

**Incentive Evaluation Commission
Special Meeting Minutes
Dec. 7, 2017
Oklahoma State Capitol
Rm. 419-C, 1:00 p.m.
Oklahoma City, Oklahoma**

A meeting notice was filed with the Secretary of State and an agenda posted in accordance with the Open Meeting Act.

MEMBERS PRESENT: Jim Denton, CPA, Auditor of Private Firm
Carlos Johnson, Certified Public Accountant
Dr. Cynthia Rogers, Economist
Lyle Roggow, President of the OK Professional Economic
Development Council
Commissioner Burrage, Ex Officio; Non-voting (Tax Commission)
Secretary Snodgrass, Ex Officio; Non-voting (Dept. of Commerce)

MEMBERS ABSENT: Ron Brown, Layperson
Denise Northrup, Ex Officio; Non-voting (OMES)

STAFF/GUESTS: Beverly Hicks, OMES Recording Secretary
Mary Ann Roberts, OK Tax Commission
John Gilbert, OMES
Randall Bauer, PFM
Shelley Zumwalt, Gov/OMES
Nicole Boyles, OEDC
Jonna Kirschner, CNI
Jim Dunlap, Lobbyist
Scott Minton, OnCue
Shawn Ashley, ECapitol

1. Call to order and establish a quorum. [Lyle Roggow, chairman]

Chairman Lyle Roggow called the meeting to order at 1:02 p.m. A roll call was taken and a quorum established. The Chair was advised that notice of the meeting was given and an agenda posted in accordance with the Open Meeting Act.

2. Approval of minutes from the Nov. 17, 2017, Commission meeting. [Lyle Roggow]

Dr. Rogers made an addendum to agenda item 4 of the minutes pertaining to the Capital Gains Deduction.

Mr. Denton moved to approve the November minutes with the addendum. Dr. Rogers seconded the motion; the motion passed and the following votes recorded:

Mr. Denton, aye; Mr. Johnson, aye; Dr. Rogers, aye; Mr. Roggow, aye.

3. Discussion and possible action on issuance of the final report containing the results of each incentive evaluated in 2017. [Lyle Roggow]

Dr. Rogers motioned to submit the final report in a similar format, as used in 2016, and have all information submitted to the Office of Management and Enterprise Services by the end of the day, 5:00 p.m., Dec. 11, 2017. Mr. Denton seconded the motion; the motion passed and the following votes recorded:

Mr. Denton, aye; Mr. Johnson, aye; Dr. Rogers, aye; Mr. Roggow, aye.

Secretary Snodgrass arrived at 1:08 p.m.

4. Discussion and possible action on the option to renew the consultant contract with Public Financial management (PFM) for an additional one year period of 01/01/2018 – 12/31/2018. [Lyle Roggow]

Dr. Rogers motioned to continue in a contractual arrangement with PFM Group for CY2018. Mr. Denton seconded the motion; the motion passed and the following votes recorded:

Mr. Denton, aye; Mr. Johnson, aye; Dr. Rogers, aye; Mr. Roggow, aye.

5. Discussion and possible action to approve a four-year schedule for evaluating incentives. [Lyle Roggow]

Dr. Rogers motioned to accept the four-year schedule approved on Dec. 21, 2016, and to attach it to the Dec. 7, 2017, agenda. Mr. Denton seconded the motion; the motion passed and the following votes recorded:

Mr. Denton, aye; Mr. Johnson, aye; Dr. Rogers, aye; Mr. Roggow, aye.

6. Discussion and possible action to approve PFM move forward with the evaluations of the year three incentives scheduled for 2018. [Lyle Roggow]

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|---------------------------------------------------------|---------------------------------------------|
| 1. Energy Efficient Residential Construction Tax Credit | 8. Technology Transfer Income Tax Exemption |
| 2. Small Business Incubators – Sponsors | 9. Investment/New Jobs Tax Credits |
| 3. Small Business Incubators – Tenants | 10. Basic and Applied Research Loan/Grant |
| 4. Incentives for Inventors | 11. Oklahoma Health Research |
| 5. New Products Development Income Tax Exemption | 12. Oklahoma Applied Research |
| 6. Quick Action Closing Fund | 13. Quality Investment Program |
| 7. Technology Business Finance Program | 14. Affordable Housing Act14 |

On the list of incentives for evaluation, two clarifying edits were made on items 4 and 14. On item 4, investors changed to inventors and on item 14, of the Affordable Housing Act1, changed to Act14.

*The list shown above is accurate with the changes made.

Mr. Denton motioned to approve PFM to move forward on the evaluations list of year three, incentives for 2018, with the edits presented. Dr. Rogers seconded the motion; the motion passed and the following votes recorded:

Mr. Denton, aye; Mr. Johnson, aye; Dr. Rogers, aye; Mr. Roggow, aye.

7. Discussion on the 2017 incentive evaluation process and how to improve the process moving forward. [Lyle Roggow]

Mr. Bauer reported that he placed recommendations in front of the incentives and removed the quick, at-a-glance page of the 2017 PFM report. The executive summary and report, as a whole, stayed the same.

Mr. Bauer suggested in 2018 to continue with recommendations placed at the front of the report, providing enough of an explanation on the foundational information, relating the recommendations to the subject matter. This could act as an executive summary, in hopes of reducing redundancy, wordiness and density, as opposed to previous years.

The Commission requested PFM to give them as much possible numerical data in the coming year, as being the driver to increase efficiency.

Discussion only. No action taken.

8. Adjourn. [Lyle Roggow]

There being no further business, Mr. Denton made the motion to adjourn. Dr. Rogers seconded the motion. Seeing no opposition, the meeting adjourned at 1:47 p.m.

Program Name	Program Administrator	Program Type	Citation	Estimated Incentive Cost	Industry	Sunset	Review Year	Incentive Description
Economically At-risk Lease2 (Gross Production)	Oklahoma Tax Commission	Rebate	68 O.S. § 1001.3A	\$1,838,997	Energy	December 31, 2020	2	Provides for a rebate of gross production tax for oil and gas produced in each Calendar year wherein the net proceeds derived from the sale of oil and natural gas are less than the gross production paid for the same year after deducting certain costs.
Reestablished Production Rebate (Gross Production)	Oklahoma Tax Commission	Rebate	68 O.S. § 1001.F	\$255,324	Energy	June 30, 2020	2	Provides for a 28 month rebate of gross production tax for wells brought back to production after being non-producing for 1 year.
Energy Efficient Residential Construction Tax Credit	Oklahoma Department of Commerce	Tax credit	68 O.S. §2357.46	\$4,876,495	Residential	None Found	3	An income tax credit, not to exceed \$4,000, is allowed for eligible expenditures incurred by a contractor in the construction of energy efficient residential property of 2,000 square feet or less. Unused credit may be carried over for a period of 4 years. This credit is transferable.
Small Business Incubators - Sponsors	Oklahoma Department of Commerce	Tax Exemption	74 O.S. §5075 AND 68 O.S. §2359.E		Small Business	None Found	3	Income earned by a small business incubator sponsor from rental and service fees is exempt from income tax. This exemption is available for a period up to 10 years.
Small Business Incubators - Tenants	Oklahoma Department of Commerce	Tax Exemption	74 O.S. §5078 AND 68 O.S. §2359.E	\$4,788,059	Small Business	None Found	3	Tenants of small business incubators are exempt from income tax on the income earned as a result of the occupancy in the incubator. This exemption is available for a period up to 10 years.
Incentives for Inventors	Oklahoma Tax Commission; Oklahoma Center for Advancement of Science and Technology	Tax Exemption	74 O.S. §5064.7	N/A	Innovation	None Found	3	Royalty income is exempt from state income taxes for a period of 7 years upon certain products developed and manufactured in Oklahoma. Further, manufacturers may qualify for the Oklahoma Investment/New Jobs Credit (68 O.S. §2357.4) and an income exclusion of 65% of depreciable property purchased and directly used in manufacturing the product not to exceed \$500,000.
New Products Development Income Tax Exemption	Oklahoma Tax Commission	Tax exemption	74 O.S. § 5064.7	N/A	Innovation	None Found	3	Royalty income is exempt from state income taxes for a period of 7 years upon certain products developed and manufactured in Oklahoma. Further, manufacturers may qualify for the Oklahoma Investment/New Jobs Credit (68 O.S. §2357.4) and an income exclusion of 65% of depreciable property purchased and directly used in manufacturing the product, not to exceed \$500,000.
Technology Transfer Income Tax Exemption	Oklahoma Tax Commission	Tax exemption	68 O.S. § 2358 [C]		Technologies, intellectual property	None Found	3	The taxable income is decreased for transfers of technology to qualified small businesses located in Oklahoma. The corporation transferring the technology is allowed an exemption from taxable income in the amount of the royalty payment received as a result of such transfer, provided that the exempted amount shall not exceed 10% of the amount of gross proceeds received by such corporation as a result of the technology transfer. The benefit lasts for 10 years from the date of the receipt of the first royalty payment accruing such transfer.
Investment/New Jobs Tax Credits	Oklahoma Tax Commission	Tax credit	68 O.S. §2357.4	\$56,744,407	Various	None Found	3	An income tax credit is allowed for either an investment in depreciable property used in a manufacturing or processing facility or for a net increase in average levels of employment in said facilities. Any credit allowed but not used may be carried over in order to each of the 4 years following the year of qualification and, to the extent not used in those years, in order to each of the 15 years following the initial 5 year period.
Basic and Applied Research Loan/Grant	Oklahoma Department of Agriculture, Food, & Forestry	Loan/Loan Participation	2 O.S.65-3.1		Various	None Found	3	The purpose of the Oklahoma Agriculture Enhancement and Diversification Program is to promote and encourage the interests of agriculture through the allocation of funds, by grant or loan, to individuals, cooperatives and other agricultural entities to provide assistance to projects dealing with the development of new or expanded uses of agriculture products, and to increase productivity and added value of agricultural products.
Oklahoma Health Research	OCAST	Grant/Reimbursable	74 O.S., Sections 5046-5055	\$3,000,000			3	The purpose of the program is to help recruit and retain well-qualified health research scientists for the State, improve the competitiveness of Oklahoma-based investigators for national research funds, improve health care for the citizens of Oklahoma, and strengthen the State's health care industry. Research funded under this program investigates the causes, diagnosis, treatment and prevention of human diseases and disabilities and facilitates the development of health care products and services.
Oklahoma Applied Research	OCAST	Grant/Reimbursable	74 O.S., Section 5060.2 74 O.S., Section 5060.19 74 O.S., Section 5060.4	\$2,750,000			3	The purpose of the OARS program shall be two-fold. First, it shall assist in the accelerated development of technology in the state by supporting applied research activities in existing and emerging technical areas in which the results have (1) a high probability of leading to commercially successful products, processes or services within a reasonable period of time and (2) a significant potential for stimulating economic growth within the state of Oklahoma. Secondly, the program shall encourage and sustain partnerships among institutions of higher education, non-profit research organizations and private enterprises by encouraging collaborative projects which are designed to promote increased knowledge and technology transfer.
Quality Investment Program	Oklahoma Department of Commerce	Equity investment	74 O.S. § 5062.8A		Various	None Found	3	The Oklahoma Development Finance Authority can match dollar for dollar an investment enterprise's private capital for helping new and expanding businesses. An investment enterprise includes any corporation, limited partnership, or similar business entity, including entities qualifying as Small Business Investment Companies under applicable federal law. The primary function is to use private and public resources to build a more comprehensive and efficient financing infrastructure for businesses expanding or relocating in the state of Oklahoma.
Quick Action Closing Fund	Oklahoma Department of Commerce	Closing Fund	62 O.S. §48.2	\$3,000,000	Same as QJ	None Found	3	The fund is to be used for economic development and related infrastructure development when expenditure of funds is likely a determining factor in locating an high-impact business. In the 2013 legislative session the budget agreement included appropriating \$3,000,000 to the Oklahoma Quick Action Closing Fund.
Technology Business Finance Program	Oklahoma Center for the Advancement of Science and Technology	Equity investment	74 O.S. §5060.20a		Misc. Tech	None Found	3	TBFP provides Oklahoma tech start-up companies with pre-seed financing and early-stage risk capital to stimulate investments from private sources. TBFP is administered through a contract with iZE Inc. with awards ranging up to \$100,000.
Affordable Housing Act1	Oklahoma Tax Commission	Tax Credit	68 O.S. § 2357.403	\$4,000,000	Residential	None	3	An income tax credit, equal to the amount of federal low-income housing tax credit, not to exceed \$4.0 million per allocation year, is allowed for qualified housing projects placed in service after July 1, 2015.
Oklahoma Seed Capital Fund	OCAST/iZE	Equity investment	74 O.S. §5060.21	3,500,000	Technology Start-Up Companies	none	4	OCAST seeks to provide funding to innovative Oklahoma companies. Required co-investment with the private sector leverages the agency's investment. The Seed Capital fund includes a concept component intended to address the needs of companies requiring smaller seed capital investment for earlier-stage projects.
Economic Development Pooled Finance	Oklahoma Department of Commerce	Other	62 O.S. § 891.1	\$12,442,284	Multiple	None Found	4	The Oklahoma Community Economic Development Pooled Finance incentive targets business expansion projects which include job creation and significant investment in facilities, machinery, and equipment. With a \$200 million capacity, this incentive is comprised of two funding options: Company-Purchased Debt option and Public Finance Debt option.
Railroad Reconstruction or Replacement Expenditures	Oklahoma Tax Commission	Tax Credit	68 O.S. §2357.104	\$640,232	Rail	None Found	4	A credit is available that is equal to 50% of an eligible taxpayer's qualified railroad reconstruction or replacement expenditures. The rules provide for the approval of qualified railroad reconstruction or replacement expenditures prior to commencement of a project and provide a certificate of verification upon completion of a project that uses qualified railroad reconstruction or replacement expenditures.
The Oklahoma Local Development and Enterprise Zone Incentive Leverage Act	Oklahoma Department of Commerce	Grant; Loan guarantee	62 O.S. § 840		Enterprise Zones, Tourism, Military	Project must be completed no later than December 31, 2024	4	Provides funding for local units of government to match local tax revenue dedicated to support a project located in an enterprise zone, in support of a major tourism destination, or in support of a military growth impact. Projects must be located entirely in an enterprise zone, no more than 10% of the net leasable space may be used for retail, state local government payments cannot be used to supplant local revenue currently being expended within the increment district boundaries, and certification that all projects described within the related project plan will generate either a \$1,000,000 in payroll or \$5,000,000 in investment.

Program Name	Program Administrator	Program Type	Citation	Estimated Incentive Cost	Industry	Sunset	Review Year	Incentive Description
Training For Industry Program (TIP)	Oklahoma Department of Career and Technology Education	Other	no reference	\$683,317	Various		4	TIP can help a new or expanding company create the trained workforce it needs in order to be productive from the start. TIP is delivered through Oklahoma's CareerTech System. It is low or in some cases, no cost to the company.
Rural Economic Action Plan	Oklahoma Department of Commerce		62 O.S. 2001	\$10,884,894	Rural Development	None Found	4	Funds are available for cities or towns with a population of 7,000 or less. Any city or town with a population less than 1,750 shall have a higher priority. Rural water districts with less than 525 non-pasture customers, and cities or towns that have a "relatively weaker fiscal capacity" shall have priority. Eligible projects include: sewer line construction or repair and related storm or sanitary sewer projects, water line construction or repair, water treatment, water acquisition, and distribution or recovery and related projects.
Aircraft Facilities Sales Tax Exemption	Oklahoma Tax Commission	Tax exemption	68 O.S. §1357.5.	None	Aerospace	none found	4	Sales of aircraft and aircraft parts are tax exempt; provided such sales occur at a qualified aircraft maintenance facility. As used in this paragraph, "qualified aircraft maintenance facility" means a facility operated by an air common carrier at which there were employed at least 2,000 full-time-equivalent employees in the preceding year as certified by OESC and which is primarily related to the fabrication, repair, alteration, modification, refurbishing, maintenance, building or rebuilding of commercial aircraft or aircraft parts used in air common carriage.
Aircraft Maintenance or Manufacturing Facility Use Tax Refund	Oklahoma Tax Commission	Tax refund or rebate	68 O.S. §1404.3-4	None	Aerospace	None Found	4	Defined as any new or expanded business which adds at least 250 new full-time-equivalent employees, as certified by the Employment Security Commission. In order to qualify for the exemption, the construction cost of the new or expanded facility must exceed \$5,000,000.
Aircraft Repairs and Modifications	Oklahoma Tax Commission	Tax exemption	68 O.S. § 1357 [28]	\$2,344,500	Aerospace	None found	4	Sales tax does not apply to sales of aircraft engine repairs, modification, and replacement parts, sales of aircraft frame repairs and modification, aircraft interior modification, and paint or sales of services employed in the repair, modification and replacement of parts of aircraft engines, aircraft frame and interior repair and modification, and paint.
Computer Services / Data Processing / Telecommunications Equipment Tax Refund	Oklahoma Tax Commission	Tax exemption	68 O.S. 54004	None	Infotech	None Found	4	Oklahoma offers a sales tax refund on the purchase of computers, data processing equipment, related peripherals, telegraph or telecommunications services, and equipment. The company must be a new or expanding business, an addition of 10 new full time employees with an average salary of \$35,000, 50% of annual gross revenues must result from sales to out-of-state buyers but may include the federal government, and 75% of annual gross income results from computer services, data processing activities, or research and development activities.
Computer Services And Data Processing Tax Exemption	Oklahoma Tax Commission	Tax exemption	69 O.S. 54003	None	Infotech	None Found	4	Sales tax exemption is offered on: sales of machinery and equipment purchased and used by persons and establishments primarily engaged in computer services and data processing.
Construction Materials Tax Refund	Oklahoma Tax Commission	Tax refund or rebate	68 O.S. 1359.1	None	Construction	None Found	4	Oklahoma refunds sales taxes paid on construction materials for certain new or expanding manufacturing facilities including: facilities with construction costs exceeding \$5 million which create 100 new manufacturing jobs and are maintained for a minimum of 36 months. Construction costs include building and construction costs, and engineering and architectural fees, but not legal fees. Facilities with construction costs exceeding \$10 million, and with combined total costs of material, construction, and machinery exceeding \$50 million, which add 75 new employees who are retained for 36 months. Facilities with construction costs exceeding \$300,000,000 which maintain an employment level of at least 1,750 full time employees. Qualified new or expanding aircraft maintenance and overhaul facilities that create 250 or more jobs, with construction costs totaling at least \$5 million.
Spaceport Exemption	Oklahoma Tax Commission	Tax exemption	68 O.S. § 1356) [32 - 37]	None	Aerospace	None Found	4	Sales of any tangible property to a spaceport user as determined by the Oklahoma Space Industry Development Authority are exempt from sales tax. Launch vehicles, satellites, and such related attached or used property may also be purchased free from sales and use tax.
Telecommunications Sales Tax Exemption	Oklahoma Tax Commission	Tax exemption	68 O.S. §1354 and 1357 [18] [26]	N/A	Telecom	None Found	4	Sales tax exemptions apply to interstate 1-800, WATS, and interstate private-line business telecommunication services, and to cell phones sold to a vendor who transfers the equipment as part of an inducement to a consumer to contract for wireless telecommunications.
Ethanol Sales Tax Exemption	Oklahoma Tax Commission	Tax exemption	68 O.S. 500.4 and 68 O.S. 1359	Unknown	Biofuel	None Found	4	The portion of ethanol sold and blended with motor fuel is exempt from sales tax.
Alternative Fuel Vehicle (AFV) Loans	Oklahoma Department of Commerce	Loan/Loan Participation			Renewable Energy	None Found	Excluded	Loan funds are available for privately held Oklahoma companies operating a fleet of three or more vehicles who wish to convert their fleet vehicles to alternative fuel or towards the incremental cost of purchasing new vehicles that are dedicated alternative fuel vehicles.
Credit Enhancement Reserve Fund	Oklahoma Development Finance Authorities	Loan guarantee	62 O.S. 695.9		Public	None Found	Excluded	The Oklahoma Development Finance Authority may use the Credit Enhancement Reserve Fund in order to obtain favorable financing terms for the issuance of obligations authorized by Section 3654 of this title. The commitment from the Credit Enhancement Reserve Fund for any such obligations shall not exceed Ten Million Dollars (\$10,000,000.00).
Finance Authority Programs	Oklahoma Finance Authority	Other	74 O.S. §§ 851 and 5062.11		Infrastructure	None Found	Excluded	Income derived from bonds issued by the Oklahoma Development Finance Authority is exempt from income tax.
Electric Motor Vehicles	Oklahoma Tax Commission	Tax Credit	68 O.S. §2357.22	\$102,451	Renewable Energy	December 31, 2019	Excluded	A one-time income tax credit is allowed for investments in qualified electric motor vehicle property. The credit is 50% of the cost of the qualified motor vehicle property. In cases where no credit is previously claimed and a motor vehicle is purchased with "factory installed" electrical equipment, and the taxpayer elects not to determine the exact investment cost, the credit is limited to 10% of the motor vehicle purchase price up to \$1,500. This credit is for investments in qualified electric motor vehicle property placed in service before July 1, 2010; however, any credit allowed but not used may be carried over for a period of 5 years.
Biofuels Tax Exemption	Oklahoma Tax Commission	Tax exemption	68 O.S. § 2357.22	Unknown	Renewable Energy	None Found	Excluded	An individual who produces biofuels or biodiesel from feedstock grown on property and used in a vehicle owned by the same individual is exempt from the state motor fuel excise tax.
Commercial Space Industry Credit	Oklahoma Tax Commission	Tax credit	68 O.S. §2357.13	\$0	Aerospace	Repealed effective Jan 1 2014	Excluded	An income tax credit is allowed for investments in qualified commercial space industry projects. The credit is 5% of the eligible capital costs. Any credit allowed but not used may be carried over for a period of 4 years. This credit has been repealed effective January 1 2014.
Rural and Affordable Housing Linked Deposit Program	Oklahoma State Treasurer	Loan/Loan Participation	62 O.S. 2003 Supp., §91.1 et seq		Residential	None Found	Excluded	The Rural and Affordable Housing Linked Deposit Program provides low-interest loans of up to \$2 million each to qualified housing developers to construct single-family and multi-family housing in rural Oklahoma and in qualifying areas of urban centers.
Small Business Linked Deposit Program	Oklahoma State Treasurer	Preferential rate	62 O.S. § 88.1A		Small Business	None Found	Excluded	Provides low-interest certificates of deposit to financial institutions to provide lending capital to eligible small businesses and certified industrial parks which will directly create new jobs or save existing jobs.
Oklahoma Intern Partnerships	OCAST	Grant/Reimbursable	74 O.S., Section 5060.19 AND 74 O.S., Section 5060.28	\$420,000			Excluded	The purpose of this project funding shall be to improve the State's R&D base by encouraging greater numbers of undergraduate students to prepare for careers in and related to scientific and technical fields through the support of undergraduate student and undergraduate teaching faculty internships in R&D facilities
Oklahoma Plant Science Research	OCAST	Grant/Reimbursable	74 O.S. 5060.53 and O.S. 5060.54	\$260,000			Excluded	Assist in the accelerated development of technology in the State by supporting applied plant science research activities in existing and emerging technical areas in which the results have: (1) a high probability of leading to commercially successful products, processes or services within a reasonable period of time; and, (2) a significant potential for stimulating economic growth within the State of Oklahoma

Program Name	Program Administrator	Program Type	Citation	Estimated Incentive Cost	Industry	Sunset	Review Year	Incentive Description
Recycling, Reuse And Source Reduction Incentive Act	Oklahoma Department of Environmental Quality	Tax credit	27A O.S. §2-11-303	None	Recycling	Repealed effective January 1, 2014	Excluded	Any person making a capital investment in buildings, fixtures and/or equipment (collectively known as the "facility") and their installation for the purpose of recycling, reuse, or source reduction of hazardous waste and the storage of such waste immediately prior to recycling or reuse may be entitled to an income tax credit of twenty percent of the amount actually invested in the facility and its installation in accordance with these rules, not to exceed a maximum of \$50,000. (Additionally, tax credits received under the RRSRIA cannot exceed a total of \$50,000 during a period of any three (3) consecutive tax years.) Upon evaluation by the Department of an application and a determination that the intent of the Recycling, Reuse, and Source Reduction Incentive Act has been met, the Department will issue a certificate to the Oklahoma Tax Commission specifying the capital investment expense eligible for the tax credit and any limitations.
Income Tax Credit For Investment In Oklahoma Producer-owned agriculture processing	Oklahoma Tax Commission	Tax Credit	68 O.S. § 2357.25	\$70,950	Agriculture	January 1, 2010	Excluded	An income tax credit is allowed for Oklahoma agricultural producers who invests in Oklahoma producer-owned agricultural processing cooperatives, ventures or marketing associations. This credit is for tax years ending on or before December 31, 2009; however, any unused credit may be carried over for a period of 6 years.
Research and Development New Jobs Credit	Oklahoma Tax Commission	Tax credit	68 O.S. §54006	\$9,074	Various	Repealed January 1, 2014	Excluded	Repealed
Biofuels Construction and Permitting Assistance	Oklahoma Department of Environmental Quality	Other			Renewable Energy		Excluded	The Oklahoma DEQ provides technical and regulatory assistance to small businesses that need permits to construct and operate biodiesel and ethanol production.
Idle Reduction Weight Exemption	Oklahoma Department of Commerce	Preferential rate	47 O.S. § 14-109		Commercial/Industrial Vehicles	None Found	Excluded	Any vehicle equipped with idle reduction technology may exceed the state's gross vehicle weight limits by up to 400 pounds to compensate for the additional weight of the added idle reduction technology. The additional weight may not exceed the actual certified weight of the idle reduction unit.
Private Activity Bond Allocation	Oklahoma Department of Commerce	Other	62 O.S. § 695.23		Various	None Found	Excluded	Private Activity Bonds that render interest payments that are federally tax-exempt, in accordance with the Internal Revenue Code, must receive an allocation from the State Bond Advisor's Office. Public Issuers in Oklahoma may issue Private Activity Bonds up to a federally-established volume cap each year. Generally, allocations are on a first-come, first-served basis, with some size limitation.
Brownfields	Oklahoma Department of Environmental Quality	Loans/Subgrants		\$400,000	Manufacturing		Excluded	To assist in the remediation of property that was polluted/contaminated and return it to public use.
Small Business Administration (SBA) Guaranty Fee Tax Credit	Oklahoma Tax Commission	Tax credit	68 O.S. 2357.30	N/A	Small Business	§68-2357.30. Repealed by Laws 2013, c. 363, § 9, eff. Jan. 1, 2014. 692	Excluded	A Small Business Guaranty Fee Credit that was established by a small business in a prior year but not used due to the limitations may be carried over. The unused credit may be carried over for a period not to exceed five years. The credit shall only be claimed against the tax liability resulting from income generated by the small business.
Gas Usage Tax Credit for Manufacturing	Oklahoma Tax Commission	Tax credit		\$30,000	Manufacturing		Excluded	Repealed
Cooperative Marketing Loan	Oklahoma Department of Agriculture, Food, & Forestry	Loan/Loan Participation	2 O.S. 5-3.2		Agriculture	None Found	Excluded	Monies from this loan may be used by a group of individuals or an individual on behalf of a group to organize a cooperative for the purpose of marketing a product or to formulate or implement a marketing plan if the cooperative is already in place. The principals in the organization should be individuals rather than a previously existing corporation and those individuals must have some type of cooperative agreement between themselves that will ensure proper accountability for the proposed plan. Individuals are encouraged to seek marketing partners within the state of Oklahoma.
Farm Diversification Grant	Oklahoma Department of Agriculture, Food, & Forestry	Grant	2 O.S. 5-3.2		Agriculture	None Found	Excluded	Grants are available to anyone who is currently involved in farming, ranching or agritourism and would like to diversify their family farming operation or agritourism venture. Projects must be for non-traditional crops or livestock, on-farm processing of agricultural commodities or agritourism ventures.
Swine and Poultry Producers	Oklahoma Tax Commission	Tax Deduction	68 O.S. §2358	N/A	Agriculture	None Found	Excluded	Individuals who are swine or poultry producers may deduct depreciation on an accelerated basis for new construction or expansion costs. The same depreciation method elected for Federal purposes will be used, except the assets will be deemed to have a 7-year life.
Marketing and Utilization Loan	Oklahoma Department of Agriculture, Food, & Forestry	Loan/Loan Participation	2 O.S. 85-3.1		Various	None Found	Excluded	A marketing loan is to be used for product development and/or implementation of a sound marketing plan for Oklahoma agricultural products and by-products. The products should be new to the particular area targeted for the marketing promotion or should be an expansion of a use or uses of existing products.
Specialty Crop Grant	Oklahoma Department of Agriculture, Food, & Forestry	Grant	7 U.S.C. 1621		Agriculture	None Found	Excluded	To be eligible for this grant, projects must solely enhance the competitiveness of specialty crops in either domestic or foreign markets and must provide a benefit to more than just the applicant. Specialty crops are defined as fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture). Projects will be evaluated on how well they enhance the competitiveness of Oklahoma's specialty crops, soundness and quality of the project plan, measureable outcomes and return on investment.
Credit for Manufacturers of Advanced Small Wind Turbines	Oklahoma Tax Commission	Tax credit	68 O.S. §2357.32B	\$178,690	Renewable Energy	July 1, 2012	Excluded	A transferable income tax credit is allowed for Oklahoma manufacturers of advanced small wind turbine products, including rotor blades and alternators. The credit is based on the square footage of roto-swept area of advanced small wind turbines manufactured in this state. This credit is for tax years ending on or before December 31, 2012; however, any unused credit may be carried over for a period of 10 years.

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Program Name	Program Administrator	Program Type	Citation	Estimated Incentive Cost	Industry	Sunset	Review Year	Incentive Description
Five Year Ad Valorem Tax Exemption	County Tax Assessors, Oklahoma Tax Commission	Tax exemption	68 O.S. § 2902 et seq.	\$49,925,750	Various	None Found	1	Certain new and expanding manufacturers, research and development companies, certain computer services and data processing companies with significant out-of-state sales, aircraft repair companies, oil refineries, and certain wind power generators may be eligible for ad valorem tax exemptions for up to 5 years. With the passing of SB498, Electric Wind Generation will no longer be eligible for the program as of January 1, 2017.
Tax Credit for Electricity Generated by Zero-Emission Facilities	Oklahoma Tax Commission	Tax credit	68 O.S. §2357.32A	\$45,793,720	Renewable Energy	December 31, 2021	1	An income tax credit is allowed based on the amount of electricity generated by a qualified zero-emission facility. Credits earned prior to January 1, 2014 are transferable and any unused credit may be carried over for 10 years. For credits earned after January 1, 2014, any credit earned but not used shall be refunded at an amount equal to 85% of the amount of the credit.
Oklahoma Film Enhancement Rebate	Oklahoma Film & Music Office; Oklahoma Tax Commission	Tax refund or rebate	68 O.S. §§ 3621-3626	\$3,393,896	Film and Television	July 1, 2024	1	Allows a rebate of up to 37% of qualified expenditures made in Oklahoma that are directly attributable to film, television production, and television commercial. Qualifying expenditures for productions include the cost of construction and operations, photography, sound synchronization, wages and wardrobe, facilities, and related services. Minimum budget for the project shall be \$50,000 with a minimum of \$25,000 spent in Oklahoma.
Historic Rehabilitation Tax Credit	Oklahoma Historical Society	Tax credit	68 O.S. § 2357.41	\$9,537,466	Historic Structures	None Found	1	A transferable income tax credit equal to 100% of the federal rehabilitation credit under Title 26 U.S.C. §47 is allowed. Unused credit may be carried over for a period of 10 years.
Tax Credit for Aerospace Employees	Oklahoma Tax Commission	Tax credit	68 O.S. §2357.304	\$2,490,226	Aerospace	December 31, 2017	1	An income tax credit is allowed for a qualified employee of up to \$5,000 per year for a period of time not to exceed five years. Any credit claimed, but not used, may be carried over up to five subsequent taxable years.
Tax Credit for Tuition Reimbursement for Aerospace Employers	Oklahoma Tax Commission	Tax Credit	68 O.S. §2357.302; 68 O.S. §2357.303	\$686,553	Aerospace	December 31, 2017	1	68 O.S. §2357.302: An income tax credit is allowed for a qualified employer for tuition reimbursement to a qualified employee. The amount of the credit is 50% of the tuition reimbursed to a qualified employee for the first through fourth years of employment. 68 O.S. §2357.303: The amount of the credit is 10% of the compensation paid for the first through fifth years of employment in the aerospace sector if the qualified employee graduated from an institution located in this state; or 5% if the qualified employee graduated from an institution located outside this state. The credit cannot exceed \$12,500 for each qualified employee annually.
Industrial Access Road Program	Oklahoma Department of Transportation	Grant	730 10-1-14	\$1,090,800	Infrastructure	None Found	1	Program is designed to provide assistance to local industrial development by funding, within practical limitations, access facilities connection a specific industry or industrial area directly to the state or local road system.
Excise Tax Exemption on Aircraft Sales	Oklahoma Tax Commission	Tax exemption	68 O.S. § 6003	\$2,608,919	Aerospace	None Found	1	Generally, excise tax in lieu of sales tax is imposed on the sale, transfer, or lease of aircraft that will be based in Oklahoma. In 2013 the following provision was added: exempts rotary-winged aircraft purchased to be used exclusively for the purpose of training U.S. military personnel or other training authorized by the U.S. government from the levy of aircraft excise tax. The exemption will sunset January 1, 2018.
Quality Events Program	Oklahoma Tax Commission, Department of Commerce	Reimbursement	68 O.S. §4301-4311	\$150,712	Entertainment	June 30, 2018	1	Allows communities to recapture eligible expenses for hosting a Quality Event. A "Quality Event" is defined as a new event or a meeting of a nationally recognized organization or its members.
Oklahoma Capital Investment Board Programs (Venture Investment Program and Capital Access Program)	Oklahoma Capital Investment Board, Oklahoma Tax Commission	Venture Capital, Small Business Loans	74 O.S. §5085	\$680,000	Various	June 30, 2018	1	Created to be the state's resource for expanding the supply of equity capital, debt finance and expertise available to Oklahoma companies.
Oklahoma Capital Gain Deduction	Oklahoma Tax Commission	Deduction	68 O.S. § 2358	\$114,835,000	None		2	
Quality Jobs Program	Oklahoma Department of Commerce	Rebate	68 O.S. § 3601	\$73,183,283	Various	None Found	2	An incentive for companies to expand or relocated jobs to Oklahoma by providing a rebate of a portion of newly created payroll in the state. Companies may receive benefits during the first 3 years of participation while working to achieve the required payroll threshold for full qualification.
21st Century Quality Jobs	Oklahoma Department of Commerce	Rebate	68 O.S. §3911-3920	\$5,704,426	Multiple NAICS		2	Incentive was created to attract growth industries and sectors to Oklahoma in the 21st century through a policy of rewarding businesses with a highly skilled, knowledge-based workforce. It also maximizes the eligible incentive payment by incorporation expanded state benefits by allowing a net benefit rate of up to 10% of payroll.
Small Employer Quality Jobs Program	Oklahoma Department of Commerce	Rebate	68 O.S. §3901	\$291,175	Basic Industry	None Found	2	Businesses with 90 employees or less that qualify are allowed to receive up to 5% cash-back incentive for up to 7 years to locate or expand in Oklahoma. Qualifying payroll must be attributable to annual salaries that are 110% to 125% of the average wage of the county in which the jobs are located.
Hi Impact Quality Jobs Program	Oklahoma Department of Commerce	Rebate	68 O.S. §3708	\$0	Basic Industry	None Found	2	Lowers annualized payroll threshold to \$1 million for businesses that produce new direct jobs to the State that are equal to or greater than 1% of the total labor force of the county in which they locate. Payout is 2.5% of taxable wages for 6 years.
Home Office Tax Credit	Oklahoma Insurance Department	Tax credit	36 O.S. § 625. 1	\$18,927,316	Various	None Found	2	Insurance companies that locate or expand regional home offices in Oklahoma and maintain an employee level above 200 are eligible for special tax credits against the tax imposed in the Insurance Code. Annual credits range from 15% to 50% based on numbers of full time and year-round employees. This credit is not available to participants in the Quality Jobs Program.
Clean Burning Fuel Vehicle Credit	Oklahoma Tax Commission	Tax credit	68 O.S. §2357.22	\$8,860,473	Renewable Energy	December 31, 2019	2	A one-time income tax credit is allowed for investments in qualified clean-burning motor vehicle fuel property. Depending on the type of property, the credit is either 50% or 75% of the cost of the qualified clean burning motor vehicle fuel property. In cases where no credit is previously claimed and a motor vehicle is purchased with "factory installed" clean-burning fuel equipment, and the taxpayer elects not to determine the exact investment cost, the credit is limited to 10% of the motor vehicle purchase price up to \$1,500. Property directly related to the delivery of natural gas from a private home qualifies for a credit of the lesser of 50% of the cost of the property or \$2,500. Any credit allowed but not used may be carried over for a period of 5 years.
Production Enhancement Rebate (Gross Production)	Oklahoma Tax Commission	Rebate	68 O.S. § 1001 G	\$2,317,238	Energy	June 30, 2020	2	Provides for a 28 month rebate of gross production tax for wells having work done to increase production. Rebate based on incremental amount of production realized from the enhancement.
Coal Production			68 O.S. §2357.11	\$1,040,457	Coal	December 31, 2021	2	Section B - Provides an income tax credit for the purchase of Oklahoma-mined coal to the citizens of Oklahoma, or to those businesses which burn coal to generate heat, light or power for use in manufacturing operations in Oklahoma. Section D - A coal credit to businesses primarily engaged in mining, producing or extracting coal in this state. A valid permit issued by the Oklahoma Department of Mines must be held. The credit provided in this paragraph will not be allowed for coal mined, produced or extracted in any month in which the average price of coal is \$68 or more per ton, excluding freight charges. Credits earned prior to January 1, 2014 are transferable, and may be claimed up to 5 years. For credits earned on or after January 1, 2014, any credit earned but not used shall be refunded at an amount equal to 85% of the amount of the credit.
Ethanol Fuel Retailer Tax Credit	Oklahoma Tax Commission	Tax credit	68 O.S. § 500.10-1	\$1,264,143	Biofuel	None Found	2	Retailers of ethanol-blended fuel may claim a motor fuel tax credit of \$.016 for each gallon of ethanol fuel sold in Oklahoma if the retailer provides a price reduction to the purchaser of the ethanol fuel in the same amount. This incentive is effective unless the federal government mandates the use of reformulated fuel in an area within the state of Oklahoma that is in non-attainment with the National Ambient Air Quality Standards.