

The credit is computed on a year-by-year basis. Therefore, a company that had qualified in one year for the credit based on new employees hired, but experiences a reduction in employment the next year, would still qualify for a partial credit, unless employment fell below the employment level for the year prior to the first year the credit was allowable. If, in later years, additional qualifying employees were added, a new base employment level would be calculated, and the new series of credits could be taken for the number of employees above that base level of employment.

The number of jobs may fluctuate if the credit is based on investment. However, a loss in number of jobs must not be attributable to the new investment.

2. Quality Jobs + Investment Tax Credits

The Quality Jobs + Investment Tax Credits incentive creates:

1. An incentive that targets manufacturers which must have capital investments greater than \$40 Million in addition to creating skilled jobs;
2. A foundation of attracting “name-plate” companies to Oklahoma; and
3. A policy of incentivizing businesses with large capital investments greater than \$40 million and creating jobs that pay higher than average wages;
4. Tax Credits will accrue and may begin to be claimed starting July 1, 2012. For more information see Chapter 50 Income, Subchapter 15 Oklahoma Taxable Income, Part 7 Credits Against Tax at <http://www.tax.ok.gov/rules/ER-50-15-7.pdf> on the Oklahoma Tax Commission website.

Qualifying Requirements:

- Job creation requirements similar to present Quality Jobs Program except that the wages must be greater than the state’s average wage – presently \$37,775, which changes every year at the same time that average county wages change in the Quality Jobs Program;
- Capital investment must be greater than \$40 million to also qualify for Investment Tax Credits. Then, the investment qualifies for a 2% tax credit per year for 5 years;
- With the ability to take both Quality Jobs and Investment Tax Credits incentives, the number of the Quality Jobs portion is equal to the calculated number. There are no automatic 5% areas;
- Companies may not exceed the 5% net benefit rate;
- Quality Jobs + Investment Tax Credits may not be combined with Small Employer Quality Jobs or 21st Century Quality Jobs;
- Industries that may qualify for the incentive are only those manufacturing industries that presently qualify for Investment Tax Credits.

Effective as of January 1, 2010.