

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SENATE BILL 287

By: Pugh

AS INTRODUCED

An Act relating to income tax; amending 68 O.S. 2021, Sections 2357.302, 2357.303, and 2357.304, as amended by Section 2, Chapter 313, O.S.L. 2024 (68 O.S. Supp. 2024, Section 2357.304), which relate to income tax credit for qualified employers and employees in the aerospace sector; modifying tax years for which credit may be claimed; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, Section 2357.302, is amended to read as follows:

Section 2357.302. A. Except as provided in subsection F of this section, for ~~taxable years beginning after December 31, 2008, and ending before January 1, 2026~~ tax years 2009 through 2031, a qualified employer shall be allowed a credit against the tax imposed pursuant to Section 2355 of this title for tuition reimbursed to a qualified employee.

B. The credit authorized by subsection A of this section may be claimed only if the qualified employee has been awarded an

1 undergraduate or graduate degree within one (1) year of commencing  
2 employment with the qualified employer.

3 C. The credit authorized by subsection A of this section shall  
4 be in the amount of fifty percent (50%) of the tuition reimbursed to  
5 a qualified employee for the first through fourth years of  
6 employment. In no event shall this credit exceed fifty percent  
7 (50%) of the average annual amount paid by a qualified employee for  
8 enrollment and instruction in a qualified program at a public  
9 institution in Oklahoma.

10 D. The credit authorized by subsection A of this section shall  
11 not be used to reduce the tax liability of the qualified employer to  
12 less than zero (0).

13 E. No credit authorized by this section shall be claimed after  
14 the fourth year of employment.

15 F. No credit otherwise authorized by the provisions of this  
16 section may be claimed for any event, transaction, investment,  
17 expenditure or other act occurring on or after July 1, 2010, for  
18 which the credit would otherwise be allowable. The provisions of  
19 this subsection shall cease to be operative on July 1, 2011.  
20 Beginning July 1, 2011, the credit authorized by this section may be  
21 claimed for any event, transaction, investment, expenditure or other  
22 act occurring on or after July 1, 2011, according to the provisions  
23 of this section.

1 SECTION 2. AMENDATORY 68 O.S. 2021, Section 2357.303, is

2 amended to read as follows:

3 Section 2357.303. A. Except as provided in subsection F of  
4 this section, for ~~taxable years beginning after December 31, 2008,~~  
5 ~~and ending before January 1, 2026~~ tax years 2009 through 2031, a  
6 qualified employer shall be allowed a credit against the tax imposed  
7 pursuant to Section 2355 of this title for compensation paid to a  
8 qualified employee.

9 B. The credit authorized by subsection A of this section shall  
10 be in the amount of:

11 1. Ten percent (10%) of the compensation paid for the first  
12 through fifth years of employment in the aerospace sector if the  
13 qualified employee graduated from an institution located in this  
14 state; or

15 2. Five percent (5%) of the compensation paid for the first  
16 through fifth years of employment in the aerospace sector if the  
17 qualified employee graduated from an institution located outside  
18 this state.

19 C. The credit authorized by this section shall not exceed  
20 Twelve Thousand Five Hundred Dollars (\$12,500.00) for each qualified  
21 employee annually.

22 D. The credit authorized by this section shall not be used to  
23 reduce the tax liability of the qualified employer to less than zero  
24 (0).

1 E. No credit authorized pursuant to this section shall be  
2 claimed after the fifth year of employment.

3 F. No credit otherwise authorized by the provisions of this  
4 section may be claimed for any event, transaction, investment,  
5 expenditure or other act occurring on or after July 1, 2010, for  
6 which the credit would otherwise be allowable. The provisions of  
7 this subsection shall cease to be operative on July 1, 2011.

8 Beginning July 1, 2011, the credit authorized by this section may be  
9 claimed for any event, transaction, investment, expenditure or other  
10 act occurring on or after July 1, 2011, according to the provisions  
11 of this section.

12 SECTION 3. AMENDATORY 68 O.S. 2021, Section 2357.304, as  
13 amended by Section 2, Chapter 313, O.S.L. 2024 (68 O.S. Supp. 2024,  
14 Section 2357.304), is amended to read as follows:

15 Section 2357.304. A. Except as provided in subsection D of  
16 this section, for ~~taxable years beginning after December 31, 2008,~~  
17 ~~and ending before January 1, 2026~~ tax years 2009 through 2031, a  
18 qualified employee shall be allowed a credit against the tax imposed  
19 pursuant to Section 2355 of this title of up to Five Thousand  
20 Dollars (\$5,000.00) per tax year for a period of time not to exceed  
21 five (5) years during the lifetime of the qualified employee. This  
22 credit may be claimed in nonconsecutive tax years.

23 B. The credit authorized by this section shall not be used to  
24 reduce the tax liability of the taxpayer to less than zero (0).

1 C. Any credit claimed, but not used, may be carried over, in  
2 order, to each of the five (5) subsequent taxable years.

3 D. No credit otherwise authorized by the provisions of this  
4 section may be claimed for any event, transaction, investment,  
5 expenditure or other act occurring on or after July 1, 2010, for  
6 which the credit would otherwise be allowable. The provisions of  
7 this subsection shall cease to be operative on July 1, 2011.  
8 Beginning July 1, 2011, the credit authorized by this section may be  
9 claimed for any event, transaction, investment, expenditure or other  
10 act occurring on or after July 1, 2011, according to the provisions  
11 of this section.

12 SECTION 4. This act shall become effective November 1, 2025.

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