

**OKLAHOMA STATE SENATE  
JOINT  
COMMITTEE REPORT**

May 12, 2020

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

SB 1075

By: Thompson of the Senate and Wallace of the House

Title: Revenue and taxation; modifying required documents. Emergency.

Recommendation: **DO PASS AS AMENDED**

Aye: Bice, Brooks, Daniels, Dossett, Dugger, Floyd, Hall, Ikley-Freeman, Jech, Matthews, Montgomery, Pemberton, Pugh, Rosino, Scott, Shaw, Simpson, Stanislawski, Rader, Thompson

Nay:

Constitutional Privilege:

Senator Roger Thompson, Chair

Committee Substitute, motion by Senator JECH - Adopted (Request No: 4133)

OKLAHOMA HOUSE OF REPRESENTATIVES  
COMMITTEE REPORT

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET COMMITTEE

SB1075

By: Wallace et al of the House

Thompson et al of the Senate

Title: Revenue and taxation; modifying required documents. Emergency.

Coauthored By:

Recommendation: **DO PASS AS AMENDED BY CS**

Amendments:

1. Committee Substitute Attached

  
Chr.  
Representative Kevin Wallace

YEAS: 28

Baker, Bennett, Echols, Fetgatter, Ford, Hilbert, Kannady, Lepak, Martinez, McBride, McEntire, Meredith, Munson, Newton, Nichols, O'Donnell, Ortega, Osburn, Pfeiffer, Roberts (D), Sanders, Taylor, Virgin, Walke, Wallace, West (J), West (K), Worthen

NAYS: 0

CONSTITUTIONAL PRIVILEGE: 0

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 1075

By: Thompson and Rader of the  
Senate

6 and

7 Wallace and Hilbert of the  
8 House

9  
10 COMMITTEE SUBSTITUTE

11 An Act relating to the Oklahoma Quality Jobs Program  
12 Act; amending 68 O.S. 2011, Section 3606, as last  
13 amended by Section 3, Chapter 378, O.S.L. 2013 (68  
14 O.S. Supp. 2019, Section 3606), which relates to  
15 incentive payments; providing exception to certain  
16 requirement related to payroll; providing for  
17 quarterly incentive payments to specified  
18 establishments during certain time period and  
19 exempting such establishments from certain  
20 limitations; and declaring an emergency.

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

22 SECTION 1. AMENDATORY 68 O.S. 2011, Section 3606, as  
23 last amended by Section 3, Chapter 378, O.S.L. 2013 (68 O.S. Supp.  
24 2019, Section 3606), is amended to read as follows:

Section 3606. A. As soon as practicable after the end of the  
first complete calendar quarter following the start date, the  
establishment shall file a claim for the payment with the Oklahoma

1 Tax Commission and shall specify the actual number and gross payroll  
2 of new direct jobs for the establishment for the calendar quarter.  
3 The Tax Commission shall verify the actual gross payroll for new  
4 direct jobs for the establishment for such calendar quarter. If the  
5 Tax Commission is not able to provide such verification utilizing  
6 all available resources, the Tax Commission may request such  
7 additional information from the establishment as may be necessary or  
8 may request the establishment to revise its claim. An establishment  
9 may file for an extension of the initial filing date with the  
10 Oklahoma Department of Commerce. Any such extension shall be based  
11 solely upon an extraordinary adverse business circumstance which  
12 prevented the establishment from hiring the new direct jobs as  
13 projected. If an establishment fails to file claims as required by  
14 this section, it shall forfeit the right to receive any incentive  
15 payments after three (3) years from the start date. If an  
16 establishment has filed at least one claim pursuant to this section  
17 but fails to file another claim within two (2) years of the most  
18 recent claim, the Tax Commission, after consulting with the  
19 Department of Commerce, may dismiss the establishment from the  
20 program, forfeiting the establishment's right to receive incentive  
21 payments based on that contract.

22 B. ~~1.~~ 1. Except as otherwise provided in paragraph 2 of this  
23 subsection, if the actual verified gross payroll for four (4)  
24 consecutive calendar quarters does not equal or exceed the

1 applicable total required by Section 3604 of this title within three  
2 (3) years of the start date, or does not equal or exceed the  
3 applicable total required by Section 3604 of this title at any other  
4 time during the ten-year period after the start date or during the  
5 fifteen-year period after the start date for establishments defined  
6 or classified in the NAICS Manual under U.S. Industry No. 711211  
7 (2007 version), the incentive payments shall not be made and shall  
8 not be resumed until such time as the actual verified gross payroll  
9 equals or exceeds the amounts specified in Section 3604 of this  
10 title. If an establishment fails to achieve the required gross  
11 payroll within three (3) years of the start date, the establishment  
12 shall not make a new or renewal application for incentive payments  
13 authorized pursuant to the Oklahoma Quality Jobs Program Act for a  
14 period of twelve (12) months from the last day of the last month of  
15 the three-year period during which the required gross payroll amount  
16 was not achieved.

17 2. Any establishment which does not meet the quarterly payroll  
18 requirements provided pursuant to paragraph 1 of this subsection  
19 during the time period which begins on April 1, 2020, and ends on  
20 June 30, 2021, shall continue to receive incentive payments and  
21 shall be exempt from the prescribed limitations.

22 C. If the average annualized wage required for an establishment  
23 does not equal or exceed the amount specified in paragraph 1 or 2 of  
24 subsection F of Section 3604 of this title during any calendar

1 quarter, the incentive payments shall not be made and shall not be  
2 resumed until such time as such requirements are met.

3 D. In no event shall incentive payments, cumulatively, exceed  
4 the estimated net direct state benefits, except for establishments  
5 subject to the provisions of subparagraph d of paragraph 7 of  
6 subsection A of Section 3603 of this title.

7 E. An establishment that has qualified pursuant to Section 3604  
8 of this title may receive payments only in accordance with the  
9 provisions of the law under which it initially applied and was  
10 approved. If an establishment that is receiving incentive payments  
11 expands, it may apply for additional incentive payments based on the  
12 gross payroll anticipated from the expansion only, pursuant to  
13 Section 3604 of this title. Provided, an establishment which has  
14 suffered an extraordinary adverse business circumstance, as  
15 certified by the Incentive Approval Committee, may be allowed to  
16 voluntarily withdraw from the Oklahoma Quality Jobs Program, repay  
17 to the Tax Commission the total amount of incentive payments  
18 received pursuant to the provisions of this section, plus interest  
19 at the rate specified in Section 727.1 of Title 12 of the Oklahoma  
20 Statutes, and reapply to the Department for a new incentive contract  
21 if the establishment qualifies pursuant to the provisions of the  
22 Oklahoma Quality Jobs Program Act. Any funds received by the Tax  
23 Commission pursuant to the provisions of this subsection shall be  
24 apportioned in the manner that income tax revenues are apportioned.

1 F. An establishment that is receiving incentive payments may  
2 not apply for additional incentive payments for any new projects  
3 until twelve (12) quarters after receipt of the first incentive  
4 payment, or until the establishment's actual verified gross payroll  
5 for new direct jobs equals or exceeds Two Million Five Hundred  
6 Thousand Dollars (\$2,500,000.00) during any four consecutive-  
7 calendar-quarter period, whichever comes first. After meeting the  
8 requirements of this subsection, an establishment may apply for  
9 additional incentive payments based upon the gross payroll  
10 anticipated from an expansion only.

11 G. As soon as practicable after verification of the actual  
12 gross payroll as required by this section and except as otherwise  
13 provided by subsection K of Section 3604 of this title, the Tax  
14 Commission shall issue a warrant to the establishment in the amount  
15 of the net benefit rate multiplied by the actual gross payroll as  
16 determined pursuant to subsection A of this section for the calendar  
17 quarter.

18 SECTION 2. It being immediately necessary for the preservation  
19 of the public peace, health or safety, an emergency is hereby  
20 declared to exist, by reason whereof this act shall take effect and  
21 be in full force from and after its passage and approval.

22  
23 57-2-4133 JCR 5/12/2020 5:50:22 PM  
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