

**Bill Summary**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 426</b>
<b>Version:</b>	<b>INT</b>
<b>Request No.:</b>	<b>891</b>
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<b>Date:</b>	<b>01/18/2019</b>

**Bill Analysis**

SB 426 adds a wage component to manufacturing investment tax credit. A manufacturing company claiming the full credit must show that the average annualized wage of its employees equals or exceeds 300% of the average county wage for the county in which the applicant is located as determined by the United States Department of Commerce, up to \$94,000.00 in any county. The cap will be modified from time to time based on an examination of the Consumer Price Index. The measure also modifies period for the credit. If the property is placed in service or employees are hired on or after the effective date of this measure, the credit will only be allowed in that tax year.

SB 426 changes the calculation of the credit as it relates to hiring new employees as well. After the effective date, the any new employee's wages claimed against the credit must meet or exceed 110% of the county's average wage with health care premiums paid by the employer included in the wage or 100% of the county's average wage without health care premiums being included in the wage, up to \$25,000.00. The cap will be modified from time to time based on an examination of the Consumer Price Index. These calculations are only used for claiming employees in the first year.

The amount of the credit is doubled to 4% of the cost of the qualified property or \$2000.00 for each new employee. Unused credits may be carried forward for five years. The annual cap of \$25 million is deleted by the measure. The Oklahoma Tax Commission is directed by the measure to collect data on the credit.

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