

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB3959</b>
<b>Version:</b>	<b>SAHB</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Rep. Echols</b>
<b>Date:</b>	<b>5/6/2024</b>
<b>Impact:</b>	<b>\$0.00</b>

**Research Analysis**

The senate amendments to HB3959 names the bill the Oklahoma Five Major Sports League Rebate Program Act. The senate amendments also defines *sports-league jobs* and makes the rebate payment contingent on the actual gross payroll of sport-league jobs employed by the team rather than the actual gross payroll of new direct jobs employed by the team. The term *sports-league jobs* will not include compensation paid to an employee or independent contractor for an athletic contest conducted in the state if the compensation is paid by an entity that does not have a business nexus to the state.

As amended, HB3959 expands the Oklahoma Quality Jobs Program to allow professional sports teams from the NFL, NBA, NHL, MLB, or MLS to receive quarterly rebate payments for up to five percent of the actual gross payment of sport-league jobs employed by the team for the duration of the team's existence in Oklahoma. Qualifying businesses must submit an application to the Oklahoma Department of Commerce and have at least \$10 million in new payrolls within one year. Rebates payments are capped at \$10 million per year per team and will be clawed back if the team does not stay in Oklahoma for more than three years. The Oklahoma Tax Commission is authorized to set aside income tax revenue to pay for the incentive payments, which will be placed in the newly created Oklahoma Five Major Sports League Rebate Payment Fund.

Prepared By: Quyen Do

**Fiscal Analysis**

Senate amendments do not change this fiscal impact of this measure; no fiscal impact to the state.

## **OKLAHOMA TAX COMMISSION**

### **REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT SECOND REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE**

**DATE OF IMPACT STATEMENT:** May 3, 2024

**BILL NUMBER:** HB 3959 **STATUS AND DATE OF BILL:** Engrossed SA to  
Engrossed HB 4/26/24

**AUTHORS:** House: Echols & May Senate: Treat

**TAX TYPE(S):** Quality Jobs **SUBJECT:** Incentive

**PROPOSAL:** New Law

HB 3959 proposes to enact the Oklahoma Five Major Sports Leagues Rebate Program Act (Act). This measure creates a rebate similar to the Oklahoma Quality Jobs Program Act.<sup>1</sup> The amount of the quarterly rebate payments is equal to the net benefit rate<sup>2</sup> determined by Oklahoma Department of Commerce (Commerce) multiplied by the actual gross payroll of new sports league jobs as verified by the Oklahoma Employment Security Commission. The maximum annual rebate may not exceed \$10 million in a year. Unlike the incentive payments under the current Oklahoma Quality Jobs Program Act<sup>3</sup> there is no end date for this rebate.

**EFFECTIVE DATE:** November 1, 2024

**REVENUE IMPACT:** No changes in revenue are anticipated due to the revenue neutral features of both the *Oklahoma Quality Jobs Program Act* and this proposal.

**FY 25: None**

**FY 26: None**

According to the Oklahoma Department of Commerce, this measure does not create a fiscal impact for the Department.

The Oklahoma Tax Commission states the program is revenue neutral because of the features of both this measure and the Oklahoma Quality Jobs Program Act. The Oklahoma Tax Commission is not currently asking for administrative fees to manage the program.

Given the above, there is no fiscal impact to the state.

Prepared By: Mariah Searock, House Fiscal Staff

### **Other Considerations**

None.