

### 3. Small Employer Quality Jobs Program

(68 O.S. §§ 3901 et seq.)

For more information, contact the Oklahoma Department of Commerce at (800) 879-6552 or [info@okcommerce.gov](mailto:info@okcommerce.gov). For forms, visit [www.OKcommerce.gov/incentives](http://www.OKcommerce.gov/incentives).

This cash program provides incentive payments to a qualifying small employer. The payments may reach as high as 5% of new taxable payroll and last for up to seven years. Qualifying payroll must be attributable to annual salaries that are at least 110% to 125% of the average wage of the county in which the jobs are located. Legislation enacted in 2006 allows companies located in certain economically challenged counties to qualify for the program at an average wage level of 100%. These counties are determined by data provided from the United States Census Bureau regarding personal poverty rate above 15% and the unemployment rate being more than 10% above the state rate.

Generally, companies locating in metropolitan counties will not qualify unless they locate in Opportunity Zones that are specified according to census data. Research and Development companies in Physical, Engineering and Life Sciences, and Testing Laboratories may locate anywhere and still qualify. Health premiums paid by the company may be added to the base salaries to determine the total compensation for the average wage amount.

Basic health insurance must be offered to all new employees within 12 months of their start date, and the employee must pay no more than 50% of the cost of the healthcare premium. Depending on location, at least five, and possibly as many as 15 new jobs must be added in the first 24 months after the contract start date. Companies in research and development, software publishing, data processing, hosting and related services, computer systems design, medical and diagnostic or testing laboratories have up to 36 months to create the minimum number of jobs required.

Companies must be in a basic industry as listed below. Companies engaged in the mining of oil and gas are not eligible for this program. Generally, businesses must make at least 75% of annual sales to out-of-state customers, or to in-state customers if resold to an out-of-state consumer, or to the federal government within 12 months. Life Science Research and Development Companies are exempt from this requirement if they perform R&D functions on their own behalf. Distribution Centers for a larger operation are required to distribute 40% of their inventory out-of state. Qualified companies may not have more than 90 employees at the time of application, nor have had more than 90 employees in the state for the 12 months prior to the time of application.

Companies that have received incentive payments under any other state Quality Jobs Program may not participate in this program. Companies benefiting from the Rural Economic Development Loan Act are not eligible for this program. Companies contracting for this program are also prohibited from taking the Investment New Jobs income tax credit, construction sales tax refunds and other tax benefits. The Department of Commerce determines eligibility for the initial contract, but the Oklahoma Tax Commission oversees contract payments.