Oklahoma Incentive Evaluation Commission
2025 Incentives Criteria for Evaluation

January 17, 2025

Quality Jobs Program

Intent: Accelerate job creation in Oklahoma and support establishments in basic industries with potential for significant development in Oklahoma.

Synopsis: 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.

2021 Criteria for Evaluation:

- Change in jobs associated with the cash rebates;
- Change in payroll associated with the cash rebates;
- Ability of program administrative processes to establish the factual basis for claims related to hours, wages, and benefits;
- Change in capital investment associated with the cash rebates;
- Change in jobs/payroll/capital associated with the cash rebates versus state growth rates as a whole;
- Change in jobs/payroll/capital in the qualifying industries versus state industries as a whole;
- Number of recipients receiving other state business incentives during the rebate periods
- State return on investment.

2025 Criteria for Evaluation:

- Change in jobs associated with the cash rebates;
- Change in payroll associated with the cash rebates;
- Ability of program administrative processes to establish the factual basis for claims related to hours, wages, and benefits;
- Change in capital investment associated with the cash rebates;
- Change in jobs/payroll/capital associated with the cash rebates versus state growth rates as a whole;
- Change in jobs/payroll/capital in the qualifying industries versus state industries as a whole;
- Number of recipients receiving other state business incentives during the rebate periods
- State return on investment.

21st Century Quality Jobs

Intent: Accelerate job creation in Oklahoma and attract growth industries and sectors to Oklahoma

Synopsis: 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.

2021 Criteria for Evaluation:

- Change in jobs associated with the cash rebates;
- Change in payroll associated with the cash rebates;
- Ability of program administrative processes to establish the factual basis for claims related to hours, wages, and benefits;
- Change in capital investment associated with the cash rebates;

- Change in jobs/payroll/capital associated with the cash rebates versus state growth rates as a whole;
- Change in jobs/payroll/capital in the qualifying industries versus state industries as a whole;
- State return on investment.

2025 Criteria for Evaluation:

- Change in jobs associated with the cash rebates;
- Change in payroll associated with the cash rebates;
- Ability of program administrative processes to establish the factual basis for claims related to hours, wages, and benefits;
- Change in capital investment associated with the cash rebates;
- Change in jobs/payroll/capital associated with the cash rebates versus state growth rates as a whole;
- Change in jobs/payroll/capital in the qualifying industries versus state industries as a whole;
- State return on investment.

Small Employer Quality Jobs Program

Intent: Accelerate job creation in Oklahoma

Synopsis: 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.

2021 Criteria for Evaluation:

- Change in jobs associated with the cash rebates;
- Change in payroll associated with the cash rebates;
- Ability of program administrative processes to establish the factual basis for claims related to hours, wages, and benefits;
- Change in jobs/payroll associated with the cash rebates versus state growth rates as a whole;
- Change in jobs/payroll in the qualifying industries versus state industries as a whole;
- State return on investment.

2025 Criteria for Evaluation:

- Change in jobs associated with the cash rebates;
- Change in payroll associated with the cash rebates;
- Ability of program administrative processes to establish the factual basis for claims related to hours, wages, and benefits;
- Change in jobs/payroll associated with the cash rebates versus state growth rates as a whole;
- Change in jobs/payroll in the qualifying industries versus state industries as a whole;
- State return on investment.

Home Office Tax Credit

Intent: Encourage the creation and/or relocation of home office or headquarters for insurance companies within the State.

Synopsis: The program provides a tax credit for qualified insurance companies against their state tax on premiums written. The eligible firm must have a regional office and/or convert that regional office to a headquarters or home office. The tax credit is then graduated based on number of employees from 15 percent to 50 percent. Payments to pension funds must be made before reducing the tax liability to the State's general fund.

2021 Criteria for Evaluation:

- Change in employment for eligible insurers before/after credit;
- Distribution within the categories of number of full-time employees claimed;
- Change in payroll for eligible insurers before/after credit;
- Average wage for eligible insurers before/after credit;
- Change in employment for industry versus other states without credit;
- State return on investment.

2025 Criteria for Evaluation:

- Change in employment for eligible insurers before/after credit;
- Distribution within the categories of number of full-time employees claimed;
- Change in payroll for eligible insurers before/after credit;
- Average wage for eligible insurers before/after credit;
- Change in employment for industry versus other states without credit;
- State return on investment.

Investment / New Jobs Tax Credit

Intent: To encourage capital investment and job creation in the State.

Synopsis: The State of Oklahoma began offering the Investment-New Jobs Tax Credit in 1980. The credit is available to manufacturers, aircraft maintenance facilities, and web search portal companies who either invest in depreciable property of at least $50,000 or create new jobs in the State. The tax credit is equal to one percent of the cost of the depreciable property or $500 per new employee, which may be claimed for five years. The credit is doubled if a company makes an investment of at least $40 million or is located in an Enterprise Zone.

2022 Criteria for Evaluation:

- Change in employment, payroll, and capital investment from qualified facilities
- Change in employment, payroll, and capital investment from qualified industries before/after program
- Change in employment, payroll and capital investment in qualified industries in other states
- State return on investment

2025 Criteria for Evaluation:

- Change in employment, payroll, and capital investment from qualified facilities
- Change in employment, payroll, and capital investment from qualified industries before/after program
- Change in employment, payroll and capital investment in qualified industries in other states
- State return on investment

Cybersecurity Employee Tax Credit

Intent: To encourage the creation of cybersecurity employment in the State.

Synopsis: An income tax credit is allowed for individuals employed as qualified software or cybersecurity employees effective for tax years 2020 through 2029. The amount of the credit is either $2,200 or $1,800, depending upon the employee's level of education and is available for no more than seven years.

2025 Criteria for Evaluation:

- Number and dollar value of approved credits by year of program;
- Employment growth in state cybersecurity jobs – comparison to period prior to the credit and comparable states
- Impacts to employment and payroll in software development and cybersecurity
- Comparison to other states without an incentive
- Cost to the State by fiscal year
- Economic impacts of jobs created or retained

Aerospace Employee Tax Credit

Intent: To address the critical shortage of engineering and technical talent facing the Oklahoma aerospace industry.

Synopsis: 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.

2020 Criteria for Evaluation:

- Number and dollar value of approved credits by year of program;
- Employment growth in state aerospace industry – comparison to period prior to the credit and comparable states;
- Payroll growth in state aerospace industry – comparison to period prior to the credit and comparable states;
- Change in measures of the ‘skills gap’ for engineering and technical skills in the aerospace industry ;
- Use with other related State business incentives;
- Return on Investment.

2025 Criteria for Evaluation:

- Number and dollar value of approved credits by year of program;
- Employment growth in state aerospace industry – comparison to period prior to the credit and comparable states;
- Payroll growth in state aerospace industry – comparison to period prior to the credit and comparable states;
- Change in measures of the ‘skills gap’ for engineering and technical skills in the aerospace industry ;
- Use with other related State business incentives;

- Return on Investment.

Aerospace Employer Tax Credit

Intent: To address the critical shortage of engineering and technical talent facing the Oklahoma aerospace industry.

Synopsis: 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. 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.

2020 Criteria for Evaluation:

- Number and dollar value of approved credits by year of program;
- Employment growth in state aerospace industry – comparison to period prior to the credit and comparable states;
- Payroll growth in state aerospace industry – comparison to period prior to the credit and comparable states;
- Change in measures of the ‘skills gap’ for engineering and technical skills in the aerospace industry ;
- Use with other related State business incentives;
- Return on Investment.

2025 Criteria for Evaluation:

- Number and dollar value of approved credits by year of program;
- Employment growth in state aerospace industry – comparison to period prior to the credit and comparable states;
- Payroll growth in state aerospace industry – comparison to period prior to the credit and comparable states;
- Change in measures of the ‘skills gap’ for engineering and technical skills in the aerospace industry ;
- Use with other related State business incentives;
- Return on Investment.

Aircraft Facilities Tax Exemption

Intent: Not Indicated in statute.

Synopsis: 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.

2023 Criteria for Evaluation:

- Changes to industry measures (e.g., size sector GDP, employment compared to other sectors)
- Comparisons of changes in sector versus states with/without similar exemptions
- Changes in Oklahoma industry employment
- Changes in Oklahoma industry capital investment
- State return on investment

2025 Criteria for Evaluation:

- Changes to industry measures (e.g., size sector GDP, employment compared to other sectors)
- Comparisons of changes in sector versus states with/without similar exemptions
- Changes in Oklahoma industry employment
- Changes in Oklahoma industry capital investment
- State return on investment

Excise Tax Exemption on Aircraft Sales

Intent: Not indicated in statute.

Synopsis: Generally, excise tax in lieu of sales tax is imposed on the sale, transfer, or lease of aircraft that will be based in Oklahoma. There are 16 exemptions provided in the statute that are still active, including sale of an airplane with a purchase price of over $2.5 million to a non-Oklahoma resident for immediate transfer out of state.

2020 Criteria for Evaluation:

- Growth in sales of exempted aircraft within the state – comparison to the period prior to the credit and with other comparable states;
- Growth in employment in aircraft industry within the state – comparison to the period prior to the credit and with other comparable states;
- Return on investment related to economic impact from exemption versus its cost;
- Use with other related State business incentives.

2025 Criteria for Evaluation:

- Growth in sales of exempted aircraft within the state – comparison to the period prior to the credit and with other comparable states;
- Growth in employment in aircraft industry within the state – comparison to the period prior to the credit and with other comparable states;
- Return on investment related to economic impact from exemption versus its cost;
- Use with other related State business incentives.

Aircraft Repairs and Modifications

Intent: None stated

Synopsis: 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.

2023 Criteria for Evaluation:

- Growth in employment in aircraft industry within the state – comparison to the period prior to the credit and with other comparable states;
- Return on investment related to economic impact from exemption versus its cost;
- Use with other related State business incentives.

2025 Criteria for Evaluation:

- Growth in employment in aircraft industry within the state – comparison to the period prior to the credit and with other comparable states;
- Return on investment related to economic impact from exemption versus its cost;
- Use with other related State business incentives.

Aircraft Maintenance or Manufacturing Facility Use Tax Refund

Intent: The statute is designed to facilitate aircraft maintenance and manufacturing by exempting certain critical inputs from sales and use taxes.

Synopsis: The program exempts from taxation the sale or consumption of tangible personal property to be used in building or expanding a qualified aircraft maintenance or manufacturing facility. This includes computers, data processing equipment, and telecommunications and related peripheral equipment.

2023 Criteria for Evaluation:

- Changes to industry measures (e.g., size sector GDP, employment compared to other sectors)
- Comparisons of changes in sector versus states with/without similar exemptions
- Changes in Oklahoma industry employment
- Changes in Oklahoma industry capital investment
- State return on investment

2025 Criteria for Evaluation:

- Changes to industry measures (e.g., size sector GDP, employment compared to other sectors)
- Comparisons of changes in sector versus states with/without similar exemptions
- Changes in Oklahoma industry employment
- Changes in Oklahoma industry capital investment
- State return on investment