

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 4455</b>
<b>Version:</b>	<b>FULLPCS1</b>
<b>Request Number:</b>	<b>11397</b>
<b>Author:</b>	<b>Chairman Wallace</b>
<b>Date:</b>	<b>4/18/2022</b>
<b>Impact:</b>	<b>Creates Rebate Program</b>

**Provides 3.4 Percent Rebate  
on Qualifying Expenditures**

**Provides Procedures for Qualification**

**Potential Rebates Payable  
(Based on Stated Minimum Capital Expenditures):  
\$698,020,000**

**Net Benefits Resulting from  
Employment, Investment  
and Economic Activity**

**Research Analysis**

Pending

Prepared By: House Research Staff

**Fiscal Analysis**

The measure, the Large-scale Economic Activity and Development ("LEAD") Act, creates an investment rebate program for the cost of qualified capital expenditures which create no less than stated new direct jobs:

Year 1: 500  
Year 2: 1,000  
Year 3: 2,500  
Year 4: 4,000  
Year 5: 4,000

The measure also establishes a procedure for application and documentation by the Department of Commerce ("Department") which will require qualified capital expenditures of not less than \$3,606,000,000 and an additional \$500,000,000 in qualified capital expenditure for an entity when a separate establishment has been approved by the Department. As part of the qualification process an entity is to be qualified for participation in the Oklahoma Quality Jobs Incentive Act program.

No participation in the current investment tax credit (68 O.S., Section 2357.4) for capital expenditure under \$4,500,000,000.

The payment calculation includes a rebate for 3.40 percent of the cost of qualified expenditure in the year of expenditure, which may be claimed for five successive years. Based on minimum capital expenditures set forth, the value of available rebates for qualifying entities could approach \$698,020,000 over the period of capital investment. Eligibility must be maintained throughout the expenditure period. Subsidiary investment is allowed as determining the base for calculation.

The Department has undertaken modeling to estimate the benefits to state revenue and the economy resulting from the increased employment, investment and economic activity.

Prepared By: Mark Tygret

### **Other Considerations**

The administration of the rebate program by the Department includes a pre-qualification of large-scale projects, but prohibits pre-qualification should such action result in rebates that exceed the LEAD Fund balance.