November 12, 2026

Memorandum

To: Governor Stitt, Senate President Pro Tempore Paxton, Speaker of the House Hilbert

From: Incentive Evaluation Commission

RE: Review of Prior Commission Recommendations

Section 7005 of Title 62 of the Oklahoma Statutes requires that "By December 15 of each year beginning in 2016, the Commission shall provide the results of each incentive evaluation, a review of prior Commission recommendations, and changes to statute or incentive administration related to incentive evaluation recommendations in a written report to the Governor, President Pro Tempore of the Senate, and Speaker of the House of Representatives." The following provides that report to you.

For purposes of the report, this review is provided for the incentive evaluation recommendations of the Commission from 2016 through 2025, excluding the current year, as there would be no opportunity for the legislature or administering agencies to act on the 2026 recommendations. As a result, this encompasses statutory or administrative changes from Commission recommendations in 2016 through 2025. While the administering agencies were queried in compiling this list, it is not possible to independently verify the information that they have provided. For recommendations from 2016 through 2018, agency responses were not available, so the information comes from later evaluation reports and public legislative records. That said, this can serve as a useful point of discussion in future evaluations of these incentives.

Each incentive appears once below. Within each incentive, the Commission's recommendations and the resulting outcomes are listed by the year the incentive was evaluated. The final section of this report identifies incentives for which the Commission's overall direction changed between evaluations.

Aerospace Engineer Employee and Employer Tax Credit

2016 Recommendations and Outcomes
Tax Credit for Tuition Reimbursement for Aerospace Employers; Tax Credit for Aerospace Employees; Tax Credit for Compensation Paid by Aerospace Employers

1. Enhance employer reporting to show the overlap with the Quality Jobs incentives.

SB 120 (2017) extended the sunset date from January 1, 2018 to January 1, 2026. The Tax Commission has not adopted the employer reporting recommendation.

2020 Recommendations and Outcomes
Recommendations pertaining to employer tax credits:

1. Enhance employer reporting to show overlap with the state's Quality Jobs incentives.

2. Consider broadening the employee tax credit incentive eligibility. The employee tax credit is limited to employees who have been awarded an undergraduate or graduate degree from a qualified program accredited by the Engineering Accreditation Commission of ABET. The employee must not have been employed in the aerospace sector in Oklahoma immediately preceding employment with the employer. The state should consider these restrictions in conjunction with statewide economic development goals, as well as the goals of the incentive itself. It may be reasonable to loosen the ABET accreditation requirements to allow graduates of non-ABET accredited programs to qualify.
3. Clarify eligibility requirements in statute.

While the legislature has considered changes to program eligibility, they have not been enacted to date.

2025 Recommendations and Outcomes

1. Increase the amount of the credit by an amount that accounts for some or all of the reduction in value because of inflation since the credit's introduction.
2. Provide a list of frequently asked questions with the tax form in order to limit the number of ineligible claimants

The Legislature has not increased the credit amount to account for inflation. SB 1392 (2026) would have raised the employee credit from $5,000 to $10,000 beginning in tax year 2027. The bill died in committee. OTC has not made the recommended administrative changes.

Oklahoma Affordable Housing Tax Credit

2018 Recommendations and Outcomes

1. Shorten the credit period for future allocations from 10 years to 5 years.
2. Consider removing the statutory provision that precludes housing projects in Oklahoma's most populous counties from receiving funding.
3. Consider making the tax credits refundable instead of transferable. (The Commission disapproved the recommendation that the credits be nontransferable.)

The Legislature eliminated the population restrictions for qualified projects and reduced the carry forward period. The credits remain transferable.

2022 Recommendations and Outcomes

1. Provide the option for the credit to be refundable or transferable.

The Legislature has not acted on this recommendation.

Aircraft Maintenance or Manufacturing Facilities Sales Tax Exemptions

2019 Recommendations and Outcomes

1. Consider the policy goals of the exemption and modify them accordingly.

2. Explore the adoption of targeted tax preferences employed in other states.

These would require changes in statute. No statutory changes consistent with the recommendations have been made.

2023 Recommendations and Outcomes

1. Simplify or eliminate certain eligibility requirements.
2. Integrate these sales tax exemptions as part of the State's robust portfolio of industry incentives.
3. Update outdated code references.

The Legislature has not made statutory changes.

2025 Recommendations and Outcomes

Aircraft Maintenance or Manufacturing Facilities Sales Tax Exemptions

1. Consolidate statutory references. The sales tax exemptions are outlined in Sections 1357(16) and 1357(17) of Title 68, covering sales of computers, data equipment, and materials used in qualified aircraft facility construction or expansion. Other Title 68 sections address administrative provisions, though some contain unrelated or outdated references. Consolidating these provisions into a single section would improve clarity and administrative efficiency.

The Legislature passed SB 1400, effective January 1, 2027, which consolidates the aircraft-related sales tax exemptions in 68 O.S. § 1357 into a single paragraph. The exemptions for computers, data processing, and telecommunications equipment and for materials used in the construction or expansion of a qualified aircraft maintenance or manufacturing facility are now subparagraphs (a) and (b) of paragraph 16. The bill also updates the outdated statutory cross-references in the refund provisions of 68 O.S. § 1357.5.

Aircraft Facilities Sales Tax Exemption on Aircraft Parts

1. Identify an achievable policy goal for the Sales Tax Exemption on Aircraft Parts.
2. Consider integrating the exemption into maintenance or manufacturing sales tax exemption.

The Legislature passed SB 1400, effective January 1, 2027, which integrates the exemption for aircraft and aircraft parts sold at a qualified aircraft maintenance facility (formerly paragraph 20 of 68 O.S. § 1357) into the consolidated aircraft maintenance or manufacturing exemption as subparagraph (c) of paragraph 16. The bill does not change eligibility or benefit amounts. The Legislature has not acted on the recommendation to identify a policy goal for the exemption.

Aircraft Repairs and Modifications Sales Tax Exemption

1. Consider tracking the number of exemptions claimed and amount reinvested into Oklahoma.
2. Consider integrating the exemption into the maintenance or manufacturing sales tax exemption.

3. Identify specific policy goals for which the Aircraft Repairs and Modifications Sales Tax Exemption can achieve.

The Legislature passed SB 1400, effective January 1, 2027, which integrates the exemption for aircraft engine, frame, and interior repairs, modifications, and paint (formerly paragraph 28 of 68 O.S. § 1357) into the consolidated aircraft maintenance or manufacturing exemption as subparagraph (d) of paragraph 16. The bill does not change eligibility or benefit amounts. The Legislature has not acted on the recommendations to track the number of exemptions claimed and the amount reinvested into Oklahoma, or to identify specific policy goals for the exemption.

Applied Research Support Program (OARS)

2018 Recommendations and Outcomes

1. OCAST should collect more detailed information from current and former grant recipients to allow for consistent analysis.
2. Track business activity and funding sources prior to obtaining the state financial support, and after the state monies have been spent, to measure the long-term effect of the program.
3. If a successful product or company is developed, identify the location where the product is sold, supported, and manufactured.

OCAST has undertaken a long-term data collection project to address this and other programs it administers.

2022 Recommendations and Outcomes

1. Further refine and improve data collection and reporting processes. While Oklahoma Center for the Advancement of Science and Technology (OCAST) has begun collecting additional data points from its OARS grantees in recent years, it remains difficult to effectively evaluate the effectiveness of the program due to data collection and reporting process issues.
2. OCAST should collect additional information from grant recipients as part of its data collection and reporting processes, including jobs, payroll, economic activity, and success or failure rate.
3. OCAST should conduct longitudinal case studies over a meaningful period of time for select companies. This would track the advance and development of the effects and benefits of applied research funded by the program, showing the synergy between grants, follow-on funding, and capital investment.
4. OCAST should obtain data when funds are spent and the purpose for fund expenditures for follow-on funding attained.

1. *OCAST is actively working to identify opportunities for improvement in our current data collection process as we wrap up the 2023 survey period. Enhancements to our survey processes and practices will be implemented for the FY24 survey, which is anticipated to be deployed shortly after the end of the fiscal year.*

2. *OCAST has reviewed the metrics currently included in our annual survey of grantees and has begun the early stages of focusing, redefining, and expanding metrics as necessary for the FY24 survey to capture information required by key stakeholders, including federal funders, the legislature, and the public.*
3. *Does intend to begin conducting case studies again. The agency's workforce has just been too low over the last few years to make this happen. OCAST only recently regained the workforce to once again conduct longitudinal case studies. We believe these studies are important for ensuring the most effective use of agency appropriations and we look forward to relaunching this effort in the very near future.*
4. *OCAST believes desk audits are the solution to address this need, matching state funds expenditure claims with receipts. OCAST hasn't had the workforce to accomplish these audits until recently, so we will restart this important activity soon.*

Capital Gain Deduction

2017 Recommendations and Outcomes

1. Repeal.
2. If the program is retained, target the incentive to a specific industry, require gains to be reinvested in Oklahoma, and improve data collection for future evaluation.

HB 2590 (2018), which would have repealed the deduction, did not pass. No statutory or programmatic changes have been made since 2017.

2021 Recommendations and Outcomes

1. The Department of Commerce, the Tax Commission and the Office of Management and Enterprise Services (OMES) should develop a task force in regard to an interim study to look at the incentive; is it still effective for businesses, the impact it has on businesses, the impact it has on the individual taxpayers, and to have the findings reported back to the Incentive Evaluation Commission.

This recommendation was not acted upon.

Clean Burning Fuel Tax Credit

2017 Recommendations and Outcomes

1. Retain the infrastructure credit while sunsetting the vehicle credit.
2. Structure the program to phase out.
3. Improve reporting on the credit.

The Legislature and agency have not acted on these recommendations.

2021 Recommendations and Outcomes

1. Clarify statutory language related to eligible investments in commercial fueling activity.

The Tax Commission has not acted on this recommendation.

Coal Tax Credits

2017 Recommendations and Outcomes

1. Repeal.

The Legislature did not repeal the credits. It capped them at $5 million in 2018, and the credits sunset on December 31, 2021. 68 O.S. Supp. 2017, §2357.11

2021 Recommendations and Outcomes

1. Repeal via existing sunsets.

The Legislature's action was consistent with this recommendation.

Computer Services, Data Processing, and Research and Development Tax Exemption

2019 Recommendations and Outcomes

1. Repeal the program.

The Legislature has not acted on this recommendation. The recommendation is moot, as the Commission evaluated it in 2023 and chose not to recommend repeal.

2023 Recommendations and Outcomes

1. Retain § 68 -1357v2 – 21 to allow for its potential use for larger data centers and other computer services companies.

The Legislature has not made statutory changes.

Construction Materials Tax Exemption

2019 Recommendations and Outcomes

1. Repeal the program.

The Legislature has not acted on this recommendation. The recommendation is moot, as the Commission evaluated it in 2023 and chose not to recommend repeal.

2023 Recommendations and Outcomes

1. Expand the qualifications beyond manufacturing companies

The Legislature added sales of machinery and equipment used for commercial mining of digital assets.

Cyber Security Employee Tax Credit

2025 Recommendations and Outcomes

1. To enhance program compliance, provide a list of frequently asked questions with the tax form on the Oklahoma Tax Commission website in order to avoid confusion around eligibility from applicants.

OTC has not made the recommended administrative changes.

Economic Development Pooled Finance

2019 Recommendations and Outcomes

1. Consider adding a claw back provision requiring a company to repay withholding taxes if it ends operations in the state prior to the end of the expected repayment period.
2. Establish regular reporting of awards and costs associated with programs.

The Legislature has not acted on the first recommendation. The recommendation is moot, as, based on additional information, it is not necessary and was not included in the 2023 evaluation of the program. The Department of Commerce is incorporating program participants into its CRM system, including application materials and incentive payments (costs), and will report this information and impacts on an aggregate basis.

2023 Recommendations and Outcomes

1. Maintain program continuity and efforts to advertise the availability of funds for this program to potential recipients around the state.

The Department of Commerce continues to advertise fund availability through its website and road shows throughout the State.

Economically At-Risk Lease Tax Rebate; Production Enhancement Rebate (Gross Production); Re-Established Production Rebate (Gross Production)

2017 Recommendations and Outcomes

1. Repeal.

The Legislature had already sunset these programs before the Commission's vote.

Tax Credit for Electricity Generated by Zero Emissions Facilities

2016 Recommendations and Outcomes

1. Cap program credits or accelerate the closing of the program window (currently January 1, 2021) to January 1, 2018.
2. Allow non-wind generating zero emission facilities to continue to claim the credit until January 1, 2021.
3. Increase reporting requirements related to expected energy generation and use of state credits.

In 2017, the Legislature ended eligibility for wind facilities placed in service on or after July 1, 2017. Non-wind facilities remained eligible through the existing sunset. No action on the reporting recommendation was identified.

2020 Recommendations and Outcomes

1. Retain existing sunset.

In 2016, the Commission recommended eliminating the refundable tax credit, and in 2017 the Legislature and Governor took action consistent with this recommendation.

Energy Efficient Residential Construction Tax Credit

2018 Recommendations and Outcomes

1. Repeal.
2. If the State re-enacts this or a similar credit, require additional data from those who qualify, including which eligible expenditures are claimed and the level of energy reduction achieved.
3. Consider making credits refundable instead of transferable.
4. Consider replacing tax credits with grants or rebates.

SB 1603 (2016) had already sunset the credit effective July 1, 2016. The Legislature has not reinstated it.

Ethanol Fuel Retailer Tax Credit

2017 Recommendations and Outcomes

1. Repeal.

The Legislature and agency have not acted on these recommendations.

2021 Recommendations and Outcomes

1. Repeal.

The Legislature has not acted on this recommendation.

Excise Tax Exemption on Aircraft Sales

2016 Recommendations and Outcomes

1. Focus the exemptions around a policy goal.
2. Require dealer reporting on aircraft transactions to identify the rationale for exempting sales from excise tax.

The Legislature did not adopt the policy goal recommendation. It narrowed the commercial airline exemption (HB 2253) to aircraft that operate under Part 91 for no more than 50 percent of annual operations, and the 2016 evaluation was cited in that debate. The Tax Commission has not acted on the reporting recommendation.

2020 Recommendations and Outcomes

1. Focus the excise tax exemptions on a specific policy goal.
2. Improve the data collection process. The OTC may consider updating its exemption application form to require that the dealer explain whether the sale was taxable or exempt, and if exempt, for what reason. 3.
3. Identify the history of/basis for each excise tax exemption and evaluate whether it aligns with the state's economic and policy goals. If an exemption is found to be out of alignment, consider repealing the specific tax preference.

The Legislature and the Tax Commission have not acted on these recommendations, either through statute or administrative activity.

2025 Recommendations and Outcomes

1. Improve the data collection process.
2. Focus the excise tax exemptions around a specific policy goal.
3. Identify the history of/basis for each excise tax exemption and evaluate whether it aligns with the State's economic and policy goals.

The Legislature has not acted on the recommendations.

Film Enhancement Rebate

2016 Recommendations and Outcomes

1. Allow the program to sunset as scheduled in 2024.
2. If the State preserves the program, supplement existing data reporting by retaining the duration of film shoot or employment period, in-state goods and services expenditures by type, and rebate expenditures associated with Oklahoma expatriates and Oklahoma Production Service Entities. To the extent possible, increase reporting consistency when documenting film productions not receiving state incentives.

The Legislature did not allow the program to sunset. No action on the reporting recommendation was identified.

2020 Recommendations and Outcomes

1. Retain but monitor.
2. Stay the course and revisit the program after the impacts of increasing the annual cap to $8 million can be more fully analyzed and understood.

SB 608 (2021), the Filmed in Oklahoma Act of 2021, took effect July 1, 2021. It raised the annual cap from $8 million to $30 million and created a new rebate program with a June 30, 2031 sunset. The prior program no longer accepts new applications and sunsets July 1, 2027.

2024 Recommendations and Outcomes

1. Target the credit more directly at post-production activities.
2. Expand the content creation activity eligible for the rebate.
3. Build out the content and information available on the OF+MO website for user ease and accessibility.
4. Refine the existing data collection to include the year funds are spent in the reporting requirements for productions.
5. Maintain the existing $30 million program cap.

The Legislature has maintained the $30 million program cap and created an additional incentive program, the Stand-Alone Post-Production Incentive, to target post-production activity. Additionally, after reviewing internet archive data, it appears OF + MO has made both aesthetic and substantive changes on their website.

Film Sales Tax Exemption

2024 Recommendations and Outcomes

1. Modify the sales tax exemption to apply to film production infrastructure in order to spur industry growth.

The Legislature has not amended the program to apply the sales tax exemption to film production infrastructure. The exemption currently applies to sales tax paid on property and services related to the film production.

Five-Year Ad Valorem Tax Exemption

2016 Recommendations and Outcomes

1. Consider revising program eligibility requirements that have been the same in some cases since program inception.
2. Increase the information available to evaluate, likely through required non-disclosure agreements.

The Legislature did not make changes responsive to these recommendations. Statutory changes since 2016 have clarified the definitions of qualifying construction costs and payroll, as well as increased reporting requirements.

2020 Recommendations and Outcomes

1. Establish requirements that better target the program toward the state's economic development goals. Targeting the program toward more specific industries could help control costs, which have increased dramatically in recent years. Requirements related to average wage would also control costs and increase the potential economic impact of the program and return on investment for the state.
2. Establish minimum wage requirements for qualifying facilities.
3. Require qualified facilities to at least maintain employment levels in addition to payroll throughout the five-year exemption period.
4. Require advanced notification in order to qualify for an exemption.
5. Increase program transparency. Data provided by applicants is not available for evaluation purposes.
6. Require local government financial participation. This will help ensure that local governments accurately assess and assist with administration of program requirements.
7. Improve annual reporting by including metrics on program benefits.
8. Report exemption data based on North American Industry Classification System (NAICS) code rather than OTC categories.

There have been no statutory or administrative changes related to the Commission recommendations to the program. It should be noted that there have been statutory and administrative changes, but they were not aligned with the Commission recommendations.

2024 Recommendations and Outcomes

1. The project team recommends an evaluation of these methods, tools, and process to establish a plan to improve and enhance data associated with this program.

The Legislature updated data collection requirements to align with recommended changes. The details can be found in Laws 2025, SB 577, c. 204, § 1, eff. November 1, 2025. They include "a report detailing the number of new jobs created and the payroll data for new jobs created…" and "…The Tax Commission shall provide the data collected pursuant to this subsection to the Incentive Evaluation Commission for only evaluation purposes."

Health Research Support Program

2018 Recommendations and Outcomes

1. OCAST should collect more detailed information from current and former grant recipients to allow for consistent analysis.
2. Track business activity and funding sources prior to obtaining the state financial support, and after the state monies have been spent, to measure the long-term effect of the program.
3. If a successful product or company is developed, identify the location where the product is sold, supported, and manufactured.

OCAST has undertaken a long-term data collection project to address this and other programs it administers.

2022 Recommendations and Outcomes

1. Further refine and improve data collection and reporting processes. While Oklahoma Center for the Advancement of Science and Technology (OCAST) has begun collecting additional data points from its OARS grantees in recent years, it remains difficult to effectively evaluate the effectiveness of the program due to data collection and reporting process issues.
2. OCAST should collect additional information from grant recipients as part of its data collection and reporting processes, including jobs, payroll, economic activity, and success or failure rate.
3. OCAST should conduct longitudinal case studies over a meaningful period of time for select companies. This would track the advance and development of the effects and benefits of applied research funded by the program, showing the synergy between grants, follow-on funding, and capital investment.
4. OCAST should obtain data when funds are spent and the purpose for fund expenditures for follow-on funding attained.

1. *Although this program is not currently funded, OCAST still surveys Health Research awardees annually. We are actively working to identify opportunities for improvement in our current data collection process as we wrap up the 2023 survey period. Enhancements to our survey processes and practices will be implemented for the FY24 survey, which is anticipated to be deployed shortly after the end of the fiscal year.*
2. *OCAST has reviewed the metrics currently included in our annual survey of grantees and has begun the early stages of focusing, redefining, and expanding metrics as necessary for the FY24 survey to capture information required by key stakeholders, including federal funders, the legislature, and the public.*
3. *Does intend to begin conducting case studies again. The agency's workforce has just been too low over the last few years to make this happen. OCAST only recently regained the workforce to once again conduct longitudinal case studies. We believe these studies are important for ensuring the most effective use of agency appropriations and we look forward to relaunching this effort in the very near future.*
4. *OCAST believes desk audits are the solution to address this need, matching state funds expenditure claims with receipts. OCAST hasn't had the workforce to accomplish these audits until recently, so we will restart this important activity soon.*

Historic Rehabilitation Tax Credit

2016 Recommendations and Outcomes

1. Adopt an annual cap to ensure some measure of future budget predictability.

In 2017, the Legislature considered but did not pass an annual cap or sunset provision.

2020 Recommendations and Outcomes

1. Retain and revisit in the future.
2. Include a cap on the program.

The Legislature has not adopted a cap on the program.

2024 Recommendations and Outcomes

1. Consider implementing a cap on total funding available each fiscal or tax year.
2. Consider adding “bonus” categories to increase credit value to incentivize affordable housing creation.

No changes have been noted to either statues governing the program nor the publicly available information through the State Historic Preservation Office.

Home Office Tax Credit

2017 Recommendations and Outcomes

1. Tie the credit to job creation.
2. Collect payroll data from companies receiving credits to improve future evaluations.

The Legislature and agency have not acted on these recommendations.

2021 Recommendations and Outcomes

1. Modify the credit to either an amount per new job or some portion of new payroll.
2. Require a specific job and payroll verification process.

The Legislature and agency have not acted on these recommendations.

2025 Recommendations and Outcomes

1. Reconfigure the program to base the credit amount on payroll as opposed to premiums.
2. Revise the program statute to base benefit tiers on payroll amount as opposed to number of jobs.
3. Eliminate the credit and lower the insurance premium tax by a revenue neutral amount.

The Legislature and agency have not enacted these recommendations. SB 1401 (2026) would have lowered the insurance premium tax rate and limited the credit to certain fiscal years, consistent with the third recommendation. The bill died in committee.

Industrial Access Road Program

2016 Recommendations and Outcomes

1. If the State retains the program, changes to program application requirements, metrics, and funding criteria would be necessary.

The Commission did not approve the recommendation to repeal. No changes were made based on this recommendation.

2020 Recommendations and Outcomes

1. Incorporate assistance from the Department of Commerce to evaluate the economic impact of projects that are applying for funding.

2. Collect average wage of new jobs for each project to further evaluate economic impact.
3. Collect information regarding other incentives received by the project.
4. Create clear standardized definitions of jobs and capital investment. The administrative rules governing the Industrial Access Road Program do not include definitions or requirements for jobs and capital investment.
5. Create a standard application form.

The Department of Transportation (ODOT) now has a standard online application and has begun requesting the average wage of new jobs as part of the application process. When feasible, ODOT partners with Commerce to evaluate the economic impact of new projects, and when applicable, collaborates with Commerce or other agencies to understand other incentives the industry may be receiving to encourage relocation or expansion. ODOT has not standardized definitions.

Invest in Oklahoma Program

2024 Recommendations and Outcomes

1. Retain the program with the addition of reporting guidelines to track the performance of investments and/or increased economic investment within the state.
2. Remove program from list of incentives for future evaluations.

The Legislature passed HB 2765, effective November 1, 2025, which transferred the administration of the Invest in Oklahoma program from the OK Center for Advancement of Science and Technology to the State Treasurer's office, and allows for direct investments in Oklahoma companies. The bill also renamed the Cash Management and Investment Oversight Commission to the Invest In Oklahoma Board, with membership consisting of the Governor, Lt. Governor, State Treasurer, an appointee of the House Speaker and appointee of the Senate President Pro Tempore.

Investment/New Jobs Tax Credit

2018 Recommendations and Outcomes

1. Award credits only in the year the investment is made or when new jobs are created.
2. Limit the credit carry forward period to seven years.
3. Reduce the credit amount to equal 4 percent of capital investment or $2,000 per new job.
4. Implement strict reporting requirements and claw back provisions.
5. Restrict credit eligibility to specific industries.
6. Restrict the credit to only capital expenditure for new or expanding facilities, rather than capital replacement.
7. Increase the wage requirement for new jobs to match the Quality Jobs Program.
8. Maintain a cap on annual expenditures for tax credits awarded prior to implementation of credit changes.
9. Improve data collection.

The Legislature has not enacted these recommendations.

2022 Recommendations and Outcomes

1. Limit the carryforward period to seven years. The carryforward period for capital investment credits is indefinite, contributing to the continued growth in the State's unused tax credit liability. This is in line with the Commission's recommendation following the last evaluation of this credit.
2. Require claims to be filed with the Tax Commission each year of the carry forward period, regardless of whether the credit is used to offset tax liability. Regular annual claims can require claimants to attest that the capital investment is still in use, and in aggregate, these annual claims would provide the State a clearer picture of how much credit is still available to be used.
3. Require an application and approval process, using the Incentive Approval Committee, before allowing claims. The application would be submitted within 60 days of the capital investment being placed in service and would need to be approved before the taxpayer could claim the credit on a tax return. Applying in a timely manner would increase the likelihood that firms would have to plan on taking the credit when making a qualifying investment.
4. Eliminate the new jobs credit, in favor of incenting manufacturing job creation through the Quality Jobs Program. The Investment-New Jobs Tax Credit needs significant updates to its job creation requirements. As noted in key findings, the minimum annual pay required of $7,000 is equal to 11.2 percent of the manufacturing's average annual pay in Oklahoma. There is also no requirement related to benefits provided to new jobs. Only one new job is required to receive a new job tax credit.

The Legislature has not acted on the recommendations.

2025 Recommendations and Outcomes

1. Eliminate the job creation tax credit for manufacturing firms.
2. Raise the wage threshold to at minimum meet the average annual wages for manufacturing employees in the State.
3. Require an application process for claimants instead of offering benefits by right and include requirements for awarded tax credits.
4. Limit the indefinite carryforward period for capital investment credits to seven years.
5. Amend the program statute to require additional data collection.

The Legislature has not enacted the recommendations. SB 1395 (2026) passed the Senate 48-0 on February 16, 2026. As passed by the Senate, it would have ended the new jobs credit for manufacturing operations after tax year 2026, limited the carryforward period to seven years for credits earned after tax year 2026, and required an application with Tax Commission approval before claiming the credit beginning in tax year 2027. The application would have collected the industry code, carried-forward credit amounts, the average wage of new jobs, and categories of investment, and the Tax Commission would have provided the data to the Incentive Evaluation Commission. The bill was referred to a House Appropriations subcommittee on March 31, 2026 and did not advance.

Local Development and Enterprise Zone Incentive Leverage Act

2019 Recommendations and Outcomes

1. Seek ways to increase program appeal and usage beyond Oklahoma City.
2. Improve data collection, including employment, capital investment and other impacts associated with enterprise zones (such as changes in assessed value).

As demonstrated by recent projects outside of Oklahoma City, the Department of Commerce has worked to increase program appeal and usage. Later development: Senate Bill 317, enacted in the 2023 legislative session, requires Commerce to gather information on the performance of TIFs and provide additional information on them to the public.

2023 Recommendations and Outcomes

1. Increase program appeal and usage throughout the State. The State should work with other cities to increase awareness of the program and its benefits so that it can be more widely used.
2. Improve data collection and reporting. The State should collect, store, and report data related to individual project employment, capital investment, industry, and other impacts such as changes in assessed value within enterprise zones, and work to reconcile data differences so that comparisons of jobs and payroll for project impacts can be projected with a higher degree of confidence.

SB 2017 (2024), effective November 1, 2024, requires each enterprise or entity receiving matching payments to report annually to the Department of Commerce on employment, including payroll, capital investment, and changes in the assessed value of property, and requires Commerce to post the reported information on its website. No legislative action on the recommendation to increase program appeal and usage was identified.

2024 Recommendations and Outcomes

1. Create reporting requirements for payroll and employment information that is available at the claimant level.

SB 575 (2025), effective November 1, 2025, requires each enterprise or entity to provide consent for the Department of Commerce to share reported information with the Incentive Evaluation Commission for evaluation purposes. The information provided to the Commission shall be disaggregated on a per project basis.

New Products Development Income Tax Exemption (Incentives for Inventors)

2018 Recommendations and Outcomes

1. Repeal.
2. Improve data processing to collect and report the total cost of corporate tax exemptions.

The Legislature has not repealed the exemption.

2022 Recommendations and Outcomes

1. Repeal.
2. If not repealed, improve data processing in order to collect and report the total cost of corporate tax exemptions. In order to improve future evaluations of this program and any other program associated with corporate tax exemptions, the OTC should improve its data processing to allow for the disaggregation of the total cost of each corporate tax exemption.
3. Modify program requirements to require companies to provide key data on a yearly basis to be eligible for the tax exemption. Currently, those wishing to take the tax exemption must register with OCAST, but there is no requirement that the inventor or manufacturer provide additional information that would be useful in determining the effectiveness or efficacy of the program. The inventor or manufacturer should be required to provide information on annual revenues, annual payroll, and FTEs, both the total number and the number located in Oklahoma to be eligible for the tax exemption.

The Legislature and/or administering agencies have not acted on the recommendations.

Oklahoma Capital Investment Board

2016 Recommendations and Outcomes

1. Allow OCIB to complete its scheduled activities prior to its legislated sunset.
2. There is no compelling conclusion related to reversing the sunset imposed by the Legislature, particularly given short-term budget issues facing the state.
3. If the program is retained, add reporting on results related to Oklahoma firms (pre- and post-investment payroll, jobs, and capital investment) and investments by sector.

The Legislature has not changed the sunset. No action on the reporting recommendation was identified.

2020 Recommendations and Outcomes

1. Retain the existing program sunset.

The Legislature's action was consistent with the recommendation.

Quality Events Incentive Act

2016 Recommendations and Outcomes

1. Eliminate the process of estimating the projected economic impact prior to the completion of the qualifying event.
2. Create a standardized application template with clear guidelines.
3. Designate a single point person or office to respond to applicant questions.
4. Maintain a database with essential project information.

The Department of Commerce has adopted several of these recommendations, but still uses the projected economic and fiscal impact in the award process.

2020 Recommendations and Outcomes

1. Replace "actual documentation" with a standardized economic impact study form that identifies all the information needed to determine economic impact.
2. Remove the statutory requirement that host communities submit the actual documentation 30 days after the event ends.
3. Collect data that will better help determine the program's economic impact on the state. This includes the number of event attendees, number of event participants, length of the event, ratio of local to non-overnight attendees, ratio of local to non-overnight participants, average daily spending, and total cost of the event.

The Department of Commerce is planning additional information gathering and reporting efforts related to visitors to events and is in the process of acquiring a data service to compile this information.

2024 Recommendations and Outcomes

1. Aggregate collected data to improve economic impact estimates.

The Oklahoma Department of Commerce has not made significant changes to the data collection process.

Quality Jobs Program

2017 Recommendations and Outcomes

1. Require filing for incentive payments each quarter.
2. Regularly review eligible industries.
3. Centralize data tracking.
4. Codify in statute the Department of Commerce's current administrative practices, including review of every project by the Incentive Approval Committee and a requirement that a company representative appear before the Committee before a contract is awarded.
5. Eliminate the change-in-control provision.

HB 3324 (2018) directed five percent of quarterly payments on contracts executed on or after August 2, 2018 to the Quick Action Closing Fund.

2021 Recommendations and Outcomes

1. Require participants to pay the average county wage regardless of the statewide threshold wage.
2. For new agreements, reset the minimum wage requirement after 5 years (only applies to new agreements, not existing ones).
3. Require participants to file rebate claims within one year of qualifying quarter (rather than the current two years).
4. Regularly review/update eligible industries to reflect the State's economic development goals.

The Legislature has not made statutory changes to the program related to wages. The Department has not made the recommended administrative changes.

2025 Recommendations and Outcomes

1. Require participants to pay the average county wage regardless of the statewide threshold wage.
2. For new agreements, reset the minimum wage requirement after 5 years (only applies to new agreements, not existing ones).
3. Require participants to file rebate claims within one year of qualifying quarter (rather than the current two years).
4. Regularly review/update eligible industries to reflect the State's economic development goals.

The Legislature has not made statutory changes to the program related to wages or rebate filing. SB 1403 (2026) passed the Senate on March 10, 2026. As passed, it would have limited the $25,000 cap on the county average wage requirement to applications submitted before January 1, 2027, and tightened the deadline for the first rebate claim to one year. The House amended the bill on May 4, 2026, removing those provisions. The bill did not pass the House. The Department has not made the recommended administrative changes.

21st Century Quality Jobs Program

2017 Recommendations and Outcomes

1. Require filing for incentive payments each quarter.
2. Regularly review eligible industries.
3. Centralize data tracking.

HB 3324 (2018) directed five percent of quarterly payments to the Quick Action Closing Fund.

2021 Recommendations and Outcomes

1. Require participants to pay the average county wage regardless of the statewide threshold wage.
2. For new agreements, reset the minimum wage requirement after 5 years (only applies to new agreements, not existing ones).
3. Require participants to file rebate claims within one year of qualifying quarter (rather than the current two years).
4. Regularly review/update eligible industries to reflect the State's economic development goals.
5. Provide an option for firms who fail to meet program requirements to transfer to the Quality Jobs Program or Small Employer Quality Jobs Program and continue receiving incentives, if qualified.

The Legislature has not made statutory changes to the program related to wages. Legislation is necessary to allow qualified firms to transfer to QJ or SEQJ. Language was included in SB 1707, but the bill did not advance through session.

2025 Recommendations and Outcomes

1. Require participants to pay the average county wage regardless of the statewide threshold wage.
2. For new agreements, reset the minimum wage requirement after 5 years (only applies to new agreements, not existing ones).
3. Require participants to file rebate claims within one year of qualifying quarter (rather than the current two years).
4. Regularly review/update eligible industries to reflect the State's economic development goals.
5. Provide an option for firms who fail to meet program requirements to transfer to the Quality Jobs Program or Small Employer Quality Jobs Program and continue receiving incentives, if qualified.

The Legislature has not made statutory changes to the program related to wages or rebate filing. SB 1403 (2026) passed the Senate on March 10, 2026. As passed, it would have limited the $25,000 cap on the county average wage requirement to applications submitted before January 1, 2027, and tightened the deadline for the first rebate claim to one year. The House amended the bill on May 4, 2026, removing those provisions. The bill did not become law. The Department has not made the recommended administrative changes. Legislation is necessary to allow qualified firms to transfer to QJ or SEQJ.

High Impact Quality Jobs Program

2017 Recommendations and Outcomes

1. Decrease the job creation requirement.
2. Increase the benefit.

HB 3324 (2018) directed five percent of quarterly payments to the Quick Action Closing Fund.

Small Employer Quality Jobs Program

2017 Recommendations and Outcomes

1. Require filing for incentive payments each quarter.
2. Regularly review eligible industries.
3. Centralize data tracking.
4. Amend the statutory limit of 90 jobs for qualifying companies.

In 2018, the size limit for qualifying establishments increased from 90 to 500. HB 3324 (2018) also directed five percent of quarterly payments to the Quick Action Closing Fund.

2021 Recommendations and Outcomes

1. Require participants to pay the average county wage regardless of the statewide threshold wage.
2. For new agreements, reset the minimum wage requirement after 5 years (only applies to new agreements, not existing ones).
3. Require participants to file rebate claims within one year of qualifying quarter (rather than the current two years).
4. Regularly review/update eligible industries to reflect the State's economic development goals.

The Legislature has not made statutory changes to the program related to wages. The Department has not made the recommended administrative changes.

2025 Recommendations and Outcomes

1. Require participants to pay the average county wage regardless of the statewide threshold wage.
2. For new agreements, reset the minimum wage requirement after 5 years (only applies to new agreements, not existing ones).
3. Require participants to file rebate claims within one year of qualifying quarter (rather than the current two years).
4. Regularly review/update eligible industries to reflect the State's economic development goals.

The Legislature has not made statutory changes related to wages or the wage reset. HB 4191 (2026), effective August 13, 2026, expanded the definition of "basic industry" and added Department of Commerce responsibilities. As passed by the Senate, SB 1403 (2026) would have shortened the outer limit for the first rebate claim from three years to one year. The House removed that provision, and the bill did not become law. The Department has not made the recommended administrative changes.

Quality Jobs Investment Program

2018 Recommendations and Outcomes

1. Repeal.

SB 485 (2019) repealed the program.

Quick Action Closing Fund

2018 Recommendations and Outcomes

1. Retain.
2. Set the wage threshold equal to that of the Quality Jobs Program.

In 2019, the Legislature required projects to pay an average annualized wage on new jobs that exceeds the county average.

2022 Recommendations and Outcomes

1. Require more robust reporting on awards. Oklahoma publicly reports only the award amount, the company name, award date and a very brief description of how the award is to be used. Nearly all comparable programs have more detailed public reporting on projects that have received awards.
2. Include an explanation of why each awarded project was considered "high impact." Statute dictates the QACF may be used when the award would "likely be a determining factor in locating a high-impact business project or facility in Oklahoma." However, no definition of "high impact" is provided in statute.

The Department of Commerce is incorporating program participants into its CRM system, including application materials and incentive payments (costs), and will report this information and impacts on an aggregate basis.

Railroad Modernization Tax Credit

2019 Recommendations and Outcomes

1. Standardize reporting to improve data collection and analysis.
2. To evaluate program success, require eligible recipients to provide additional information about eligible projects.

These program administrative changes have not been implemented.

2023 Recommendations and Outcomes

1. Consider making credits refundable instead of transferable.
2. Standardize reporting to improve data collection and analysis.
3. To evaluate program success, require eligible recipients to provide additional information about eligible projects.

The Legislature extended the program's sunset date in November 2023. The Office of Management and Enterprise Services (OMES) has not updated its data collection as of FY2023.

Rural Economic Action Plan (REAP)

2019 Recommendations and Outcomes

1. Consider increasing REAP funding and/or pair REAP funds with other rural economic strategies.
2. Consider eliminating split sharing provisions.
3. To measure program success, require communities to provide additional information regarding impact of REAP-funded projects.

The legislature significantly increased REAP funding. The split sharing provision has not been eliminated.

2023 Recommendations and Outcomes

1. Maintain the flexibility and ease of operation of the program.
2. Consider adding a qualitative measure of success.

The Department of Commerce has maintained the same program structure for FY25.

Rural Jobs Program

2024 Recommendations and Outcomes

1. Allow the program to sunset as scheduled in 2032 and revisit the program evaluation after the performance reports are provided in December 2024.

No relevant changes, as the program is scheduled to be reevaluated in the 2028 evaluation cycle.

Seed Capital Fund

2019 Recommendations and Outcomes

1. Improve data collection and reporting by relating job growth, capital investment and profitability growth to the timing of initial investment.

Via i2E's annual Economic Impact Survey, it collects data from its clients and companies receiving investment from i2E-managed funds (annual revenues, annualized payroll, total FTE, new FTE during the past year, average annual wage, patents received during the past year and patents received since company inception, amount of grant funding received, and number of new products introduced into the market). This information is collected and reported (in the aggregate) to OCAST for the Seed Capital Fund companies. i2E calculates the annual growth rate based upon the number of reported FTE and the number of those FTE hired within the past year. i2E has indicated it is incorporating other Commission recommendations in its five-year strategic plan, which will be available in early 2024.

2022 Recommendations and Outcomes

1. Current focus in software and biotech firms could be shifted over time to align with other statewide programs and incentives.
2. Given the maturation of the venture capital industry in Oklahoma, it could be valuable to reexamine Oklahoma Seed Capital Fund's (OSCF) role and mission in the market. Implementation of the new pre-seed capital program in FY23 solves a major challenge for firms accessing the Technology Business Finance Program (TBFP). Additional research – in the form of surveys, in-depth interviews, and/or focus groups – should be conducted to identify remaining gaps for entrepreneurs that can be supported through the OSCF and its associated programs.
3. Improve data collection and reporting. Annual data collection and reporting should be modified to collect data that better ties business performance to the initial investment made by the fund. This would improve future evaluations and more accurately describe the benefits of the program. The annual survey should collect growth in employment, wages, revenue and profitability measures.

Via i2E's annual Economic Impact Survey, it collects data from its clients and companies receiving investment from i2E-managed funds (annual revenues, annualized payroll, total FTE, new FTE during the past year, average annual wage, patents received during the past year and patents received since company inception, amount of grant funding received, and number of new products introduced into the market). This information is collected and reported (in the aggregate) to OCAST for the Seed Capital Fund companies. i2E calculates the annual growth rate based upon the number of reported FTE and the number of those FTE hired within the past year. i2E has indicated it is incorporating other Commission recommendations in its five-year strategic plan, which will be available in early 2024.

2024 Recommendations and Outcomes

1. Clearly communicate the new changes to the Seed Capital Fund to past and prospective users and how it is now designed to meet the needs that the Technology Business Finance Program was meeting prior to it being discontinued.

The Oklahoma Center for the Advancement of Science and Technology has not made any changes to the Seed Capital Fund program.

Small Business Incubators Incentives

2018 Recommendations and Outcomes

1. Retain the income tax exemption for tenants.
2. Repeal the exemption for sponsors.
3. Improve the exemption claims process by giving each deduction and exemption its own line item on Schedule 511-A.
4. Eliminate the requirement that tenants make at least 75 percent of gross sales out of state to qualify for years 6 through 10.

SB 485 (2019), effective January 1, 2020, repealed the sponsor exemption and eliminated the 75 percent out-of-state sales requirement. The tenant exemption remains.

2022 Recommendations and Outcomes

1. Establish standards for tenant occupancy to qualify for tax exemption. The program statute does not require businesses to be tenants in an incubator for a designated amount of time or performance before becoming eligible for the exemption. A business could establish tenancy then immediately depart the incubator while becoming eligible for the exemption for 10 years.
2. Increase data collection and require participation in the annual survey as a condition of occupancy in State-certified incubators.

The Department of Commerce is requesting more information from certified incubators regarding their tenants and usage of the incentive. The Department would require legislation in order to establish standards for tenants to qualify for the incentive. In the 2023 legislative session, the Department requested language to implement this recommendation, and it was included in SB 337; however, the bill did not advance through session.

2024 Recommendations and Outcomes

1. Update the statute language to require participation in the Department's data collection survey, including in post-program years, as a condition of continued tenancy, while applicable, and eligibility for the income tax exemption.
2. Revise the OTC's tax forms to allow for disaggregation of the exempted income tax from incubator residents.

The Legislature passed SB 573, effective November 1, 2025, which requires qualified tenants to submit information to the Commerce Department to continue to qualify, including information such as employment levels, interns employed, payments to subcontractors and their purpose, estimated gross annual revenues, and a statement of any taxable income exempted in the previous tax year. The bill directs the Commerce Department to prescribe an official form to submit such information.

Spaceport Exemption

2019 Recommendations and Outcomes

1. Consider supporting space-related startups with incubator/accelerator services and develop and expand supplier relationships.
2. Consider extending liability protections to those involved in spaceflight activities.

It does not appear as if these recommendations have been enacted in statute or in policy.

Technology Business Financing Program (TBFP)

2018 Recommendations and Outcomes

1. Require program participants to respond to annual surveys.
2. Modify the annual survey to collect data determining the Oklahoma presence of program participants.

OCAST has not made additional appropriations for the Program. It still exists as a revolving fund with minimal turnover.

2022 Recommendations and Outcomes

1. Require program participants to respond to annual surveys. There is currently no requirement that companies receiving funding through the TBFP respond to i2E's annual survey, at least for a certain period of time after receiving funding.

The TBFP Financing Agreement with each company receiving funds has an explicit requirement that the Recipient complete and submit i2E's annual Economic Impact Survey. i2E portfolio management staff work to enforce this covenant on an ongoing, regular basis.

2024 Recommendations and Outcomes

1. Repeal program

The program was terminated, effective July 1, 2024.

Technology Transfer Income Tax Exemption

2018 Recommendations and Outcomes

1. Require additional data to be collected and evaluated prior to determining whether to retain or repeal the program.
2. Collect the amount and number of tax exemptions per year, the amount of gross proceeds from technology transfer associated with the exemption, NAICS codes for transferors and transferees, and a description of the technology being transferred.

The Legislature has not made changes based on these recommendations.

2022 Recommendations and Outcomes

1. Enhance data collection through changes to current corporate tax forms.
2. Shift administration of the program to a contract-based agreement with the Department of Commerce. The authorizing statute could require that those wishing to take the exemption must be approved by the Department of Commerce. The Department of Commerce could then make data reporting an annual requirement for program approval.
3. Consider reconfiguring the program to incorporate best practices from benchmark programs. This might include converting the income tax exemption to a grant, as has been successful in the Arkansas example.
4. Funding can also be diverted to support services such as technical assistance for small businesses that are applying for a Small Business Technology Transfer Program (STTR) awards or to connecting small businesses and entities such as colleges and universities that frequently develop these desirable technologies to generate additional opportunities to commercialize these products and services.

The Legislature has not made statutory changes, and the Tax Commission has not made changes to its tax forms.

Tourism Development Act

2024 Recommendations and Outcomes

1. No changes recommended – program is succeeding as designed

The Legislature extended the program through Laws 2025, SB 249, c. 83, § 1 with a new sunset date of January 1, 2032.

Training for Industry Program

2019 Recommendations and Outcomes

1. Consider a minimum wage requirement or additional weighting criteria.
2. Collect data regarding wage increases and employee retention following training.
3. Consider requiring applicants to demonstrate the potential for trainee retention and career progression.

The formula CareerTech uses to award funds is such that companies paying higher wages qualify for a higher reimbursement. It has also worked to ensure consistency in the information collected from participants from year to year.

2023 Recommendations and Outcomes

1. Track trainings for new positions, not necessarily new hires, to demonstrate company expansion.
2. Retain ODCTE's flexibility in allocating funds.
3. Consider expanding program outcome metrics to include retained employees as well as new jobs.

The Oklahoma Department of Career and Technology Education has maintained its flexibility but has not formally expanded its metrics collection.

Changes in the Commission's Direction on Incentives Evaluated More Than Once

This section identifies incentives for which the Commission's overall direction changed between evaluations of the same incentive. The Commission treats a recommendation to retain an incentive and a recommendation to reconfigure it, or retain it with modifications, as the same direction. A decision to allow an incentive to sunset is treated as a decision to repeal.

Film Enhancement Rebate
In 2016, the Commission approved the independent evaluator's recommendation to allow the rebate to sunset as scheduled in 2024. In 2019, the Legislature extended the sunset date to July 1, 2027. In 2020, the Commission voted to retain the rebate, recommending that the State stay the course and revisit the program once the effect of the increased annual cap of $8 million is better understood. In 2024, the Commission again voted to retain the rebate, with modifications.

Coal Tax Credits
In 2017, the independent evaluator recommended repealing the credits. The Commission's vote split evenly with one member absent, and the Commission did not take a position. In 2021, the Commission voted to repeal the credits. The credits sunset on December 31, 2021.

Technology Business Finance Program
In 2018, the Commission voted to retain the program with changes, including annual surveys of participants. In 2022, the Commission again voted to retain the program with modifications. In 2024, the Commission voted to repeal the program, which had been terminated effective July 1, 2024.

Computer Services and Data Processing Tax Exemption
In 2019, the Commission voted to repeal the exemption because more generous and easier-to-use incentives were available. In 2023, the Commission voted to retain the exemption.

Construction Materials Tax Exemption
In 2019, the Commission voted to repeal the exemption because the Quality Jobs Program had likely made it unnecessary. In 2023, the Commission voted to retain the exemption with modifications, including expanding eligibility beyond manufacturers.

For all other incentives evaluated more than once, the Commission's overall direction was the same in each evaluation.