

**Quality Jobs Program - 2019**

This “cash-back” job creation incentive has nationally highlighted Oklahoma as a location for new manufacturing and service industry investment. The innovative Oklahoma Quality Jobs Program allows qualifying businesses creating new quality jobs to receive a special incentive to locate or expand in Oklahoma.

Qualifying companies receive quarterly cash payments of up to 5% of new payroll for up to 10 years.

To qualify, a company must be a central administrative office, manufacturer, researcher and developer or engaged in a qualifying industry NAICS code.

* A company must achieve a **$2.5 million taxable payroll** for any four consecutive quarters during the first 12 quarters in the program and have an average wage equal to or above the average county wage in which the company is locating or expanding.
* Presently, wage requirements do not exceed **$34,263** in any county, regardless of the average county wage. The minimum wage requirements do not apply to Opportunity Zones.
* Once the threshold is achieved, the company may remain in the program for the remainder of the 10-year period.
* Once the threshold is achieved, a company must maintain the $2.5 million payroll (including the average wage requirement) to qualify for incentive payments during any quarter.
* Qualifying companies must offer health insurance and the employee must not pay more than 50% of the costs of the health insurance.
* 80% of employees must work at least 30 hours per week.
* Service companies must prove 75% out-of-state sales to qualify.
* A higher net benefit rate of up to 6% is available for companies whose newly created payroll will include 10% or more qualified military veterans.

A lower payroll threshold requirement of $1.5 million is available in limited circumstances as follows:

* Food processors with 75% out-of-state sales (NAICS Code Nos. 3111 through 3119);
* Companies performing Research, Development and Testing Services (NAICS Code Nos. 541710 and 541380);
* Auxiliary Research and Development Labs of large enterprises;
* Companies locating on certain former military bases.

Companies receiving incentive payments also may be eligible for:

* 5-year ad valorem tax exemption (manufacturing, research and development, certain computer services and data processing, aircraft repair);
* Low-cost or no-cost training;
* Workforce recruiting assistance;
* Foreign Trade Zone/ Freeport inventory benefits;
* Other technical/financial assistance programs.

*Restrictions:* Companies receiving incentive payments under the Quality Jobs Program cannot utilize the New Jobs or Investment Tax Credit, sales tax exemptions for construction, and certain additional tax credits and exemptions.

**Quality Jobs Program Qualifying Basic Industries**

***Manufacturing –*** *Industries classified under NAICS Manual Nos. 31, 32, 33, 5111 or 11331.*

### Research and Development and Testing Laboratories –

See NAICS Manual Nos. 541711, 541712 and 541380.

**Central Administrative Offices, Corporate Offices and Technical Services -** See NAICS Manual Nos. 5611, 5612, 51821, 519130, 52232, 56142, 524291 and 551114.

### Certain jobs related to the mining of oil and gas

See NAICS No. 2111, 213111, 213112 and 486.

**Certain Warehouse/Distribution Operations –** See NAICS manual 42-where 40% of inventory is shipped out of state.

**Transportation by Air –** See NAICS Manual No. 4811 if corporate headquarters and some reservation activities are within the state or 75% of air transport sales are to out-of- state consumers.

### Flight Training Services

See NAICS No. 611512.

### Federal Civilian Workforce of the Federal Aviation Administration

Where jobs are migrating to Oklahoma from other Federal sites or expanding here.

### Other Support Activities for Air Transportation

See NAICS Manual No. 488190.

### Wind Power Electric Generation Equipment Repair & Maintenance

See NAICS Manual No. 811310.

### Support Activities for Rail and Water Transport

See NAICS Manual Nos. 4882 and 4883.

### Sports Teams & Clubs

See NAICS Manual No. 711211.

## **Services –** This program also covers the following service companies if 75% of sales are out-of-state.

### Motor Freight Transportation and Warehousing

See NAICS Nos. 493, 484, 4884-4889

### Arrangement of Passenger Transportation

See NAICS Nos. 561510 and 561599.

### Transportation of Freight or Cargo

See NAICS No. 541614.

### Certain Communications Services

See NAICS Nos. 51741 and 51791.

### Certain Refuse Systems that distribute methane gas

See NAICS No. 5622.

### Grocery Wholesale Distributing

See NAICS Nos. 4244 and 4245.

### Insurance Carriers

See NAICS No. 5241.

### Insurance Claims Processors Only

Included in NAICS Nos. 524210 and 524292.

**Adjustment and Collection Services**

See NAICS No. 561440 (75% of loans to out-of-state debtors).

### Miscellaneous Equipment Rental

See NAICS.

### Computer Programming, Data Processing and Other Computer-Related Services

See NAICS Nos. 5112, 5182, 5191, 519130 and 5415.

### Miscellaneous Business Services

See NAICS Nos. 561410, 56142 and 51911.

### Offices of Real Estate Agents & Brokers

See NAICS No. 53120 (and 75% of transactions are out of state).

### Medical and Diagnostic Laboratories

See NAICS No. 6215.

### Engineering, Management and Related Services

See NAICS Nos. 5412, 5414-5417, 54131, 54133, 54136,

54137 and 541990.

***\*\*A confidential, ten-year payout analysis can be provided upon request\*\****