

3. Aerospace Industry Engineer Work Force Tax Credits

(68 O.S. § 2357.301)

During the 2010 legislative session, state lawmakers placed a two year moratorium on the Aerospace Industry Engineer Tax Credit program. However, with the signing of HB 1008 by Governor Mary Fallin in early April 2011, the Aerospace Industry Engineer Credit was restored effective July 1, 2011.

It should be noted that between July 1, 2010 and June 30, 2011 no tax credit may be claimed for any event, transaction, investment, expenditure or other act for which the engineer tax credit would otherwise be allowable. 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.

Effective July 1, 2011, Oklahoma aerospace companies hiring engineers will receive a tax credit equal to 10% of the compensation paid to an engineer during the first five years of his or her employment depending on the date of hire if the engineer graduated from an Oklahoma college, or a tax credit equal to 5% of the compensation paid to the engineer during the first five years of his or her employment depending on the date of hire if the engineer graduated from a college outside Oklahoma. The maximum credit is \$12,500 per qualified employee per year.

In addition, effective July 1, 2011 Oklahoma aerospace companies may receive a tax credit in the amount of 50% of the tuition reimbursed to a new engineer graduate for the first four years of his or her employment depending on the date of hire. The tax credit is limited to 50% of the average annual tuition paid by an engineer at a qualified program at a public university in Oklahoma.

Also, effective July 1, 2011 engineers who are hired by an Oklahoma aerospace company may also receive an individual tax credit of up to \$5,000 per year for a period of 5 years depending on the date of hire.