

INCENTIVE EVALUATION COMMISSION**Meeting Minutes****Oct. 23, 2025, 10:00 AM****Oklahoma State Capitol****Senate Conference Room 4s.9****Oklahoma City, OK 73105****MEMBERS PRESENT:**

Lyle Roggow, Chair designee of Select Oklahoma and Economic Development Partnership, Inc.
Carlos Johnson, CPA, appointed by the Oklahoma Accountancy Board
Earl Sears, appointed by the Speaker of the House of Representatives
Charles Ortega, OMES Executive Director designee

MEMBER VACANCY:

Economist Member, Senate President Pro Tempore Appointment

MEMBERS ABSENT:

Mandy Fuller, Auditor/CPA appointed by the Governor
Jon Chiappe, Secretary of Commerce designee, Ex-Officio; Non-Voting
Mark Wood, Chair of the Oklahoma Tax Commission, Ex-Officio; Non-Voting

STAFF/GUESTS:

Beverly Hicks, OMES
Randall Bauer, PFM
Joe Buckshon, PFM
Lorena Massey, OTC

Jessica Haney, OTC
Howard McMurry, OTC
John Woods, Commerce

♦ *Office of Management and Enterprise Services (OMES)* ♦ *Public Financial Management Group Consulting LLC (PFM)*
♦ *OK Tax Commission (OTC)*

1. Announcement of filing of meeting notice and posting of the agenda in accordance with the Open Meeting Act:

Chairman Roggow confirmed that the meeting complied with the Open Meeting Act.

2. Call to order and establish a quorum:

Chairman Roggow called this regular meeting to order at 10:04 a.m. A roll call was taken, and a quorum was confirmed. A meeting notice was filed with the Secretary of State, and the agenda was posted in accordance with the Open Meeting Act.

3. Approval of minutes from the October 9, 2025, Commission special meeting:

Rep. Sears moved to approve the meeting minutes of October 9. Carlos Johnson seconded the motion. The following votes were recorded, and the motion passed:

Mr. Johnson, yes; Rep. Sears, yes; Mr. Roggow, yes.

4. Update on the evaluation process for the 2025 Year-Ten Incentives, by PFM Consultant Randall Bauer:

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| <input type="checkbox"/> Home Office Insurance Premium Tax Credit | <input type="checkbox"/> Aircraft Maintenance or Manufacturing Facilities Sales Tax Exemptions |
| <input type="checkbox"/> Quality Jobs Program | <input type="checkbox"/> Cyber Security Employee Tax Credit (NEW) |
| <input type="checkbox"/> 21st Century Quality Jobs Program | <input type="checkbox"/> Aircraft Repairs and Modifications Sales Tax Exemptions |
| <input type="checkbox"/> Small Employer Quality Jobs Program | <input type="checkbox"/> Aircraft Maintenance Facilities Sales Tax Exemptions on Aircraft and Parts |
| <input type="checkbox"/> Aerospace Employee Tax Credit | |
| <input type="checkbox"/> Aerospace Employer Tax Credit | |
| <input type="checkbox"/> Excise Tax Exemption on Aircraft Sales | |
| <input type="checkbox"/> Investment/New Jobs Tax Credit | |

Home Office Insurance Premium Tax Credit – Recommendation: Reconfigure.

In 1987, Oklahoma established the Home Office Tax Credit to increase the concentration of insurance company home and regional offices in Oklahoma. The program offers tax credits against the insurance premium tax base on insurance domicile and number of employees.

Chairman Roggow opened the floor for public comment on the Home Office Insurance Premium Tax Credit, and no comments were received.

No action was taken. Public comment only.

Quality Jobs Program – Recommendation: Retain, with modifications.

Oklahoma's Quality Jobs Program, created in 1993, offers qualifying companies quarterly cash rebates equal to up to 5 percent of newly created taxable payroll for up to 10 years. Originally targeted at manufacturing firms, the program has been expanded to include a range of industries. In recent years, it has mostly been used by manufacturing and oil and gas companies. To qualify for the rebates, a company must operate in an eligible industry and meet requirements related to the amount of payroll associated with new jobs created, health insurance coverage, and wages.

Chairman Roggow opened the floor for public comment on the Quality Jobs Program, and no comments were received.

No action was taken. Public comment only.

21st Century Quality Jobs Program – Recommendation: Retain, with modifications.

Oklahoma's 21st Century Quality Jobs program was created in 2009 under the 21st Century Quality Jobs Incentive Act. Its legislative intent is to "provide appropriate incentives to attract growth industries and sectors to Oklahoma in the twenty-first century through a policy of rewarding businesses with a highly skilled, knowledge-based workforce". The program offers quarterly payments of up to 10 percent of newly created payroll for a period of 10 years. To receive quarterly payments, companies must meet certain requirements related to new jobs and payroll as well as wages.

Chairman Roggow opened the floor for public comment on the 21st Century Quality Jobs Program, and no comments were received.

No action was taken. Public comment only.

Small Employer Quality Jobs Program – Recommendation: Retain, with modifications.

Oklahoma's Small Employer Quality Jobs program was created in 1997 under the Small Employer Quality Jobs Incentive Act. The program provides qualifying companies with 500 or fewer employees quarterly rebate payments of up to five percent of the newly created payroll, for up to seven years. To qualify for payments, participants must meet requirements related to job creation and wages.

Chairman Roggow opened the floor for public comment on the Small Employer Quality Jobs Program, and no comments were received.

No action was taken. Public comment only.

Aerospace Employee and Employer Tax Credit – Recommendation: retain, with modifications.

Effective January 1, 2009, Oklahoma established the Aerospace Employee and Employer Tax Credits designed to 'address the critical shortage of engineering and technical talent' in the State's aerospace industry. Qualified employers can receive an income tax credit for compensation paid to a qualified employee, based on the employee's education, while qualified employees can receive income tax credits of up to \$5,000 for five years.

Chairman Roggow opened the floor for public comment on the Aerospace Employee and Employer Tax Credit, and no comments were received.

No action was taken. Public comment only.

Cyber Security Employee Tax Credit (New) – Recommendation: Retain.

In 2020, Oklahoma created a tax credit for cybersecurity personnel to seek to expand its cybersecurity skilled workforce. The credit is \$2,200 for seven years for those with a qualified bachelor's degree or higher and \$1,800 for those with an associate's degree, a credential, or certificate from an approved accredited program.

Chairman Roggow opened the floor for public comment on the Cyber Security Employee Tax Credit, and no comments were received.

No action was taken. Public comment only.

Investment/New Jobs Tax Credit – Recommendation: Reconfigure.

In 1988, Oklahoma established the Investment New Jobs Tax Credits in order to incent capital investment and job creation. Manufacturing, aircraft maintenance, and web search portal facilities may qualify for a tax credit equal to one percent of the cost of investments made in depreciable property greater than \$50,000, or \$500 per new employee. The credit may be claimed annually for up to five years. The credit

amount doubles for investments in depreciable property greater than \$40 million. Credits earned for investment in depreciable property may be carried forward indefinitely, while credits earned for job creation may be carried forward for 15 years beyond the initial five-year period.

Chairman Roggow opened the floor for public comment on the Investment/New Jobs Tax Credit, and no comments were received.

No action was taken. Public comment only.

Excise Tax Exemption on Aircraft Sales – Recommendation: Retain, with modifications.

Oklahoma state statute provides for 17 types of aircraft sales to be exempt from the 3.25% state excise tax on the purchase price of aircraft sold in the state.

Chairman Roggow opened the floor for public comment on the Excise Tax Exemption on Aircraft Sales, and no comments were received.

No action was taken. Public comment only.

Aircraft Maintenance or Manufacturing Facilities Sales Tax Exemptions – Recommendation: Retain, with modifications.

Since 1991, the State of Oklahoma has offered multiple sales tax exemptions for use by qualified aircraft maintenance or manufacturing facilities (aircraft facilities). The exemptions apply to sales of: (1) computers, data processing equipment, related peripherals, and telephone, telegraph, or telecommunication services and equipment; and (2) tangible personal property consumed or incorporated in construction or expansion.

Chairman Roggow opened the floor for public comment on the Aircraft Maintenance or Manufacturing Facilities Sales Tax Exemptions, and no comments were received.

No action was taken. Public comment only.

Aircraft Repairs and Modifications Sales Tax Exemptions – Recommendation: Retain, with modifications.

Beginning July 1, 2005, sales of aircraft engine repairs, modification, and replacement parts, sales of aircraft frame repairs and modification, aircraft interior modification and paint, and sales of services employed in the repair, modification, and replacement of parts of aircraft engines, aircraft frame and interior repair and modification, and paint are exempt from the Oklahoma sales and use tax.

Chairman Roggow opened the floor for public comment on the Aircraft Repairs and Modifications Sales Tax Exemptions, and no comments were received.

No action was taken. Public comment only.

5. New Business: No unexpected new business was reported.

6. Announcements:

Chairman Roggow announced that the next commission meeting is scheduled for November 13th at 10:00 a.m. in Senate Conference Room 4s.9. He stated that during that meeting, the Commission will make its final recommendations on the Year 10 incentives. These recommendations will be included in the Commission's end-of-year report, which will be submitted to the Governor, the Senate President Pro Tempore, and the Speaker of the House of Representatives once approved at the final Commission meeting this year on December 4th.

7. Adjournment:

There being no further business, Rep. Earl Sears made the motion to adjourn. Carlos Johnson seconded the motion. Seeing no opposition, the Chair adjourned the meeting at 10:10 AM.