

1 **SENATE FLOOR VERSION**

2 February 9, 2021

3 SENATE BILL NO. 893

By: Pugh

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6 An Act relating to income tax; amending 68 O.S. 2011,
7 Section 2357.301, as amended by Section 1, Chapter
8 30, O.S.L. 2014 (68 O.S. Supp. 2020, Section
9 2357.301), which relates to income tax credits;
10 modifying definition related to credits for aerospace
11 sector; and providing an effective date.

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

13 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2357.301, as
14 amended by Section 1, Chapter 30, O.S.L. 2014 (68 O.S. Supp. 2020,
15 Section 2357.301), is amended to read as follows:

16 Section 2357.301. As used in Sections 2357.301 through 2357.304
17 of this title:

18 1. "Aerospace sector" means a private or public organization
19 engaged in the manufacture of aerospace or defense hardware or
20 software, aerospace maintenance, aerospace repair and overhaul,
21 supply of parts to the aerospace industry, provision of services and
22 support relating to the aerospace industry, research and development
23 of aerospace technology and systems, and the education and training
24 of aerospace personnel;

1 2. "Compensation" means payments in the form of contract labor
2 for which the payor is required to provide a Form 1099 to the person
3 paid, wages subject to withholding tax paid to a part-time employee
4 or full-time employee, or salary or other remuneration.

5 Compensation shall not include employer-provided retirement, medical
6 or health-care benefits, reimbursement for travel, meals, lodging or
7 any other expense;

8 3. "Institution" means an institution within The Oklahoma State
9 System of Higher Education or any other public or private college or
10 university that is accredited by a national accrediting body;

11 4. "Qualified employer" means a sole proprietor, general
12 partnership, limited partnership, limited liability company,
13 corporation, other legally recognized business entity, or public
14 entity whose principal business activity involves the aerospace
15 sector;

16 5. "Qualified employee" means any person, regardless of the
17 date of hire, employed in this state by or contracting in this state
18 with a qualified employer on or after January 1, 2009, who has been
19 awarded an undergraduate or graduate degree from a qualified program
20 by an institution, and who was not employed in the aerospace sector
21 in this state immediately preceding employment or contracting with a
22 qualified employer. Provided, the definition shall not be
23 interpreted to exclude any person who was employed in the aerospace
24 sector, but not as a full-time engineer, prior to being awarded an

1 undergraduate or graduate degree from a qualified program by an
2 institution or any person who has been awarded an undergraduate or
3 graduate degree from a qualified program by an institution and is
4 employed by a professional staffing company and assigned to work in
5 the aerospace sector in this state;

6 6. "Qualified program" means a program at an institution that
7 includes a graduate or undergraduate program that has been
8 accredited by the Engineering Accreditation Commission of the
9 Accreditation Board for Engineering and Technology (ABET) and that
10 awards an undergraduate or graduate degree. Both the undergraduate
11 and graduate programs of the same discipline of engineering at an
12 institution shall be part of the qualified program if either program
13 is ABET accredited; and

14 7. "Tuition" means the average annual amount paid by a
15 qualified employee for enrollment and instruction in a qualified
16 program. Tuition shall not include the cost of books, fees or room
17 and board.

18 SECTION 2. This act shall become effective November 1, 2021.

19 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
20 February 9, 2021 - DO PASS

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