

# Credits for Employers in the Vehicle Manufacturing Industry



FORM **585** 2024

Name as Shown on Return (Qualified Employer): _____	Federal Employer Identification Number: _____
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Type of Business: (Check one)	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> S Corporation
	<input type="checkbox"/> Corporation	<input type="checkbox"/> Fiduciary	

**General Information**

A qualified employer is allowed credits for tuition reimbursed and for compensation paid to a qualified employee. A qualified employee means any person employed in Oklahoma by or contracting in Oklahoma with a qualified employer on or after January 1, 2018, who has been awarded an undergraduate or graduate degree in a qualified program and was not employed in the vehicle manufacturing industry in Oklahoma immediately preceding current employment. For the complete definition of "Qualified Employee", see page 3.

- Use Part 1 to compute the credit for tuition reimbursed to a qualified employee.
- Use Part 2 to compute the credit for compensation paid to a qualified employee.
- Use Part 3 to total the credits and determine the amount to carry to Form 511-CR.

**Part 1 – Credit for Tuition Reimbursed to a Qualified Employee**

The credit for tuition reimbursed to a qualified employee is allowed if the employee has been awarded their engineering degree within one year of employment in Oklahoma. The credit is 50% of the tuition reimbursed during the first four years of employment. In no event shall the credit exceed 50% of the average annual amount paid for enrollment and instruction in a qualified program at a public institution in Oklahoma.

**Part 1 Credit Computation:**

(A) Name of Qualified Employee	(B) Social Security Number	(C) Date Employed in Oklahoma	(D) Date Graduated	(E) Tuition Reimbursed	(F) Credit Amount
1.					
2.					
3.					
4.					
5. If more lines are needed, provide a separate schedule showing the same information as Columns A - F. Enter the total credits from the separate schedule here.....					
6. <b>Total Credit for Tuition Reimbursement</b> - Add Column F, lines 1-5 (Enter here and on Part 3, line 1) .....					

**Part 1 Instructions:**

Columns A & B: Enter the name and Social Security Number of the qualified employee.

Column C: Enter the date employment began in Oklahoma.

Column D: Enter the date graduated. The date must be within one year of the date listed in Column C.

Column E: Enter the amount of tuition reimbursed during the tax year. Do not enter more than the average annual amount paid for enrollment and instruction in a qualified program at a public institution in Oklahoma; the credit may not exceed 50% of such amount. Tuition does not include the cost of books, fees or room and board.

Column F: The credit is 50% of the amount in Column E. No credit may be claimed after the fourth year of employment.



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## **Part 2 – Credit for Compensation Paid to a Qualified Employee**

The credit for compensation paid to a qualified employee is a percentage of the compensation paid for the first five years of employment. If the employee graduated from an Oklahoma institution, the credit is 10% of such compensation, and if the employee graduated from an institution located outside of Oklahoma, the credit is 5%. The credit may not exceed \$12,500 annually for each qualified employee.

**Part 2 Credit Computation:**

(A) Name of Qualified Employee	(B) Social Security Number	(C) Date Employed in Oklahoma	(D) Name of Institution	(E) Compensation Paid	(F) Credit Amount
1.					
2.					
3.					
4.					
5. If more lines are needed, provide a separate schedule showing the same information as Columns A - F. Enter the credits from such separate schedule here.....					
6. <b>Total Credit for Compensation Paid</b> - Total Column F, lines 1-5 (Enter here and on Part 3, line 2) .....					

**Part 2 Instructions:**

Columns A & B: Enter the name and Social Security Number of the qualified employee.

Column C: Enter the date employment began in Oklahoma.

Column D: Enter the institution from which the qualified employee earned their engineering degree.

Column E: Enter the compensation paid for employment, or wages earned, during the tax year. Employment must be in the form of contract labor for which Form 1099 was issued and/or wages must be subject to Oklahoma withholding.

Column F: If the employee graduated from an Oklahoma institution, the credit is 10% of the amount in Column E. If the employee graduated from an institution located outside of Oklahoma, the credit is 5% of the amount in Column E. The credit for each employee is limited to \$12,500 annually. No credit may be claimed after the fifth year of employment.

## **Part 3 – Total Credits Available**

- 1. Credit for Tuition Reimbursed to a Qualified Employee (Enter the amount from Part 1, line 6)...
- 2. Credit for Compensation Paid to a Qualified Employee (Enter the amount from Part 2, line 6) ..
- 3. **Total** - Credits for Employers in the Vehicle Manufacturing Industry - (Add lines 1 and 2; enter here and on Form 511-CR).....

**Credit for Employers in the Vehicle Manufacturing Industry**  
68 OS Sec. 2357.404 and Rule 710:50-15-116

**Definitions**

**“Vehicle Manufacturing,”** which includes vehicle manufacturing and automotive parts manufacturing, means a private or public company first placed in operation in this state after November 1, 2018, for vehicle manufacturing and November 1, 2019, for automotive parts manufacturing which is engaged in the research, development, design and manufacture of motor vehicles which may be driven on the avenues of public access or in automotive parts manufacturing. For purposes of this section, “motor vehicle” does not include low-speed electric vehicles or motor vehicles manufactured primarily for off-road use, such as primarily for use on a golf course. For operations placed in service after November 1, 2018, and before November 2, 2019, “motor vehicle” also does not include buses or truck-tractors.

**“Compensation”** means payments in the form of contract labor for which the payor is required to provide a Form 1099 to the person paid, wages subject to withholding tax paid to a part-time employee or full-time employee, or salary or other remuneration. Compensation shall not include employer-provided retirement, medical or health-care benefits, reimbursement for travel, meals, lodging or any other expense.

**“Institution”** means an institution within the Oklahoma State System of Higher Education or any other public or private college or university that is accredited by a national accrediting body.

**“Qualified Employer”** means a sole proprietor, general partnership, limited partnership, limited liability company, corporation, other legally recognized business entity, or public entity whose principal business activity involves vehicle manufacturing.

**“Qualified Employee”** means any person, regardless of the date of hire, employed in Oklahoma by or contracting in Oklahoma with a qualified employer on or after January 1, 2018. This individual must have been awarded an undergraduate or graduate degree from a qualified program by an institution and was not employed in vehicle manufacturing in Oklahoma immediately preceding employment or contracting with a qualified employer. Provided, the definition will not be interpreted to exclude any person who was employed in vehicle manufacturing, but not as a full-time engineer, prior to being awarded an undergraduate or graduate degree from a qualified program by an institution or any person who has been awarded an undergraduate or graduate degree from a qualified program by an institution and is employed by a professional staffing company and assigned to work in vehicle manufacturing in Oklahoma.

**“Qualified Program”** means a program that has been accredited by the Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology (ABET) and awards an undergraduate or graduate degree.

**“Tuition”** means the average annual amount paid by a qualified employee for enrollment and instruction in a qualified program. Tuition shall not include the cost of books, fees or room and board.

**Note:** The credit has an overall cap. No more than \$3 million of credit may be allowed to offset tax in a taxable year. For tax year 2024, the full amount of the statutory credit is available.

**Notice**

Tax credits transferred or allocated must be reported on Oklahoma Tax Commission (OTC) Form 569. Failure to file Form 569 will result in the affected credits being denied by the OTC pursuant to 68 OS Sec. 2357.1A-2.