

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 HOUSE BILL 2720

By: Blancett

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6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2011, Section 3903, as last amended by Section
9 1, Chapter 128, O.S.L. 2014 (68 O.S. Supp. 2020,
10 Section 3903), which relates to the Oklahoma Small
Employer Quality Jobs Incentive Act; modifying
definition; providing an effective date; and
declaring an emergency.

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

14 SECTION 1. AMENDATORY 68 O.S. 2011, Section 3903, as
15 last amended by Section 1, Chapter 128, O.S.L. 2014 (68 O.S. Supp.
16 2020, Section 3903), is amended to read as follows:

17 Section 3903. As used in the Small Employer Quality Jobs
18 Incentive Act:

19 1. "Basic industry" means a basic industry as defined under the
20 Oklahoma Quality Jobs Program Act in divisions (1) through (9) of
21 subparagraph a of paragraph 1 of subsection A of Section 3603 of
22 this title, excluding those activities described in division (10) of
23 subparagraph a of paragraph 1 of subsection A of Section 3603 of
24 this title. For purposes of this act, "basic industry" means an

1 establishment described by Industry No. 512110 of the North American
2 Industry Classification System (NAICS), latest revision. Provided,
3 for the purposes of the Small Employer Quality Jobs Incentive Act,
4 the determination required by subdivision (b) of division (7) or
5 division (8) of subparagraph a of paragraph 1 of subsection A of
6 Section 3603 of this title shall be made by the Oklahoma Department
7 of Commerce and not the Incentive Approval Committee;

8 2. "Establishment" means any business, no matter what legal
9 form, including, but not limited to, a sole proprietorship,
10 partnership, corporation, or limited liability corporation;

11 3. "Estimated direct state benefits" means the tax revenues
12 projected by the Oklahoma Department of Commerce to accrue to the
13 state as a result of new direct jobs;

14 4. "Estimated direct state costs" means the costs projected by
15 the Department to accrue to the state as a result of new direct
16 jobs. Such costs shall include, but not be limited to:

- 17 a. the costs of education of new state resident children,
- 18 b. the costs of public health, public safety and
19 transportation services to be provided to new state
20 residents,
- 21 c. the costs of other state services to be provided to
22 new state residents, and
- 23 d. the costs of other state services;

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1 5. "Estimated net direct state benefits" means the estimated
2 direct state benefits less the estimated direct state costs;

3 6. "Full-time employment" means employment of persons residing
4 in this state and working for thirty (30) hours per week or more in
5 this state, which has a minimum six-month duration during any
6 twelve-month period;

7 7. "Gross taxable payroll" means wages, as defined in Section
8 2385.1 of this title, for new direct jobs;

9 8. "Net benefit rate" means the estimated net direct state
10 benefits computed as a percentage of gross payroll; provided:

11 a. the net benefit rate may be variable and shall not
12 exceed five percent (5%), and

13 b. in no event shall incentive payments, cumulatively,
14 exceed the estimated net direct state benefits; and

15 9. "New direct job" means full-time employment which did not
16 exist in this state prior to the date of approval, by the Oklahoma
17 Department of Commerce, of an application made pursuant to the Small
18 Employer Quality Jobs Incentive Act. A job shall be deemed to exist
19 in this state prior to approval of an application if the activities
20 and functions for which the particular job exists have been ongoing
21 at any time within six (6) months prior to such approval.

22 SECTION 2. This act shall become effective July 1, 2021.

23 SECTION 3. It being immediately necessary for the preservation
24 of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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