must apply to the Oklahoma Department of Tourism & Recreation.

OKLAHOMA FILM REBATE PROGRAM

(68 O.S. § 3621 et seq)

The Sooner State should be on the radar of any filmmaker looking to shoot in America's heartland, as it offers one of the most competitive rebate programs for film, television and streaming series productions in the nation at 35%. An additional 2% can be obtained by utilizing Oklahoma's music and recording industry in the production, and with a low minimum expenditure of only \$50,000 (at least \$25,000 of which must be locally spent), even small independent films will find the Oklahoma incentive easily accessible. There are no caps for how much a single project may obtain in rebates; however, the program has an annual cap of \$8 million, distributed on a first-come, first-served basis.

Legislation was enacted in 2019, amending the Oklahoma Film Rebate Program to allow special appropriations, in excess of the \$8 million annual appropriation, for rebate claims for high impact productions.

For more information visit <https://okfilmmusic.org>

INCOME TAX CREDITS AND EXEMPTIONS FOR INVESTORS

TECHNOLOGY TRANSFER INCOME TAX EXEMPTION

(68 O.S. § 2358 [C])

The taxable income of any corporation is decreased for transfers of technology to qualified small businesses located in Oklahoma. The corporation transferring the technology is allowed an exemption from taxable income in the amount of the royalty payment received as a result of such transfer, provided that the exempted amount shall not exceed 10% of the amount of gross proceeds received by such corporation as a result of the technology transfer. "Gross proceeds" is defined as the total amount of consideration for the transfer, whether it is money or otherwise.

This benefit lasts for 10 years from the date of the receipt of the first royalty payment accruing from such transfer.

For more information, contact the Oklahoma Tax Commission at (405) 521-3160 or visit www.tax.ok.gov.

INCOME TAX EXEMPTION FOR INTEREST PAID ON BONDS ISSUED BY OR ON BEHALF OF PUBLIC AGENCIES

(68 O.S. § 2358.5)

Interest payments received as a result of obligations issued by towns, cities, counties, Oklahoma educational institutions, or public trusts on behalf of towns, cities, counties, or Oklahoma educational institutions are not subject to Oklahoma income tax, unless such obligations are issued on behalf of nonprofit corporations. Generally, interest payments on bonds issued by the Department of Transportation are also state income tax exempt.

For more information, contact the Oklahoma Tax Commission at (405) 521-3160 or visit www.tax.ok.gov.

HISTORIC REHABILITATION TAX CREDIT

(68 O.S. § 2357.41)

Allows a credit against tax imposed on qualified rehabilitation expenditures incurred in connection with any certified historic hotel or historic newspaper plant building located in an increment or incentive district created pursuant to the Local Development Act or for qualified rehabilitation expenditures incurred after January 1, 2006, in connection with any certified historic structure. The amount of the credit shall be one hundred percent (100%) of the federal rehabilitation credit provided by Section 47 of Title 26 of the United States Code. The credits may be sold during the first five years after qualifying and may be carried forward a total of 10 years.

For more information, contact the Oklahoma Tax Commission at (405) 521-3160 or visit tax.ok.gov or www.preservationok.org.

INCOME TAX CREDITS AND EXEMPTIONS FOR ENTREPRENEURS

NEW PRODUCTS DEVELOPMENT INCOME TAX EXEMPTION

(74 O.S. § 5064.7)

Royalty earned by an inventor from a product developed and manufactured in this state shall be exempt from state income tax for a period of 7 years from January 1 of the first year in which such royalty is received as long as the manufacturer remains in the state.

An in-state manufacturer of a product developed in this state by an inventor shall be eligible for a tax credit, as provided for in Section 2357.4 of Title 68 of the Oklahoma Statutes. In addition, such manufacturer may be excluded from Oklahoma taxable income, or in the case of an individual, the Oklahoma adjusted gross income, 65% of the cost of depreciable property purchased and utilized directly in manufacturing the product. The maximum exclusion shall not exceed \$500,000.

To qualify for the incentives, the product shall be patented or have patent pending pursuant to federal law and must be registered with the Oklahoma Center for the Advancement of Science and Technology (OCAST).

If the exclusion allowed exceeds the Oklahoma taxable income, or in the case of an individual, the Oklahoma adjusted gross income, the amount of the exclusion that is in excess of such income may be carried forward as an exclusion against subsequent Oklahoma taxable income or in the case of an individual, subsequent Oklahoma adjusted gross income, for a period not to exceed 4 years.

For more information, contact Dan Luton at the Oklahoma Center for the Advancement of Science and Technology (OCAST) at (405) 319-8415 or dan.luton@ocast.ok.gov. The Oklahoma Tax Commission will determine the eligibility of the taxpayer for any Oklahoma tax credits or exemptions. Filing this document with OCAST does not guarantee receipt of any tax credit or exemption. All other qualifications must be met as determined by the Oklahoma Tax Commission. For eligibility requirements, contact (800) 522-8165.

INCUBATOR SITE TENANT TAX EXEMPTION

(74 O.S. § 5078)

A business incubator site is a facility in which small businesses may rent space, and where management provides business development services such as financial consulting and marketing assistance. For tax years ending before January 1, 2020, sponsors of an incubator may be exempt from Oklahoma income taxes on income earned from rental fees, other income derived from services provided to the tenants, or for providing funding for an incubator site. This exemption is for 10 years from the date of the tenant's occupancy within an incubator. A sponsor must be a certified incubator with the Oklahoma Department of Commerce. Starting January 1, 2020 the sponsor exemption is no longer available.

The tenant of a certified incubator, or its owner, is exempt from state tax liability on income earned as a result of activities conducted as an occupant in an incubator for up to 10 years from the occupancy date in an incubator site in accordance with rules of the Oklahoma Tax Commission. The exemption remains in effect after the date the tenant is no longer an occupant in an incubator, but not to exceed a total of 10 years. For tax years ending before January 1, 2020, in order to qualify for the income tax exemption for the 6th through 10th year, the tenant must make at least 75% of its gross sales to buyers located outside the state or to the federal government. Starting January 1, 2020, the extra qualifications for the 6th through 10th year are not required.

For more information, contact Rana Steeds at the Oklahoma Department of Commerce at (405) 815- 5143 or rana.steeds@okcommerce.gov.

THE WORK OPPORTUNITY TAX CREDIT PROGRAM (WOTC)

The Work Opportunity Tax Credit Program (WOTC) was designed to promote the hiring of target group individuals. The tax credit for WOTC is up to \$2,400 for each new hire: 40% of qualified first-year wages for those employed 400 hours or more, 25% for those employed at least 120 hours. Qualified wages are capped at \$6,000, Summer Youth wages are capped at \$3,000, Long Term Family Assistance Recipients are capped at \$10,000, Food Stamp Veteran wages are capped at \$6,000, Disabled Veteran having aggregate unemployment for 6 months wages are capped at \$24,000, Unemployed Veteran having aggregate unemployment for at least 4 weeks wages are capped at \$6,000, and Unemployment Veteran having periods of unemployment of 6 months wages are capped at \$14,000.

The tax credit is as much as \$1,200 for each Summer Youth hire, \$2,400 for each new adult hire, \$2,400 for each new hire Food Stamp Veteran, \$4,800 for each new Disabled Veteran hire, \$9,600 for each new Disabled Veteran unemployed 6 months, \$2,400 for each new Unemployed Veteran unemployed for 4 weeks, \$5,600 for each new Unemployed Veteran for 6 months, and \$9,000 for each new long-term family assistance recipient hire.

For more information and employee certifications, contact Debra Roseburr at the Oklahoma Employment Security Commission at (405) 557-7128 or debra.roseburr@oesc.state.ok.us or Roslyn Richards at (405) 962-4627 or Roslyn.richards@oesc.state.ok.us.

SALES TAX EXEMPTIONS AND REFUNDS

MANUFACTURERS SALES TAX EXEMPTION

(68 O.S. §§ 1359, 1359.2 and 1364)

Oklahoma has a comprehensive sales tax exemption for manufacturers who obtain a Manufacturer's Sales Tax Exemption Permit from the Oklahoma Tax Commission. The permit must be renewed every three years. This permit must be presented to the vendor, and a claim for exemption made at or before the time of purchase, to relieve the vendor of the liability for collecting sales tax. The exemption covers purchases of machinery and equipment, energy, and tangible personal property used in design, development, and manufacturing.

Sales to a manufacturer of exempt property must be used in the manufacturing operation at a manufacturing site. The exemption is not extended to purchases for administration, sales, distribution, transportation, site construction or site maintenance.

For more information and certification, contact the Oklahoma Tax Commission at 405-521-3160 or visit tax.ok.gov.

COMPUTER SERVICES AND DATA PROCESSING SALES TAX EXEMPTION

(68 O.S. § 1357 [21])

Oklahoma recognizes the importance of companies engaged in computer services or data processing activities by offering exemptions from sales tax on:

Sales of machinery and equipment purchased and used by persons and establishments primarily engaged in computer services and data processing:

- A. As defined under Industrial Group Numbers 7372 and 7373 of the Standard Industrial Classification (SIC) Manual, latest version, which derive at least 50% of their annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer; and
- B. As defined under Industrial Group Number 7374 of the SIC Manual, latest version, which derive at least 80% of their annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer.

Eligibility for the exemption set out in this paragraph shall be established, subject to review by the Tax Commission, by annually filing an affidavit with the Tax Commission stating that the facility so qualifies and such information as required by the Tax Commission. For purposes of determining whether annual gross revenues are derived from sales to out-of-state buyers or consumers, all sales to the federal government shall be considered to be to an out-of-state buyer or consumer.

For more information about filing the required affidavit and certification, contact the Oklahoma Tax Commission at (405) 521-3160 or visit www.tax.ok.gov.

SALES AT AIRCRAFT MAINTENANCE FACILITIES SALES TAX EXEMPTION

(68 O.S. § 1357 [20])

Sales of aircraft and aircraft parts are tax exempt, provided such sales occur at a qualified aircraft maintenance facility. "Qualified aircraft maintenance facility" means a facility operated by an air common carrier at which there were employed at least 2,000 full-time equivalent employees in the preceding year as certified by the Oklahoma Employment Security Commission, and which is primarily related to the fabrication, repair, alteration, modification, refurbishing, maintenance, building or rebuilding of commercial aircraft or aircraft parts used in air common carriage. "Air common carrier" includes members of an affiliated group as defined

by Section 1504 of the Internal Revenue Code, 26 U.S.C. For more information and certification, contact the Oklahoma Tax Commission at (405) 521-3160 or visit www.tax.ok.gov.

AIRCRAFT REPAIRS AND MODIFICATIONS SALES TAX EXEMPTION

(68 O.S. § 1357 [28])

Beginning July 1, 2005, sales of aircraft engine repairs, modification, and replacement parts, sales of aircraft frame repairs and modification, aircraft interior modification, and paint, and sales of services employed in the repair, modification and replacement of parts of aircraft engines, aircraft frame and interior repair and modification, and paint are also exempt from sales tax.

AIRCRAFT MAINTENANCE OR MANUFACTURING FACILITY SALES TAX EXEMPTION

(68 O.S. § 1357 [17])

Oklahoma provides a sales tax exemption for sales of computers, data processing equipment, related peripherals and telephone, telegraph or telecommunications service and equipment for use in a qualified aircraft maintenance or manufacturing facility. A "qualified aircraft maintenance or manufacturing facility" means:

- A. A new or expanding facility primarily engaged in aircraft repair, building or rebuilding whether or not on a factory basis.
- B. A facility whose total cost of construction exceeds the sum of \$5,000,000 and which employs at least 250 new full-time- equivalent employees, as certified by the Oklahoma Employment Security Commission, upon completion of the facility.

In order to qualify for the exemption, the cost of the items purchased by the qualified aircraft maintenance or manufacturing facility shall equal or exceed the sum of \$2,000,000.00.

For more information about filing, the required affidavit and certification, contact the Oklahoma Tax Commission at (405) 521-3160 or visit www.tax.ok.gov.

EXCISE TAX ON AIRCRAFT SALES TAX EXEMPTION

(68 O.S. § 6001)

HB 2253-Effective May 10, 2018

Oklahoma House Bill 2253 HB 2253 modifies the aircraft excise tax exemption afforded aircraft purchased or used by commercial airlines, specifically charter aircraft (aircraft operating under Part 135 of Title 14 of the Code of Federal Regulations). In order to qualify for this exemption, the aircraft owner cannot operate under Part 91 of Title 14 of the C.F.R. for more than fifty percent (50%) of its annual operations. If the operations of such aircraft are not at least fifty percent (50%) Part 135 charter operations annually, the aircraft excise tax levied shall be due and payable.

An aircraft owner must provide a report to the Oklahoma Tax Commission on an annual basis detailing the operations of the aircraft and any supporting flight, maintenance or charter logbooks required by the Commission. For satisfying this requirement, such operations may not include those chartered by the aircraft owner as an individual or as a business entity in which the aircraft owner owns a majority interest.

For more information, contact the Oklahoma Tax Commission at (405) 521-3160 or visit www.tax.ok.gov or Oklahoma Aeronautics Commission at (405) 604-6900.

TELECOMMUNICATIONS SALES TAX EXEMPTION

(68 O.S. §§ 1354 and 1357 [18] [26])

Sales tax exemptions apply to Interstate 1-800, WATS, and interstate private-line business telecommunication services, and to cell phones sold to a vendor who transfers the equipment as part of an inducement to a consumer to contract for wireless telecommunications.

For more information and certification, contact the Oklahoma Tax Commission at (405) 521-3160 or visit www.tax.ok.gov.

SPACEPORT SALES TAX EXEMPTION

(68 O.S. § 1356) (32, 37)]

Sales of any tangible property to a spaceport user as determined by the Oklahoma Space Industry Development Authority are exempt from sales tax. Launch vehicles, satellites and such related attached or used property may also be purchased free from sales and use tax.

For more information and certification, contact the Oklahoma Tax Commission at (405) 521-3160 or visit www.tax.ok.gov.

SALES TAX REFUNDS

Oklahoma offers sales tax refunds for qualified companies. To qualify, a company must submit an Application/Intent to Qualify to the Oklahoma Tax Commission to establish an interest-bearing account. Upon receiving the application and documentation concerning the sales/use taxes to be paid by the applicant or their contractors, the Oklahoma Tax Commission will determine whether a company qualifies. If so, the Oklahoma Tax Commission will immediately set up an account to track sales taxes paid on sales as shown by the invoices submitted.

For purposes of the exemption at Section 1359 (7) of Title 68 for qualified manufacturers, interest is determined according to the amount earned as invested by the State Treasurer's Office. For the remaining refunds at Sections 1357(17) and 54003 of Title 68, interest accrues at the rate of a 3-month Treasury bill from the date invoiced items are approved.

Sales taxes paid on construction materials incorporated in certain new manufacturing facilities by the manufacturer or by a contractor or subcontractor on behalf of a qualified manufacturer are refundable.

Sales taxes paid for machinery and equipment by certain service businesses (computer services, R & D, and aircraft repair) are refundable. Invoices of each vendor that distinguish the state and local sales taxes paid must be submitted with claims.

Affidavits from vendors or contractors that the sales taxes were charged, paid, and have not been refunded by the vendor must be submitted with claims. Eligible applicants must file for a refund within 36 months of the date of purchase. The Oklahoma Tax Commission requires certification from the Oklahoma Employment Security Commission regarding the number of jobs.

NOTE: PARTICIPATION IN THE QUALITY JOBS PROGRAM OR OTHER INCENTIVE PAYMENT PROGRAMS PRECLUDES PARTICIPATION IN THESE REFUNDS.

COMPUTER SERVICES / DATA PROCESSING / TELECOMMUNICATIONS EQUIPMENT SALES TAX REFUND

(68 O.S. § 54003)

Oklahoma offers a sales tax refund on the purchase of computers, data processing equipment, related peripherals, telegraph or telecommunications services, and equipment.

- Applies to NAICS Nos. 51121, 336411, 541512, 518210 and 518111 (Computer services and data processing) and 541712, 541720, 541712 and 541380 (Research and Development).
- New or expanding businesses.
- Addition of 10 new full-time employees that have an average salary of \$35,000.
- These new employees must be employed for at least 36 months.
- 50% of annual gross revenues must result from sales to out-of-state buyers but may include the federal government.
- 75% of annual gross income results from computer services, data processing activities, or research and development activities.
- If the company is in NAICS No. 518210, it must also purchase \$100,000 worth of exempt items.

NOTE: THIS REFUND IS NOT AS FAVORABLE TO COMPUTER SERVICES AND DATA PROCESSING COMPANIES AS THE SALES TAX EXEMPTION FOUND AT 68 O.S. § 1357 (21).

For more information, contact the Oklahoma Tax Commission at (405) 521-3160 or visit www.tax.ok.gov.

CONSTRUCTION MATERIALS SALES TAX REFUND

(68 O.S. § 1359 [7])

Oklahoma refunds sales taxes paid on construction materials for certain new or expanding manufacturing facilities including:

- Facilities with construction costs exceeding \$5 million which create 100 new manufacturing jobs and are maintained for a minimum of 36 months. Construction costs include building and construction costs, and engineering and architectural fees, but not legal fees.
- Facilities with construction costs exceeding \$10 million, and with combined total costs of material, construction, and machinery exceeding \$50 million, which add 75 new employees who are retained for 36 months.
- Facilities with construction costs exceeding \$300,000,000 which maintain an employment level of at least 1,750 full time equivalent employees.
- Qualified new or expanding aircraft maintenance and overhaul facilities that create 250 or more jobs, with construction costs totaling at least \$5 million. [68 O.S. 1357(17)].

These construction exemptions are unique not only because they are refunds, but also because they allow contractors or subcontractors that have previously entered into a written contractual relationship with the manufacturer, or a qualified aircraft maintenance facility operator, to make refundable purchases on behalf of manufacturers. The manufacturer may use invoices made out in the contractors' names for proof when applying for sales tax refunds. Generally, refundable purchases do not include machinery and equipment. Warehousing/Distribution for manufacturers, structures, or land used for packaging, re-packaging, labeling, or assembly for distributing products that are at least 70% made in Oklahoma, but at an off-site, in-state manufacturing facility or facilities are also deemed manufacturing facilities for purposes of these sales tax refunds. This refund cannot be taken in conjunction with the Oklahoma Quality Jobs Program.

For more information, contact the Oklahoma Tax Commission at (405) 521-3160 or visit www.tax.ok.gov.

Oklahoma Business Incentives and Tax Guide

TRANSPORTATION AND DISTRIBUTION BENEFITS

INDUSTRIAL ACCESS ROADS

The Industrial Access Road Program is designed to provide assistance to local industrial development efforts by funding, within practical limitations, access facilities connecting a specific industry or industrial area directly to the state or local road system. Application is through local governing bodies that in turn contact the Oklahoma Department of Transportation.

For more information, contact Mitch Surrentt of the Oklahoma Department of Transportation at (405) 522-0290 or email at msurrentt@odot.org.

TRUCK REGISTRATION BENEFITS

(47 O.S. § 1101)

Oklahoma's economic and demographic advantages make it an optimum location for manufacturing, warehousing, and distribution facilities, particularly for transportation-sensitive industries. Oklahoma's participation in the International Registration Plan (IRP) and the International Fuel Tax Administration (IFTA). The IFTA program allows all states and participating Canadian provinces to collect fuel taxes on behalf of all participating jurisdictions, based on total distance operated in all jurisdictions, using quarterly reporting of mileage and fuel purchased in each jurisdiction. In addition, Oklahoma's participation provides uniformity in vehicle registration and motor fuel tax for interstate motor carriers who base-license their vehicles in Oklahoma. Specific provisions in the statutes complement the IRP and IFTA and provide additional benefits for the Oklahoma-based licensed carrier:

- Permanent Trailer Registration - The permanent registration plate remains with the trailer until there is a change in ownership. No annual renewal identification device is required.
- Freedom of movement – Starting in 2015 IRP new registrants will have all jurisdictions on their Oklahoma cab cards regardless of prior activity, enhancing the flexibility of their operations.
- Permanent Truck/Tractor Plates - A permanent tag is now available to a motor carrier registered under the International Registration Plan.
- Tractor Excise Tax - For truck or truck-tractor registered for a gross vehicle weight of 55,000 pounds or more, the excise tax is \$10.00. The same applies to any cargo-carrying trailer.
- Reciprocity Miles - The miles traveled in states that are not members of any pro-rata agreements are no longer used in computing the Oklahoma mileage percentage factor for proportional registration.
- Property Tax - Motor vehicles and cargo-carrying trailers are not subject to any personal property tax in Oklahoma.
- Temporary Registration Authority - Temporary registration authority for vehicles to be added to an established fleet of proportionally registered vehicles is valid for 45 days.
- Electronic Registration by Data Transfer – Oklahoma IRP registrants now have the ability to update their fleet electronically through our new web based IRP system. Registrants can simply upload a standardized file into the IRP system, saving time and money, eliminating errors, and providing unparalleled fleet registration services.
- Fast Forward - Oklahoma has established Fast Forward for the convenience of the motor carrier. Motor Vehicle staff provides immediate personalized assistance in providing registration and fuel permitting.

BENEFITS UNDER IFTA/IRP

- Web Based IRP Filing – Oklahoma now offers a web based IRP registration system. Applications may be filed online and supporting documentation can be electronically submitted along with the web based application.
- License and Identification - The motor fuel license and identification decal issued by Oklahoma are the only license and decal required to operate interstate vehicles in IFTA member states. The temporary fuel permit is valid for five days.
- Reporting - Only one quarterly report is filed for fuel tax liability on fuel consumption in the state for IFTA member states. Credit for over-purchase in any member IFTA state is accomplished in the one report filed with Oklahoma.
- IRP Deletion Credit – When a vehicle leaves a registrants fleet, Oklahoma offers a deletion credit of the unused fees that is applied toward the registration of a subsequent vehicle within that registration year.
- Auditing - Generally, Oklahoma will be the only state to audit the records of an Oklahoma license-based carrier for all other IFTA and IRP jurisdictions.
- Deregulation - The Corporation Commission no longer regulates rates, routes, and services of most motor carriers.
- Member - Oklahoma is a member, as are all other continental states, District of Columbia 10 Canadian Provinces, in the International Registration Plan (IRP)
- Member - International Fuel Tax Association, Inc. (IFTA). All states are members except Alaska and Hawaii along with 10 Canadian Provinces.

Interstate Highway 35 (I-35), bisecting the state in a north-south direction, is a NAFTA (North American Free Trade Agreement) Corridor.

For more information and updates, contact the Oklahoma Corporation Commission, Transportation Division, IFTA, at (405) 521-3036, or the IRP also at (405) 521-3036.

FOREIGN TRADE ZONES

Foreign Trade Zones provide a U.S. Customs duty management program and which are physically defined areas that are legally considered to be outside U.S. customs territory. Therefore, merchandise/components within Zones are exempt from U.S. Customs duty until removed from the Zone, and duty is then paid on that portion entering the U.S. market. In some cases, duties can be lowered through special Customs inverted tariff provisions, and in other cases can even be eliminated due to the incorporation of imported materials into a manufacturing process. Oversight responsibility for Zone operations is under the U.S. Customs Service of Homeland Security. Businesses engaged in international trade within these Zones benefit from special customs procedures when importing and when warehousing, manufacturing, or assembling with imported goods that remain in bond under Customs Control. Subzones and Usage-Driven Sites may be established for single purpose manufacturing/fabricating and distribution operations.

There are four Foreign Trade Zones in Oklahoma:

- [Port of Muskogee](#) (FTZ #164) on the McClellan Kerr Arkansas River Navigation System providing rail, barge, and truck transportation services from Oklahoma to ports throughout the world. The Port of Muskogee covers sites in the Port of Muskogee Industrial Park, the Port of Muskogee John T. Griffin Industrial Park and two sites in McAlester operated by Komar Distribution Services.
- [Tulsa Port of Catoosa](#) (FTZ #53), also on the McClellan Kerr Arkansas River Navigation System, providing rail, barge, and truck transportation services from Oklahoma to ports throughout the world; also covers four other sites: Stillwater Industrial Park, Bartlesville Industrial Park, Mid America Industrial Park at Pryor Creek, and Tulsa International Airport.

- [The Port Authority at Will Rogers World Airport of the Greater Oklahoma City Area](#) (FTZ #106), Oklahoma City. The Port Authority of Greater Oklahoma City is the governing Board for Oklahoma's largest Foreign-Trade Zone (FTZ #106) and has responsibility for a 90- minute/60- mile radius service area that covers 22 counties in central Oklahoma. Additions to the FTZ#106 Zone Project include two Usage-Driven Sites and one Magnet Site in the Oklahoma City area which include: VF Jeanswear; and Iron Horse Industrial Park (Citizen Potawatomie Nation), Shawnee, Oklahoma.
- [The International Business Park in Durant](#) (FTZ #227) is located in the 320-acre International Business Park in Durant. It serves several counties in southern and southeastern Oklahoma. The zone is located adjacent to US Hwy 69/75 and is one hour from the Dallas/Ft. Worth Metroplex, eight hours from Laredo, Texas, and five hours from San Antonio and Houston, Texas. Interstate Hwy 35, the primary trunk of the NAFTA Superhighway System, lies just 45 miles west of the zone. FTZ #227 also covers two other sites located in Ardmore: the Ardmore Industrial Park and the Westport Industrial Complex. The Ardmore Industrial Airpark comprised of approximately 2,790 acres and formerly the Ardmore Air Force Base, is located approximately 16 miles northeast of Ardmore. The Ardmore Industrial Airpark is zoned Heavy Industrial. The Westport Industrial Complex is comprised of 122 acres. There are two zoning classifications for the complex: Heavy Industrial and Light Industrial.

The Oklahoma City Zone currently operates under the Alternative Site Framework (ASF) designation and has sponsored several projects.

Benefits to businesses located in Foreign Trade Zones include the following:

- Ability to hold merchandise subject to quotas until the quota opens and/or the ability to bring such goods into the Foreign Trade Zone and subsequently re-export them;
- Increases flexibility with just-in-time delivery, quotas, and reduced customs delays;
- Improving cash flow;
- Defer, reduce and/or eliminate U.S. Customs duties;
- Distribution Savings;
- Elect preferential duty rates;
- Single weekly entry for all containers received, drastically reducing MPF costs;
- Duty elimination on:
 - Manufacturing in the U.S., utilizing imported materials, and selling domestically
 - Previously imported material, which is re-exported;
 - Rejected, scrapped, waste, or return-to-vendor imported material;
 - Sales of imported materials/components, or finished products containing imported components, to companies operating in other U.S. Foreign Trade Zones;
- Duty reduction by:
 - Utilizing pick-and-pack operations where the "set" has a lower duty rate than the individual pieces;
 - Duty-Deferral for distributors until imported merchandise is shipped from the Zone into U.S. Customs territory.

Activities permitted in a Foreign Trade Zone:

- Merchandise entering a Zone may be: Assembled; tested; sampled; relabeled; manufactured; repackaged; destroyed; mixed; manipulated; cleaned; stored; salvaged; and processed.
- Merchandise may be held in a Foreign Trade Zone indefinitely.

For more information on the Tulsa Port of Catoosa Zone (FTZ #53), contact David Yarbrough at (918) 266-2291 or email at david@tulsaport.com.

For more information on the Greater Oklahoma City Area Zone (FTZ #106), contact Matthew Weaver at (405) 623-5335 or email info@ForeignTradeZone106.org.

For more information on the Port of Muskogee Zone (FTZ #164), contact Scott Robinson at (918) 682-7886 or email scott@muskogeeport.com.

For more information on the International Business Park in Durant Zone (FTZ #227), contact Sherry Harlin at (580) 924-5094 or e-mail sharlin@reiook.org.

MAJOR FINANCE ASSISTANCE PROGRAMS

OKLAHOMA FINANCE AUTHORITY

(74 O.S. §§ 851 and 5062.1)

The Oklahoma Industrial Finance Authority (OIFA) provides permanent financing for real estate and equipment. OIFA has both tax-exempt and taxable financing available for most types of industries, including manufacturing, agricultural processing, and certain mining or recreational/tourism facilities.

Qualifying projects include construction of a new plant or existing plant expansion or replacement of all or part of the plant. The maximum funding is \$5,000,000 on fixed collateral assets for up to 15 years.

Loans are fixed rate or variable and below market for tax-exempt qualified projects.

The Oklahoma Development Finance Authority (ODFA) provides taxable and tax-exempt bond financing for projects throughout the state of Oklahoma including healthcare, education, and municipal and certain environmental, manufacturing and infrastructure projects. The ODFA also manages a credit enhancement program to lower borrowing costs for qualified projects.

For more information, contact the Oklahoma Finance Authorities at (405) 842-1145.

PUBLIC TRUST FINANCING: INDUSTRIAL REVENUE BONDS

(60 O.S. § 176, 74 O.S. § 851, and 61 O.S. § 651)

Oklahoma authorizes public trust financing for economic development purposes at the state, county, and city level. Trusts may enter into lease-leaseback, sale-leaseback, interest rate swaps, and other similar transactions.

The powers of the public trusts to issue bonds or other financing tools are set forth in the trust documents, and therefore need to be very carefully reviewed. It is also recommended that finance professionals review the trust indentures before any funds are expended or obligations are incurred.

It is possible for a public trust to access the programs administered by the Oklahoma Finance Authorities to fund bonds. Accessibility would be determined by available funding, the trust indenture of the local public trust, and the project to be funded. An allocation from the Private Activity Bond allocation pool through the State Bond Advisor's Office is necessary if a federal income tax exemption of interest earned is allowed on private activity bonds.

For more information, contact the Oklahoma State Bond Advisor at www.ok.gov/bondadvisor or (405) 602-3100.

GENERAL OBLIGATION LIMITED TAX BONDS (GOLTBS)

(Art. 10 § 35, Okla. Const.)

Many Oklahoma counties and cities have approved the issuance of General Obligation Limited Tax Bonds for industrial development projects. Generally, these "revenue bonds" are issued in association with a particular private activity project. Revenues generated by the project in the form of income are used to retire the bonds. If revenue generated by the project is inadequate to retire the bonds, then a levy will be placed on the property taxes of the jurisdiction in order to retire the bonds. The property tax levy is only used if project generated revenues are inadequate to meet interest and principal payments on the bonds. GOLTBS have been used since the early 1960s to finance a wide variety of economic development projects throughout the state. Information can be obtained from local and county Industrial Development Authorities, County Treasurers, Assessors, and/or the Attorney General's Office.

TAX INCREMENT FINANCING (TIF)

(62 O.S. § 850)

Cities and counties in Oklahoma may create tax increment districts to provide funding for economic development in distressed areas for up to 25 years. The tax increment is determined in accordance with the following: The base assessed value includes all real and personal property on the tax rolls and assessed as of January 1st of the year during which the district is designated.

Incremental tax dollars are those assessed in excess of the base on the first January 1st after the district has been declared, and continuously until the increment district ceases, less the amount attributable to change in assessment ratio for real and personal property in the county.

Proceeds from tax increment financing may be used in accordance with approved plans for project areas such as facilities, infrastructure, parks, sidewalks, and other public projects.

THE OKLAHOMA LOCAL DEVELOPMENT AND ENTERPRISE ZONE INCENTIVE LEVERAGE ACT

(62 O.S. § 840)

Provides funding for local units of government to match local tax revenue dedicated to support a project located in an enterprise zone, or in support of a major tourism destination project deemed likely to significantly benefit a contiguous or nearby enterprise zone tract. At a minimum, all projects must meet the following requirements:

- No more than ten percent (10%) of the net leasable space in any development within a project plan may be used for retail purposes
- Payment shall not be made for project costs in support of any gambling establishment;
- State local government payments cannot be used to supplant local revenue currently being expended within the increment district boundaries;
- Certification that all projects described within the related project plan will generate, in the aggregate, a minimum of either \$1,000,000 in payroll, exclusive of payroll for construction, or \$5,000,000 in investment;
- The application must include an estimate of incremental revenues likely to be derived from the project;
- The project must include the commitment of a local governmental entity; and
- The project must meet the time deadlines set forth in 62 O.S. § 842 (I);
- If the project is in support of a major tourism destination, the application must meet the requirements set forth at 62 O.S. § 842 (B) (3) and (B) (4).

SALES TAX FINANCING

(68 O. S. § 1370) (68 O.S. § 2701)

Oklahoma cities and counties are authorized, upon a vote of the people, to build facilities and provide other economic development benefits for businesses financed by sales tax collections. Some have pooled economic development funds from this method.

PRIVATE ACTIVITY BOND ALLOCATION

(62 O.S. § 695.23)

Private Activity Bonds that render interest payments that are federally tax-exempt, in accordance with the Internal Revenue Code, must receive an allocation from the State Bond Advisor's Office. Public Issuers in Oklahoma Business Incentives and Tax Guide

Oklahoma may issue Private Activity Bonds up to a federally established volume cap each year.

The state's private activity cap allocation is divided by statute into the following pools:

- Qualified Small Issue Pool
- Beginning Agricultural Producer Pool
- Exempt Facility Pool
- Student Loan Pool
- Local Issuer Single Family Pool
- State Issuer Pool
- Metropolitan Area Housing Pool
- Rural Area Housing Pool
- Oklahoma Housing Finance Agency Pool
- Economic Development Pool On September 2nd of each year, remaining balances in all pools are combined into the Consolidated Pool. Generally, allocations are on a first-come, first-served basis, with some size limitation. On December 20th of each year, the remaining balance in the Consolidated Pool is placed in the Carry-forward Pool and made available to eligible issuers.

For more information, contact the Deputy Treasurer for Debt Management at www.ok.gov/bondadvisor or (405) 521- 5404.

SMALL BUSINESS LINKED DEPOSIT PROGRAM

(62 O.S. § 88.1A)

The Small Business Linked Deposit Program provides low-interest certificates of deposit to financial institutions to provide lending capital to eligible small businesses and certified industrial parks which will directly create new jobs or save existing jobs.

When market conditions allow, successful applicants for Linked Deposit programs receive private loans through local financial institutions at a reduced interest rate. The certificates of deposit bear interest rates of up to three percent below the standard rate. In effect, these savings are "passed on" to the borrowers participating in the program.

Loans to businesses with less than 200 employees and gross annual sales of less than \$4 million are eligible for up to \$1 million. Industrial parks certified by the Oklahoma Department of Commerce are eligible for up to \$6 million. Loans are for a two-year term and may be renewed for three additional terms in accordance with the guidelines of the State Treasurer's office. The eligible lending institution shall give priority to the economic needs of the area where the business is located especially in Enterprise Zones and Priority Enterprise Zones as designated by the Oklahoma Department of Commerce.

For more information, contact Charles Hover with the Oklahoma State Treasurer's office at (405) 522- 9465 or at Charles Hover@treasurer.ok.gov.

SMALL BUSINESS LOAN GUARANTEES

(15 U.S.C. § 632)

The U.S. Small Business Administration offers loan guarantee programs to assist small businesses. Under the guaranty concept, commercial lenders make and administer the loans. The business applies to a lender for financing. The lender decides if they will make the loan internally or if the application has some weaknesses that, in their opinion, will require an SBA guaranty. The guaranty that SBA provides the lender gives them the assurance the Government will reimburse the loan, up to a percentage, in the event the borrower defaults.

For more information, contact the U.S. Small Business Administration at 1-800-U-ASK-SBA or visit www.sba.gov.

TECHNOLOGY FINANCE ASSISTANCE

TECHNOLOGY PARTNERSHIPS

(70 O.S. § 3206.3 and Art 10, §§ 14 and 15)

Extensive research in information security, laser technology, robotics, biotechnology, food production, materials modification, energy, medicine, meteorology, and aerospace at institutions within The Oklahoma State System of Higher Education helps Oklahoma businesses bring innovative products and services to the world marketplace. Constitutional changes and legislation enables a transfer of technologies more readily from universities to the private sector. Applied research on technologies developed by private business may be performed in partnership with research universities. Such institutions may enter into collaborative arrangements with industries that facilitate commercial development. Each university develops its own policies and processes for these activities.

For more information on Technology Partnerships, contact:

- Steven C. Price, Associate Vice President for Technology Development, Oklahoma State University – Technology Development Center at (405) 744-6930 or tdc@okstate.edu.
- Jim H. Bratton, Assistant Vice President for Economic Development and Executive Director, University of Oklahoma’s Office of Technology Development, at (405) 325-2916 or otd@ou.edu.
- Janet Haggerty, Vice Provost for Research and Dean of the Graduate School, The University of Tulsa at (918) 631-2304 or janet-haggerty@utulsa.edu.

i2E - INNOVATION TO ENTERPRISE

(74 O.S. § 5060.20 [a] [b])

i2E works with Oklahoma companies, inventors, researchers, and entrepreneurs to turn technological innovations into exceptional business opportunities for Oklahoma. The organization provides, directly or by referrals, statewide access to the specialized business development services that are required to take new technologies from concept to market. They also work closely with technology development, technology transfer, and economic development professionals in both the public and private sectors to expand the technology base in Oklahoma. i2E also manages the Love’s Entrepreneur’s Cup collegiate business plan competition, the Seed Step Angels Group, the Oklahoma Seed Capital Fund, the Accelerate Oklahoma Fund and the TBFP Concept Fund.

For more information, contact Scott Meacham at i2E at (405) 235-2305 or smeacham@i2e.org.

BASIC AND APPLIED RESEARCH AND TECHNOLOGY PROGRAMS

(74 O.S. § 5060.1)

The Oklahoma Center for the Advancement of Science and Technology (OCAST) supports basic and applied research and technology programs:

- The Oklahoma Health Research (Health) program: The Health program competitively awards research funding for one to three year research projects related to human health. Eligible applicants are Oklahoma universities and colleges, nonprofit research organizations and commercial enterprises. These awards enable researchers to gain expertise and produce data needed to obtain larger grants from other sources, including federal agencies and private funding organizations, and to develop patentable technologies. Researchers also benefit from OCAST’s annual health research conference, which focuses on ways to assist commercial development of new products and services resulting from Health Research projects. Additional information can be found at: <https://www.ok.gov/ocast/FUNDING OPPORTUNITIES/Pro-Health.html>.

- The Intern Partnership Program: Projects funded under this program must meet five requirements: (1) an Oklahoma institution of higher education or a business must be the fiscal agent; (2) OCAST funds must be equally matched from non-state appropriated funds; (3) the research must be performed in an applied research laboratory setting located at a firm, a nonprofit research institute or an institution of higher education; (4) the mentor must be from industry or be an academic with a documented success record of applied research and (5) an Oklahoma business must benefit. The award may be for one or two years. The external reviewers, a majority of whom reside out-of-state, have shown a preference for programs in which at least 75% of the funds (OCAST plus non-state match) go directly to the interns as salary and fringe benefits. The remaining funds are used for principal investigator salary and fringe benefits as well as for supplies to run the program. Additional information can be found at: <https://www.ok.gov/ocast/FUNDING OPPORTUNITIES/Pro-Intern.html>.
- The Oklahoma Applied Research Support (OARS) Program: OARS competitively awards funds for one to three year projects from any technology area based upon technical merit, potential for market success and commitment of resources. Funding for both proof-of-concept and accelerated projects is available through OARS. The program requires a minimum of one dollar matching support for each state dollar awarded. Eligible applicants are Oklahoma businesses and universities, colleges or nonprofit research organizations that have industrial partners. The program gives preference to projects involving collaboration between research institutions and private industry. Additional information can be found at: <https://www.ok.gov/ocast/FUNDING OPPORTUNITIES/Pro-OARS.html>.
- The Oklahoma Small Business Research Assistance Program (SBRA): Through the federal Small Business Innovation Research (SBIR) program, federal agencies provide seed support for product feasibility studies and prototype development that is lacking in the private investment community. The federal Small Business Technology Transfer (STTR) program accomplishes this purpose and forges research collaborations between small firms and universities or nonprofit research institutions. Both the SBIR and STTR programs encourage transfer of technology into federal agency programs and private sector applications. OCAST's program supports these goals by providing bridge funding between Phase I and Phase II federal SBIR and STTR grants. The program provides technical assistance through SBRA to improve the quality of proposals through proposal development workshops, proposal reviews, client referrals, collaboration building and partnership with i2E. The program offers companies guidance in accessing additional OCAST support and other resources as appropriate to their respective stage of development. Additional information can be found at: <https://www.ok.gov/ocast/FUNDING OPPORTUNITIES/Pro-SBRA.html>.

OCAST COMMERCIALIZATION PROGRAMS

- Through its Seed Capital Program, OCAST seeks to provide funding to innovative Oklahoma companies. Required co-investment with the private sector leverages the agency's investment. The Seed Capital fund includes a concept component intended to address the needs of companies requiring smaller seed capital investment for earlier-stage projects. Awards from the concept fund are convertible to the larger seed capital investment fund at a later date. Additional information can be found at: <http://i2e.org>.
- OCAST currently contracts with i2E, a private nonprofit organization, to operate the Oklahoma Technology Commercialization Center (OTCC) program which assists entrepreneurs, early-stage technology companies and firms seeking to commercialize new technologies. The program focuses on assessing needs, guiding clients through the commercialization process and linking them to a comprehensive network of technology sources (including Oklahoma universities) and commercialization services. The program also provides specialized business development services, access to early-stage risk financing and help in transferring technology. OTCC also provides business development and commercialization services specifically targeted to Oklahoma's SBIR and STTR companies delivered through the Small Business Research Assistance Program. Additional

information can be found at: <http://i2e.org>.

- The OCAST Technology Business Finance Program is designed to promote promising innovation and to support efforts to commercialize in Oklahoma by providing early stage financing to start-up companies, well established firms and manufacturers. The program requires a match and includes payback provisions. OCAST contracts with i2E Inc. to operate this program. Additional information can be found at: <http://i2e.org>.
- The Inventors Assistance Program assists the independent inventor in navigating the process from idea to marketplace. IAS helps inventors move toward the manufacturing, marketing and distribution of their products by providing assistance and information or referring inventors to appropriate service providers who will help them with specific steps in the invention process. The program provides inventors with a streamlined process to help move their innovation forward. Qualified inventors nearly ready for commercialization receive help with activities such as materials testing, market assessment, engineering resources and prototype development. Additional information can be found at: <https://npdc.okstate.edu>.
- The Oklahoma Alliance for Manufacturing Excellence Inc. is a private, nonprofit organization that manages the Oklahoma Manufacturing Alliance, which, with funding support from OCAST and other sources, provides leadership and assistance to Oklahoma's small- and medium-sized manufacturers to help them become more successful in their marketplace. Through a network of manufacturing extension agents and applications engineers, the Oklahoma Manufacturing Alliance delivers real, hands-on resources for improving productivity, increasing sales and reducing costs. Using federal, state, local and private funds, the Oklahoma Manufacturing Alliance contracts with local organizations to field regional manufacturing extension agents who deliver to Oklahoma manufacturers services in technology application, workforce training, financing, market assessment and business relations. Applications engineers, sponsored in part through Oklahoma State University, provide technical assistance to manufacturers in rural areas where resources are limited. These locally accessible applications engineers assist with mechanical designs, plant layouts and a variety of other technical issues.
- The Oklahoma Manufacturing Alliance services include an OCAST funded position to provide innovation engineering project management. This position works with manufacturers, research organizations, education and training programs and partner organizations to coordinate efforts to assist with the integration of all aspects of innovation into manufacturing operations. Additional information can be found at: <http://www.okalliance.com/>.

For questions, contact OCAST at (405) 319-8400 or visit www.ocast.ok.gov.

INVESTMENT PROGRAMS

OKLAHOMA CAPITAL INVESTMENT BOARD

(74 O.S. § 5085.1)

Created in 1993, the Oklahoma Capital Investment Board's (OCIB or Board) Venture Investment Program supports the funding of venture capital pools that meet the investment and strategic objectives of the Board. Through its venture capital program, OCIB facilitates investment in venture capital companies that focus on investing in quality Oklahoma companies. Through fiscal year 2016 the Board has worked with hundreds of venture funds in an effort to recruit them to Oklahoma. OCIB has invested \$67.7 million in 19 of these funds, which in turn have attracted approximately \$171 million of equity to 38 Oklahoma projects. These projects have provided, on average, 590 jobs per year and more than \$306 million in total payroll. Of these 19 funds, all have significant in-state presence and 8 have been headquartered in Oklahoma.

Although OCIB may in the future, it is currently not making new investments while it is waiting for its current portfolio to mature. For more information, contact the Oklahoma Capital Investment Board at (405) 848- 9456.

INFRASTRUCTURE FINANCE COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

The CDBG-EDIF program is utilized for public infrastructure necessary for a business to create jobs. An eligible applicant for the CDBG-EDIF program is defined as units of local government (incorporated towns, cities, and counties) that are not HUD participants in the CDBG Entitlement Program and are not units of local government participating in the CDBG Urban County Designation for Tulsa County. Eligible applicants can make an application on behalf of a company that is expanding and creating jobs with at least 51% of the jobs being made available to low and moderate income persons. The local government must have jurisdiction over the proposed public infrastructure improvements, i.e. water, sewer, streets, drainage, buildings, etc. The request must be clear and show a direct link between the proposed improvements and the creation of jobs. Projects financed through CDBG-EDIF must create one new job for each \$35,000 of investment by CDBG. The maximum grant amount is \$1,000,000. Additional evaluative criteria and threshold requirements are set out in the CDBG-EDIF Application Guidance found at www.okcommerce.gov or by calling Karen Adair at (405) 815-5363.

WORKFORCE ASSISTANCE

ADVANCED DEGREE PROGRAMS

Oklahoma's Higher Education system includes 25 colleges and universities. Associate, bachelor, and advanced degree programs are tailored on an ongoing basis to respond to business and industry needs. In addition, Oklahoma colleges and universities have established numerous alliances and partnerships with business and industry to ensure that Oklahoma graduates are prepared to compete in today's job market. New funds provide universities within Oklahoma's higher education system with opportunities to develop programs for workforce training for fast-changing, high paying job fields, to build expertise in targeted knowledge-based industries and to transfer research to the marketplace.

For more information, contact Tony Hutchison, Workforce & Economic Development and Strategic Planning & Analysis, Oklahoma State Regents for Higher Education, at (405) 225-9100.

JOB MATCHING AND JOB SEARCH ASSISTANCE

The Oklahoma Employment Security Commission (OESC) has a vast amount of experience working with and supporting the business community. Whether assisting with the recruitment and attraction of new employers or sustaining existing employers, OESC is a vital partner of business. OESC workforce staff assists employers in matching their job posting requirements against the skills and qualifications of the job seeker. An example of our commitment to the business community is our nationally recognized talent recruitment model that assist new or expanding businesses in meeting their workforce needs.

Talent Acquisition Services (TAS) is a menu of customized recruitment tools and services tailored to meet the unique needs of each business recruitment and expansion project. Our highly trained staff works diligently to connect individuals with employment opportunities through customized services that allow every job seeker to know their skills, improve their skills and obtain the best job possible with those skills.

Through strategically placed workforce centers across the state, or virtually through OKJobMatch.com, customers are able to access a wide array of workforce services designed to specifically help them. OESC offers many employer services including: job fairs and on-site recruitment events, interview training and assessments, employer councils, tax credits, federal bonding, labor law posters, EZ Tax Portal access, labor market information, etc.

OESC has always stood at the forefront of cultivating emerging industries, supporting existing businesses, and developing and enhancing the skills of the Oklahoma workforce. The challenge of facing the demands of the labor market and economic uncertainties requires foresight and planning to provide a skilled workforce for today and the future. As we look toward the future, OESC is dedicated to leading a market-driven workforce system to meet those demands and help all Oklahomans achieve economic prosperity.

For more information about our many programs and services, please explore our website oesc.ok.gov, call (888) 980-WORK, or log onto OklahomaWorks.gov. In addition, you can log onto OKJobMatch.com to access specific Oklahoma talent.

WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

Oklahoma is devoted to ensuring businesses have ready access to the highly skilled talent needed to remain competitive and grow jobs, and our communities have a quality and responsive workforce development system. The Oklahoma Office of Workforce Development administers WIOA Adult, Dislocated and Youth programs through the U.S. Department of Labor, to aid in our ability to continuously improve the alignment of state and local workforce needs with education and economic development in order to create solutions for businesses.

Oklahoma continues to find success in its job driven approach to talent development and wealth creation through the promotion of Career Pathways created to meet specific industry demands for skills, in the ability to upskill current employees for future growth, to re-train job seekers who have been previously laid off, and in On the Job Training (OJT) and other work-based learning activities, including registered apprenticeships, internships, and job shadowing. Local workforce centers across the state also provide business services to assist in finding and developing talent, coordinating local partners to support business needs, and assisting with meeting space and technology, among other services.

For more information about WIOA funded training activities, Oklahoma's Local Workforce Development Boards, or Oklahoma Works One-Stop Centers, contact the Oklahoma Office of Workforce Development at oklaworks@okcommerce.gov or visit OklahomaWorks.gov.

GOVERNOR'S COUNCIL FOR WORKFORCE AND ECONOMIC DEVELOPMENT

The Governor's Council for Workforce and Economic Development is a private/public partnership that brings together leaders from business, government, education, and non-profit sectors to jointly develop ways to coordinate workforce development with economic development and strengthen the talent pipeline for businesses in Oklahoma.

The Governor's Council plays a key role in the coordination of strategic priorities and plans across education, training, and economic development agencies. It works to develop creative solutions that expand and improve Oklahoma's workforce, promote a stronger economy, and make the state more competitive globally. The Governor's statewide infrastructure, known as [Oklahoma Works](http://OklahomaWorks.gov), helps to ensure Oklahoma's education and workforce systems are responsive to the needs of business and industry.

For more information, contact the Oklahoma Office of Workforce Development at oklaworks@okcommerce.gov or visit OklahomaWorks.gov.

WORKERS' COMPENSATION INSURANCE

Workers' compensation is an insurance system that pays benefits to workers injured on the job to cover medical care, part of lost wages and permanent disability. In return, employers may receive immunity from civil lawsuits by employees over such workplace injuries.

Workers' compensation reform (SB1062) was enacted during the 2013 legislative session to address the increasing workers' compensation costs on employees and small businesses. SB1062 moved the workers' compensation system from a judicially based system to an administrative system. It streamlined the claims process, giving employers more flexibility and options in addressing claims for on-the-job injuries.

The Oklahoma Workers' Compensation Commission is the agency responsible for adjudicating cases of injured workers. Oklahoma workers and employers who wish to dispute a workers compensation claim can file a case with the Oklahoma Workers' Compensation Commission.

Oklahoma's workers' compensation system was reformed in 2013, by the Administrative Workers' Compensation Act (Act). The Act created the Workers' Compensation Commission (WCC) which became fully operational effective February 1, 2014. The WCC provides a forum for workers' compensation hearings and appeals, ensures compliance with relevant statutes by employers, and regulates organizations who wish to self-fund their workers' compensation obligations. Additional information regarding the Workers' Compensation Commission can be found at www.wcc.ok.gov and the Oklahoma Insurance Department's website at www.oid.ok.gov.

EMPLOYEE TRAINING OPPORTUNITIES

TRAINING FOR INDUSTRY PROGRAM (TIP)

The American dream is alive and well in Oklahoma, as companies secure their future with a talented, skilled and productive workforce. Whether a new or an expanding company in Oklahoma, the nationally acclaimed Training for Industry Program (TIP) can help, a company create the trained workforce it needs in order to be productive from the start. Best of all – it is low, or in some cases, at no cost to the company.

In existence since 1968, TIP has served thousands of companies. From manufacturing to warehouse and distribution centers, business services to aviation, biotech to food processing, CareerTech has the experience and expertise to build a skilled workforce totally customized and extremely flexible. TIP is delivered through Oklahoma's CareerTech System with 29 state-of-the-art technology centers in 59 locations across the state. The application process is very simple, has no cost and is quick to complete, especially with the free assistance of the state CareerTech staff and the local technology center

Beyond start-up, CareerTech's technology centers provide ongoing, customized training for existing employees at significant cost savings. Each year thousands of Oklahoma companies keep their employees on the leading edge by taking advantage of programs like Customized Business and Industry Training, Management and Organization Development, Career Development for Adults, and the award- winning Safety Training.

Whether using TIP or any of the programs for existing industry, there is expertise in a wide variety of disciplines, including:

- Software skills training
- Inventory management
- Customer service
- Safety training
- Industrial maintenance
- SPC
- ISO certification and maintenance
- Lean
- Six Sigma
- Team building
- Front-line supervisor skills
- Blueprint reading

CUSTOMIZED INDUSTRY TRAINING PROGRAM

CareerTech's [Customized Industry Training Program](#) is an economic development tool that helps Oklahoma companies remain at the cutting edge by helping to defray the cost for training needed for their existing workforce.

This program is designed specifically to train the employees of one or a specific group of businesses or industries. Training must be job-related and the local technology center must have material participation in the delivery of training.

Companies work with their local CareerTech to determine if they are qualified for Customized Industry Training funds to be leveraged in order to support their training goals. Training is, traditionally, company-focused and operates on a fast-track schedule.

INDUSTRIAL SAFETY TRAINING PROGRAM

Safety training is intended to help organizations plan and implement safety processes and procedures and ongoing training to assure safe work environments for Oklahomans. This is done by providing quality preventative safety training.

To be eligible for consideration for reimbursement, the safety training must be conducted by a technology center instructor (full-time, adjunct, contract). Company employees as instructors do not qualify for reimbursement. Online safety courses or safety courses conducted solely by video are not eligible for reimbursement.

For more information, contact Patrick Clanin with the Oklahoma Department of Career and Technical Education (CareerTech) at (405) 747-6114 or patrick.clanin@careertech.ok.gov.

Additional information can also be obtained online at <http://www.okcareertech.org/> or by calling CareerTech direct at (405) 377-2000.

BUSINESS FILING FEES

DOMESTIC CORPORATIONS

(18 O.S. § 1001)

Corporations organized in Oklahoma must file a Certificate of Incorporation with the Secretary of State. A filing fee of one-tenth of 1% per total authorized capital stock is required. The minimum filing fee is \$50.00. The filing fee for a not-for-profit Oklahoma corporation is \$25.00.

Corporations may check on the availability of a name by contacting the Secretary of State's office. A name may be reserved for a period of 60 days by filing an application for Reservation of Name with the Secretary of State and paying a fee of \$10.00.

Corporations must maintain a registered office and registered agent whose address is identical to the registered office address. The registered agent may be an individual, the domestic corporation itself, a domestic or qualified foreign corporation, limited liability company, or limited partnership on record with Secretary of State and in good standing.

FOREIGN CORPORATIONS

(18 O.S. §§ 1130, 1131, 1135)

Generally, in order to qualify to do business in Oklahoma, a foreign corporation must file a signed Certificate of Qualification with the Secretary of State. Also, a certificate issued by an authorized office of the jurisdiction of its incorporation evidencing its corporate existence (dated within the past 60 days) must be filed with the Secretary of State. If the certificate is in a foreign language, a translation must be attached.

A filing fee of \$1 per \$1,000 on the total authorized capital or on the amount of capital to be invested in Oklahoma during the current fiscal year is required for profit corporations. If the invested capital is more than the total authorized capital, corporations pay only on that authorized. The minimum filing fee is \$300.00. The filing fee for a not-for-profit corporation is \$300.00.

Oklahoma law requires the Secretary of State to be the primary registered agent for foreign corporations. An additional agent may be appointed for service of process. The additional agent must be an individual residing in Oklahoma when appointed, or a corporation, limited liability company, or limited partnership authorized to transact business in this state and in good standing.

A registered agent fee in the amount of \$100 per year is payable upon qualification and July 1st of each subsequent year. The registered agent fee MUST be made payable and MAILED to the Oklahoma Tax Commission, 2501 N. Lincoln Blvd., Oklahoma City, OK 73194 (18 O.S., Section 1142).

DOMESTIC LIMITED LIABILITY COMPANIES (LLCS)

(18 O.S. §§ 2000)

A limited liability company may be formed under this act for the purpose of carrying on any lawful business, purpose of activity, whether or not for profit, except that a limited liability company may not conduct business as a domestic insurer. One or more persons may form an LLC by filing Articles of Organization with the Secretary of State. A filing fee of \$100 is required. LLCs must maintain a principal office wherever located, and a registered agent with a registered office with an Oklahoma street address.

LLCs are required to file an Annual Certificate each year. A \$25 fee shall be paid on the LLC's anniversary date each year.

FOREIGN LIMITED LIABILITY COMPANIES

(18 O.S. §§ 2043, 2045, 2048)

Foreign LLCs may register with the Secretary of State by filing an application for registration and paying a filing fee of \$300. The application for registration must be accompanied by a certificate from the certifying officer of the jurisdiction of the foreign limited liability company's organization attesting to the foreign limited liability company's organization under the laws of such jurisdiction (dated within the past 60 days).

For a domestic or foreign limited liability company for which the Secretary of State acts as the registered agent, a \$40 fee shall be paid on the first day of July each year.

LLCs are required to file an Annual Certificate each year. A \$25 fee shall be paid on the LLC's anniversary date each year.

DOMESTIC LIMITED PARTNERSHIPS (LPS)

(54 O.S. §§ 500-101A)

A limited partnership may be formed under this act for any lawful purpose. A filing fee of \$100 is required. LPs must maintain a designated office and agent for service of process.

LPs (foreign and domestic) are required to file an Annual Certificate each year. A \$50 fee shall be paid on the LP's anniversary date each year.

FOREIGN LIMITED PARTNERSHIPS

(54 O.S. §§ 500-901A)

Foreign LPs may register with the Secretary of State by filing a Certificate of Authority and paying a filing fee of \$300. The certificate must be accompanied by a certificate from the certifying officer of the jurisdiction of the foreign limited partnership's organization attesting to the foreign limited partnership's organization under the laws of such jurisdiction (dated within the past 60 days).

For a foreign limited partnership for which the Secretary of State acts as the registered agent, a \$100 fee shall be paid on the first day of July each year.

LIMITED LIABILITY PARTNERSHIPS (LLPS)

(54 O.S. §§ 1-1001)

Oklahoma has provisions for Partnerships and for Limited Liability Partnerships by filing a Statement of Qualification with the Secretary of State. Filing fees vary but do not exceed \$100.

For more information or to file these documents electronically, please refer to the Business Services section of Oklahoma Secretary of State Website at www.sos.ok.gov or call (405) 522 2520.

BUSINESS LICENSES

(74 O.S. § 5058.4)

The Oklahoma Department of Commerce assists businesses in identifying state licenses, permits, and registrations needed for establishing or engaging in business in Oklahoma. Information and assistance can be found at <https://www.okcommerce.gov/startup/>. The services are optional as any person may deal directly with the issuing agency.

OVERVIEW OF OKLAHOMA TAX SYSTEM

The Oklahoma tax system is composed of a range of taxes that are administered and collected by various state and local agencies. Each tax has a different base and rate. The following outlines the most significant taxes.

Tax	Base or Measure	Rate	Administering Agency
Franchise Tax	Franchise tax levied on all corporations that do business in the state of Oklahoma	\$1.25 for each \$1,000 of capital invested or used in Oklahoma. Foreign corporations are additionally assessed \$100 per year	Oklahoma Tax Commission
Unemployment Insurance Tax (2016)	\$17,500 Wage Base	New Employer: 1.5% Experienced Employer: 0.1 - 5.5%	Oklahoma Employment Security Commission
Workers' Compensation Tax	Gross direct premiums Normal Premiums Actual Paid Losses	2.77%	Oklahoma Workers Compensation Commission
Corporate Income Tax¹	Net Income	6.0%	Oklahoma Tax Commission
Individual Income Tax	Over \$7,350 (Single or married filing separately) Over \$14,700 (Married filing jointly)	5.0%	Oklahoma Tax Commission
State Sales & Use Tax	Sales: Gross Receipts Use: Sale Price	4.5%	Oklahoma Tax Commission
Local Sales & Use Tax	Oklahoma County/ Oklahoma City	0.0%/3.875%	Oklahoma Tax Commission
Local Property Tax	Effective Rate	1% State Average: 0.1% to 1.41% (Real Property) 0.1% to 1.74% (Personal Property)	Oklahoma Local County Assessors

¹ Effective Tax Year 2016, due dates for Oklahoma corporate and partnership income tax returns are 30 days after the due dates for these types of returns under the Internal Revenue Code.

FRANCHISE TAX

Oklahoma levies an annual franchise tax on all corporations that do business in the State. Corporations are taxed \$1.25 for each \$1,000 of capital invested or used in Oklahoma. Foreign corporations are additionally assessed \$100 per year, payable to the Oklahoma Tax Commission, for the Secretary of State acting as their registered agent. The franchise tax return, unless an election is made to file in conjunction with the filing of the Oklahoma income tax, is due July 1, and is considered delinquent September 1. Corporations have the option to file and pay franchise tax annually at the same time as the Oklahoma corporate income tax filing.

Corporations that remit the maximum amount of \$20,000 of franchise tax in the preceding tax year; their tax is due and payable on May 1 of each year, and delinquent if not paid on or before June 1.

INDIVIDUAL INCOME TAX

The top marginal individual income tax rate is 5.00%.

CORPORATE INCOME TAX

Rate: The portion of corporate income earned in Oklahoma and therefore subject to the 6% tax is based on a three-factor formula.

- 1) Corporate Sales Factor Total sales attributed to Oklahoma divided by sales everywhere.
- 2) Property Factor Taxpayer's average value of property (real and tangible personal property) owned or rented and used in Oklahoma divided by the average value of property (real and tangible personal property) used everywhere during the tax period. Property is valued at its original cost. Rented property is valued at eight times the net annual rate.
- 3) Payroll Factor Compensation for services rendered (less officer's compensation) in Oklahoma divided by compensation for services rendered (less officer's compensation) everywhere.
 - Double emphasis is placed on the sales factor for capital intensive firms of \$200 million investment in a single project (must be completed within 3 years).
 - Oklahoma wishes to tax only the income attributable to the Oklahoma operation. If the apportionment of business income of the enterprise by the Three Factor formula does not give a fair reflection of the taxpayers' activity in the state, with the Oklahoma Tax Commission approval, alternate methods may be used.
 - Net operating losses may be carried forward 15 years and may be carried back two years for most companies.
 - Corporate Income Tax returns are due by March 15 after the end of the taxable year.
 - Oklahoma recognizes an automatic extension granted by the Internal Revenue Service. A copy of that extension request should be attached to the Oklahoma return. A taxpayer may request original or additional extension on form 504. A corporation may request an extension of up to one month in excess of the federal extension.
 - Generally, tax estimate payments are due quarterly or as specified on vouchers: April 15h, June 15, September 15, and January 15; however, if the tax return is filed and payment made by January 31, the January 15 payment does not have to be made.
 - Taxpayers with Oklahoma taxable income of at least \$1 million in one of three preceding years may annualize estimates as is allowed in the Internal Revenue Code on federal taxable income.

Withholding reports from businesses are due semi-weekly, monthly, or quarterly. Every employer owing an average of \$10,000 or more per month shall make deposits semi-weekly in accordance with federal schedules. Employers owing less than \$10,000 but less more than \$500 must pay monthly; less than \$500 pays quarterly.

GENERAL PROPERTY (AD VALOREM) TAX

(68 O.S. § 2801 et seq.)

Prior to the passage of SQ 766 only the intangible personal property specified in Section 6A of Article 10 of the Oklahoma Constitution e.g., cash, receivables, bonds, stocks, and annuities were exempt from ad valorem taxation. In November 2012, Oklahoma voters approved a ballot measure exempting all intangible personal property from property taxes beginning with tax years after 2012 including:

- patents, inventions, formulas, designs, and trade secrets;
- licenses, franchise, and contracts;
- land leases, mineral interests, and insurance policies;
- custom computer software; and
- trademarks, trade names and brand names.

Property tax rates in Oklahoma are among the lowest in the United States. The tax is collected by county governments. There is no state property tax. The average effective tax rate for locally assessed property is about 1% of the value of the property. The average effective tax rate is determined by the amount of tax divided by the market value. Property taxes are stable in Oklahoma. In 1996, Oklahoma limited the amount of taxable fair cash value that can be increased from year to year to 5%. Transfers or improvements, however, are assessed at market value the following January 1.

About two-thirds of the property tax is used for the support of local schools, with lesser portions going to county government, cities, career technical schools, junior colleges, health departments, libraries, and emergency medical service districts. Inventories are valued according to the average amount on hand during the preceding year, or the average amount on hand during such part of the preceding year the inventory was at its January 1 location. The assessment procedure involves:

- A determination of location and the fair cash value.
- The application of a uniform assessment percentage to determine the assessed value.
- The application of the total mill levy by all eligible local taxing units, applicable to all property at its location to determine the amount of tax.

Example:

- \$100,000 Property Value X 11% Assessment = \$11,000 Assessed
- \$11,000 Assessed Value X 0.08 Millage Rate (\$0.08 x \$11,000) = \$880 Tax Due

The Constitution of the state of Oklahoma requires uniform methods of determining fair cash value and requires the County Assessor to apply the same percentage of assessment to all like property in the county to determine assessed values. All real and personal property in the state is required to be valued annually.

The percentage of assessment, which applies to all real property in the county, must be at least 11% and not more than 13.5%. An in-lieu tax on aircraft, new vehicles, automobiles, trucks, manufactured homes, travel trailers, motor homes, boats and boat motors exempts dealers' inventories and certain farm equipment from the personal property tax (3 O.S. § 254 & 68 O.S. §§ 5301 & 5401).

Property taxes are due and payable on November 1. If one-half of the tax is paid on or before January 1, the remaining one half may be paid any time until April 1 without accruing interest. Mortgagees paying taxes on behalf of mortgagors must pay the entire tax no later than December 31 unless one-half of the taxes so levied have been paid before the first day of January, the entire tax levy for such fiscal year shall become delinquent on that date. The first half of the taxes levied upon an ad valorem basis for any such fiscal year have been paid before the first day of January, the second half shall be paid before the first day of April thereafter and if not paid, shall become delinquent on that date. (Ref: 68 O.S. §2913).

Taxable personal property, including business inventory, must be listed with the County Assessor on or before March 15 of each year. Exemption applications from real, personal and inventory property tax must be filed by this date.

UNEMPLOYMENT COMPENSATION TAX

(40 O.S. §§ 1-101 to 9-104)

Oklahoma statutes set out the methods for figuring amounts of contributions to be paid to the Unemployment Compensation Fund by employers.

All employers shall have an assigned tax rate of 1.5% until sufficient experience history exists in the employer's account to meet the At-Risk Rule set out in 40 O.S. § 3-111.1(3). If the account meets the At-Risk Rule, the employer will qualify for an earned rate. The earned rate is based on the employer's experience by calculating a benefit wage ratio and two statewide factors known as the state experience factor and the conditional factor.

Generally, each employer with two or more years of experience is assigned an earned rate. The earned rate is based on the employer's experience by calculating a benefit wage ratio and two statewide factors known as the state experience factor and the conditional factor.

The benefit wage ratio is a ratio of the benefit wage charges made against an employer account divided by the employer's taxable payroll for the preceding three years on which taxes have been paid by July 31 of the calendar year immediately preceding the year for which the contribution rate is being calculated. The state experience factor is the ratio of the total unemployment benefits paid in Oklahoma to the total benefit wages of all employers in the state for the preceding calendar year. The conditional factor is the ratio of the five-year average of total unemployment benefits paid in Oklahoma to the Trust Fund balance for the state.

There are tables found at 40 O.S. § 3-109 that list a range of state experience factors next to a range of possible employer's benefit wage ratios. Once the benefit wage ratio, the state experience factor, and the conditional factor are calculated, an employer's earned rate can be determined by consulting the table at the end of the Oklahoma Employment Security Act. If the fund is in conditions A, B, C, or D, the corresponding increase in rates can be found in 40 O.S. § 3-113.

The taxable wage base is determined as a percentage of the state's average annual wage. This figure changes annually and represents the amount of wages that are to be taxed per employee. For 2019, the taxable wage base is \$18,100. Each employer is to report all wages on its quarterly report through the EZ Tax Express Online Filing System for employers, but taxes are paid at the assigned rate only up to the amount of the taxable wage base on each employee.

Effective November 1, 2016, a successor or acquiring employer is one that meets the conditions of 40 O.S. § 3-111.1 for mandatory transfers and regulations of the OESC. To become a successor there must be common ownership, management or control between the two entities. If this occurs, the successor shall acquire the rating account of the predecessor employer, including the predecessor's actual contribution and benefit experience, annual payrolls, and contribution rate.

For more information and changes, contact the rate department at the [Oklahoma Employment Security Commission](#) at (405) 557-7222.

WORKERS' COMPENSATION ASSESSMENT

(85A O.S. §122)

Each mutual or inter-insurance association, stock company, CompSource Oklahoma (CompSource Mutual) or other insurance carrier writing workers' compensation insurance in this state is required to pay an assessment to the Oklahoma Tax Commission according to a formula established by law based on a percentage of premiums written. The assessment is for providing funds for the Workers' Compensation Fund, which was established to fund the activities of the Workers' Compensation Commission in administering the Administrative Workers' Compensation Act. The Oklahoma Workers' Compensation Commission is the agency responsible for handling claims of injured workers. Oklahoma workers whose claims are in dispute with their employer file a claim with the commission in order to get the case resolved in a timely manner. The new administrative system took effect February 1, 2014. This system will be beneficial to both workers and employers. It will be faster, which allows workers to return to work sooner and it will lower premiums on workers compensation insurance for employers thereby creating new jobs in Oklahoma's economy.

SB 1062 was enacted during the 2013 legislative session. The legislation:

- Reduces legal costs, medical costs, and excessive payouts to workers that have driven up costs for Oklahoma businesses and encouraged fraud
- Reduces the costs for businesses by changing Oklahoma's current system from a court-based system to an administrative system allowing for more timely processing of claims and reducing the adversarial nature of the process for both workers and employers
- Reducing cost for business and frees up private-sector resources that can be invested in jobs rather than lawsuits
- Reforms ensure injured workers are treated fairly and given the medical care needed to return to work.

There may be a time delay in the new administrative systems for savings to be realized by business, as the cases in the current court-based system are resolved.

Workers' compensation and tort reforms were enacted during the 2011 legislative session to spur economic development and increase competition, including within the insurance industry. Policy discounts are available to firms participating in the Workers' Compensation Premium Reduction (WCPR) program at the Oklahoma Department of Labor. Discounts may also be available to certain employers that use the services of certified workplace medical plans. Additional information can be found on the Department of Labor's website at: [OSHA Safety Pays Workers Compensation Premium Reduction Program](#).

RETAIL SALES AND USE TAX

(68 O.S. §§ 1350 and 1401)

Base Sales Tax: Gross proceeds or gross receipts from sales of tangible personal property and a few enumerated services to consumers or users.

Use Tax: Purchase price of tangible personal property purchased outside the state of Oklahoma for use and/or consumption within the state by the purchaser.

Rate: A 4.5% sales tax and use tax is levied by the state. Municipalities may levy an additional city sales tax by vote of the people. Counties may levy a county sales tax not to exceed 2% after voter approval.

The governing body of a municipality or county levying a sales tax may also levy use tax at a rate that does not exceed the sales tax rate on tangible personal property purchased that is brought into the municipality or county.

For vendors with an average tax due of \$2,500 per month, sales tax reports are due the 20th day of the month for sales during the first half of the month. For sales occurring during the second half of the month, sales tax reports are due on the 20th of the month following the sales – reports are delinquent if not received on that date. Except for vendors of certain building materials, vendors who reported an average of \$2,500 per month in the prior fiscal year must participate in the Oklahoma Tax Commission's electronic funds transfer and electronic data interchange program. If good faith payments are made, as described in section 365 of Title 68, a taxpayer is considered to be in compliance. Direct pay permits may be obtained by those making purchases in excess of \$800,000 annually. Oklahoma has signed the Streamlined Sales and Use Tax Administration Agreement.

BUSINESS INCENTIVE ANALYSIS EXAMPLES

Example A- Small Manufacturer (NAICS 332) \$30 million investment 200 jobs – Salary \$38K/year

Note: Below amounts provided as an estimate, actual incentives allowed based on location and type of investment.

		Annual Estimate	
Regular Quality Jobs (a Ten Year program)	In 5% Area	\$361,000	\$3,610,000
	NOT in 5% Area	\$248,722	\$2,487,224
Investment Tax Credit (a Five Year program)		\$285,000	\$1,425,000
2 Five-Year Property Tax Exemption (a Five Year program)		\$293,240	\$1,466,199
3 Freeport (Inventory) Tax Exemption (Annual)		\$68,585	\$685,850
4 Sales/Use Tax Exemption on Machinery and Equipment	One-time	\$1,255,853	\$1,255,853
5 Sales/Use Tax Exemption on Energy Use in Mfg. Process (Annual)		\$62,199	\$621,989
Estimated Total Value of Incentives Over 10 Years		First Year Estimate	Full Incentive
With 1a, Quality Jobs Cash Incentive	In 5% area	\$2,040,876	\$7,639,891
-OR-			
With 1b, Investment Tax Credit Package		\$1,964,876	\$5,454,891

Example B- Data Center (NAICS 518210) \$100 million investment 60 jobs – Salary \$85K/year

Note: Below amounts provided as an estimate, actual incentives allowed based on location and type of investment.

		Annual Estimate	Full Incentive
1a QUALITY JOBS OPTION			
Regular Quality Jobs (a Ten Year program)	In or Out of 5% Area	\$242,250	\$2,422,500
2 Five-Year Property Tax Exemption (a Five Year program)		\$1,190,927	\$5,810,761
3 Sales/Use Tax Exemption on Machinery and Equipment	One-time	\$4,045,575	\$4,045,575
Estimated Total Value of Incentives Over 10 Years		First Year Estimate	Full Incentive
With 1a, Quality Jobs Cash Incentive		\$5,478,752	\$12,422,709

Example C- Large Manufacturer (NAICS 332) \$60 million investment 600 jobs – Salary \$41K/year

Note: Below amounts provided as an estimate, actual incentives allowed based on location and type of investment.

Regular Quality Jobs (a Ten Year program)	In 5% Area	\$1,168,500	\$11,685,000
	NOT in 5% Area	\$899,461	\$8,994,610
Investment Tax Credit (a Five Year program)		\$1,140,000	\$5,700,000
2 Five-Year Property Tax Exemption (a Five Year program)		\$586,480	\$2,932,398
3 Freeport (Inventory) Tax Exemption (Annual)		\$205,755	\$2,057,549
4 Sales/Use Tax Exemption on Machinery and Equipment	One-time	\$2,511,705	\$2,511,705
5 Sales/Use Tax Exemption on Energy Use in Mfg. Process (Annual)		\$186,597	\$1,865,968
With 1a, Quality Jobs Cash Incentive	In 5% Area	\$4,659,036	\$21,052,620
With 1b, Investment Tax Credit Package		\$4,630,536	\$15,067,620

Example D- 21st Century Headquarters (NAICS 55114) \$2.5 million investment 75 jobs – Salary \$101,675/year

Note: Below amounts provided as an estimate, actual incentives allowed based on location and type of investment.

	Annual Estimate	Full Incentive
1a QUALITY JOBS OPTION		
21st Century Quality Jobs (a Ten Year program)	\$724,434	

Example E- Shared Services/Back Office/Financial Services (NAICS 5611) 300 jobs – Salary \$45K/year

Note: Below amounts provided as an estimate, actual incentives allowed based on location and type of investment.

		Annual Estimate	Full Incentive
1a QUALITY JOBS OPTION			
Regular Quality Jobs (a Ten Year program)			
Estimated Total Value of Incentives Over 10 Years	(in 5% area)	\$641,250	\$6,412,500
Estimated Total Value of Incentives Over 10 Years	(NOT in 5% area)	\$536,029	\$5,360,291

Example F- Manufacturing Expansion (NAICS 332) \$10 million investment 100 jobs – Salary \$45K/year

Note: Below amounts provided as an estimate, actual incentives allowed based on location and type of investment.

		Annual Estimate	Full Incentive
Regular Quality Jobs (a Ten Year program)	In 5% Area	\$213,750	\$2,137,500
	NOT in 5% Area	\$178,676	\$1,786,764
Investment Tax Credit (a Five Year program)		\$95,000	\$475,000
2 Five-Year Property Tax Exemption (a Five Year program)		\$97,747	\$488,733
3 Freeport (Inventory) Tax Exemption (Annual)		\$34,292	\$342,925
4 Sales/Use Tax Exemption on Machinery and Equipment	One-time	\$418,618	\$418,618
5 Sales/Use Tax Exemption on Energy Use in Mfg. Process (Annual)		\$31,099	\$310,995
Estimated Total Value of Incentives Over 10 Years		First Year Estimate	Full Incentive
With 1a, Quality Jobs Cash Incentive	In 5% Area	\$795,506	\$3,698,770
With 1b, Investment Tax Credit Package		\$676,756	\$2,036,270

ENTERPRISE ZONES

(62 O.S. § 690.1)

Enterprise Zones can be designated in disadvantaged counties, cities or portions of cities. The Oklahoma Department of Commerce designates enterprise zones and publishes lists of eligible counties, cities and census tracts.

Businesses located in an Enterprise Zone are eligible to receive double the [Investment/New Jobs Tax Credit](#). Additionally, companies obtaining ad valorem exemptions from local taxing entities could be exempted for up to six years, rather than five. Refer to [62 O.S. § 860](#) for eligibility requirements.

New in 2019, the Oklahoma activated <https://www.okcommerce.gov/doing-business/business-relocation-expansion/incentives/federal-opportunity-zones/> to match Federal Opportunity Zones. Investors who take advantage of Oklahoma’s Federal Opportunity Zones within PEZs can potentially layer other state and/or local incentives, including:

- **Investment Tax Credit** – Allows a corporate income tax credit for new investment or job creation. PEZ would double the income tax credit and allow the period of time for the designation is lengthened, which provides certainty to the businesses for a multi-year planning purpose
- **Enterprise Zone Incentive Leverage Act** – Allows local areas to capture state sales tax if the local areas have a match. PEZ would allow participation in leverage incentive, if it is extended

- **Tax Increment Financing (TIF)** – Local incentive authorized in state statute utilized for redevelopment and reinvestment of blighted areas. PEZ designations are evidence as distressed areas and would be allowed to be incorporated in a Local Development Plan as a TIF District

For questions regarding Priority Enterprise Zones or Federal Opportunity Zones, visit <https://www.okcommerce.gov/doing-business/business-relocation-expansion/incentives/federal-opportunity-zones/>

An online searchable address map for all enterprise zones can also be found in the Business Incentives Map at <https://www.okcommerce.gov/doing-business/data-reports/maps-geographic-data/>

If you have questions regarding Enterprise Zones, contact Lesli Crofford at Lesli.Crofford@commerce.ok.gov or (405) 815-5120.

DISCLAIMER

The materials contained in this document have been prepared by the Oklahoma Department of Commerce for informational purposes only and do not constitute legal or tax advice. This information is subject to change based on judicial interpretation and legislative action and is not to be construed as any offer of any of the incentives discussed herein. The application of the information is subject to your unique facts and circumstances. YOU SHOULD NOT ACT UPON ANY INFORMATION CONTAINED IN THESE MATERIALS WITHOUT SEEKING YOUR OWN PROFESSIONAL LEGAL AND TAX ADVICE.

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