

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	SB1177
Version:	CS
Request Number:	2053
Author:	Rep. Wallace
Date:	5/9/2023
Impact:	See Analysis Below

Research Analysis

The committee substitute for SB1177 creates the Perform Act, which provides rebates payments to a business for 10 percent of its qualified capital expenditures from April 1, 2023 through July 1, 2032. To qualify, the business must submit an application to the Oklahoma Department of Commerce and have at least \$1 billion in planned expenditures and meet certain new jobs thresholds. The payments and jobs requirement schedule is outlined as follows:

Payment No.	New Direct Jobs Required	Max Rebate = 10% of Expenditures
1	100	Up to \$36 million
2	500 cumulative	Up to \$36 million
3	800 cumulative	Up to \$36 million
4	800 cumulative	Up to \$36 million
5	1400 cumulative	Up to \$36 million

The investment rebate program will be administered by ODOC and the Oklahoma Tax Commission. ODOC is required to submit an annual report to the Legislature and director of the Legislative Office of Fiscal Transparency.

Prepared By: Quyen Do

Fiscal Analysis

This measure creates the Perform Act, which establish new direct job requirements and qualified capital expenditure requirements before a tax rebate may be claimed by a qualifying company. The first claim may be up to ten percent (10%) of the cumulative qualified capital expenditure, but no more than Thirty-six Million Dollars (\$36,000,000.00).

For the second through fifth claims, there is the same requirement of up to ten percent (10%) of the cumulative qualified capital expenditure, but no more than Thirty-six Million Dollars (\$36,000,000.00), but a company may also receive any remaining difference in the claim paid out and the \$36,000,000.00 from the previous claim. For example if in the first claim, the claimed amount is only Twenty Million Dollars (\$20,000,000.00), then for the second claim the company may submit a claim for the \$36,000,000.00 allowed in the second claim, plus any of the remaining Sixteen Million Dollars (\$16,000,000.00) from the first claim.

In total there are 5 rebate payments that may be paid, for a total of One Hundred Eighty Million Dollars (\$180,000,000.00). To receive the full amount allowable by the measure, then a company would need to make One Billion Eight Hundred Million Dollars (\$1,800,000,000.00) in qualified

capital expenditures. The measure requires that the company invest at least One Billion Dollars (\$1,000,000,000.00) in qualified expenditure capital.

Therefore, the impact from this measure will vary depending on the rebate payment paid out each year to a qualifying company, but will be no more than \$180,000,000.00 in total before the sunset in 2032.

Prepared By: Mariah Searock, House Fiscal Staff

Other Considerations

None.

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