



Oklahoma Incentive Evaluation Commission 2026 Incentives for Evaluation

January 29, 2026

Computer Services & Data Processing Tax Exemption

Intent: Not indicated in statute.

Synopsis: As part of the Oklahoma Research and Development Incentives Act, the State provides a sales and use tax exemption on qualified purchases for qualified purchasers primarily engaged in computer services and data processing or research and development.

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

2026 Criteria for Evaluation:

- Number of entities claiming exemption
- 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
- Layering of the program with other data center incentives

Oklahoma Affordable Housing Act

Intent: To expand the supply of new and affordable rental units and rehabilitate existing rental housing for qualifying households by stimulating private investment.

Synopsis: Allocates up to \$4 million per year in state low-income housing tax credits for qualified projects placed in service after July 1, 2015. Credits are distributed twice annually by the Oklahoma Housing Finance Agency and are available for new construction projects only. The tax credit has to be used on homes for people who make 60 percent or less of the area median income. Qualified projects receive the credit each year for 10 years. Credits are not refundable but can be carried forward for two years.

2022 Criteria for Evaluation:

- Number of projects and units funded by the program
- Program-funded projects as a share of all low-income housing production
- Number and percentage of low-income units in market-rate neighborhoods
- Percent of low-income population with/without access to affordable housing over time
- Percent of low-income renters served as a result of the program
- Economic activity associated with program funding
- State return on investment

2026 Criteria for Evaluation:



Oklahoma Incentive Evaluation Commission 2026 Incentives for Evaluation

- Number of projects and units funded by the program
- Program-funded projects as a share of all low-income housing production
- Number and percentage of low-income units in market-rate neighborhoods
- Percent of low-income population with/without access to affordable housing over time
- Percent of low-income renters served as a result of the program
- Economic activity associated with program funding
- State return on investment

Construction Materials Tax Refund

Intent: To incent the creation of manufacturing jobs in the State of Oklahoma.

Synopsis: Provides a tax exemption on the sales of tangible personal property to a qualified manufacturer or distributor to be consumed or incorporated in a new manufacturing or distribution facility or to expand an existing manufacturing or distribution facility.

2023 Criteria for Evaluation:

- Job creation associated with financed projects
- Capital investments (facilities, machinery and equipment) associated with financed projects
- Changes to industry measures (e.g., size sector GDP, employment compared to other sectors)
- Comparison of job creation and capital investment to similar cities/counties not participating in the program
- Contributions to community development
- State return on investment

2026 Criteria for Evaluation:

- Job creation associated with financed projects
- Capital investments (facilities, machinery and equipment) associated with financed projects
- Changes to industry measures (e.g., size sector GDP, employment compared to other sectors)
- Comparison of job creation and capital investment to similar cities/counties not participating in the program
- Contributions to community development
- State return on investment

Clean Burning Fuel Vehicle Tax Credit

Intent: Increase the number of clean-burning fuel and electric vehicles in use in Oklahoma.

Synopsis: Provides one-time credits for investments in qualified clean-burning fuel property placed in service after December 31, 1990.

2021 Criteria for Evaluation:

- Number of qualified credits
- Change in number qualified vehicles versus prior to credit
- Change in clean burning fuel vehicles in Oklahoma versus other states



Oklahoma Incentive Evaluation Commission 2026 Incentives for Evaluation

2026 Criteria for Evaluation:

- Number of qualified credits
- Change in number qualified vehicles versus prior to credit
- Change in clean burning fuel vehicles in Oklahoma versus other states

Ethanol Fuel Tax Credit

Intent: Increase the sale of ethanol-blended gasoline in Oklahoma.

Synopsis: The State of Oklahoma offers retailers that sell gasoline containing up to 15 percent ethanol by volume (E15) a motor fuel tax credit of \$0.016 per gallon of ethanol blended into gasoline and sold in Oklahoma. To receive the credit, the retailer must provide a price reduction to the purchaser of the ethanol fuel in the same amount.

2021 Criteria for Evaluation:

- Incentive usage over time (number and value of claims)
- Change in ethanol-blended fuel consumption versus non-blended fuel over time in Oklahoma and relative to other states
- Change in ethanol-blended fuel as a share of total fuel consumed over time in Oklahoma and relative to other states
- Change in number/share of fueling stations selling ethanol-blended fuel over time in Oklahoma and relative to other states
- State return on investment

2026 Criteria for Evaluation:

- Incentive usage over time (number and value of claims)
- Change in ethanol-blended fuel consumption versus non-blended fuel over time in Oklahoma and relative to other states
- Change in ethanol-blended fuel as a share of total fuel consumed over time in Oklahoma and relative to other states
- Change in number/share of fueling stations selling ethanol-blended fuel over time in Oklahoma and relative to other states
- State return on investment

Tax Deduction for Eligible Investors

Intent: Not indicated in statute.

Synopsis: Allows an income deduction for up to \$25 million for eligible investors and investments.

2026 Criteria for Evaluation:

- Incentive usage over time (number and value of deduction)
- Type of entity claiming deduction, by year
- Value of income tax paid by entities claiming the deduction, by year
- Value of corporate taxes paid by entities claiming the deduction, by year
- Value of investments by venture capital entity, by year
- Value of investments by geography, by industry / sector, or other available characteristics



Oklahoma Incentive Evaluation Commission 2026 Incentives for Evaluation

Oklahoma Capital Gain Deduction

Intent: Not indicated in statute.

Synopsis: Corporations, estates or trusts shall be allowed a deduction from Oklahoma taxable income for the amount of qualifying gains receiving capital treatment earned by the corporation, estate or trust during the taxable year and included in the federal taxable income of such corporation, estate or trust.

2021 Criteria for Evaluation:

- Number of qualified realized capital gains
- Employment/capital/payroll associated with realized capital gains
- Change in realized capital gains before/ after the deduction
- State return on investment

2026 Criteria for Evaluation:

- Number of qualified realized capital gains
- Value of deduction by year, by entity type
- Employment/capital/payroll associated with realized capital gains
- Change in realized capital gains before/ after the deduction
- State return on investment

Economic Development Pooled Finance (P3, BEIP, and OIEP)

Intent: To encourage local government cooperation in the development of regional infrastructure and economic development projects.

Synopsis: Makes available \$200 million for local government economic development and infrastructure development projects. The incentive targets business expansion projects which include job creation and significant investment in facilities, machinery, and equipment. For debt obligations issued under the Act, there is a maximum maturity of 25 years and a maximum coupon rate of 14 percent. Sixty-five percent of the net proceeds from both the Infrastructure Pool and the Economic Development Pool shall be used by ODFA for municipalities that do not exceed 300,000 people. The remaining 35 percent may be used by the ODFA for any eligible local government.

2023 Criteria for Evaluation:

- Job creation associated with financed projects
- Capital investment (facilities, machinery, and equipment) associated with financed projects
- Comparison of job creation and capital investment to similar cities/counties not participating in the program
- Contributions to community development, quality of life, or infrastructure
- For infrastructure projects, impact on business/entity's competitive advantage, expansion opportunities, or ability to remain competitive in the geography
- State return on investment

2026 Criteria for Evaluation:

- History of use of the program
- Job creation associated with financed projects



Oklahoma Incentive Evaluation Commission 2026 Incentives for Evaluation

- Capital investment (facilities, machinery, and equipment) associated with financed projects
- Comparison of job creation and capital investment to similar cities/counties not participating in the program
- Contributions to community development, quality of life, or infrastructure
- For infrastructure projects, impact on business/entity's competitive advantage, expansion opportunities, or ability to remain competitive in the geography
- Local government applicants
- State return on investment

Quick Action Closing Fund

Intent: To incentivize high-impact businesses to locate in Oklahoma.

Synopsis: The Quick Action Fund is to be used for economic development and related infrastructure development when expenditure of funds is likely a determining factor in locating a high-impact business.

2022 Criteria for Evaluation:

- History of use of the program
- Layering of the program with other incentives
- Total investment per project
- Actual vs. projected jobs, payroll, investment
- Comparison of job and payroll growth with/without use of this incentive
- State return on investment

2026 Criteria for Evaluation:

- History of use of the program
- Layering of the program with other incentives
- Total investment per project
- Actual vs. projected jobs, payroll, investment
- Comparison of job and payroll growth with/without use of this incentive
- State return on investment