

# OKLAHOMA TAX COMMISSION

## REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE

**DATE OF IMPACT STATEMENT:** March 22, 2023

**BILL NUMBER:** HB 2457      **STATUS AND DATE OF BILL:** Engrossed 3/20/23

**AUTHORS:** House: Hill, Schreiber, and Baker      Senate: Paxton

**TAX TYPE (S):** None      **SUBJECT:** Administrative

**PROPOSAL:** New Law

HB 2457 proposes to enact the Oklahoma NextGen Employee Development Program (Program). The Program is designed to offset training costs incurred by certain high-priority employers at Eligible Training Programs. Under this program, companies who can achieve or have achieved eligibility for the Oklahoma Quality Jobs Program and are classified in certain high-priority NAICS categories may apply with the Oklahoma Department of Commerce (Commerce) to seek reimbursements offsetting the cost of training meant for the purpose of "upskilling" their employees.

**EFFECTIVE DATE:** July 1, 2023 - Emergency

### REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 24: None.

FY 25: None.

March 23, 2023

DATE

*Rick Miller*

DIVISION DIRECTOR

lh

3/23/2023

DATE

*Huan Gong*

HUAN GONG, ECONOMIST

3/27/2023

DATE

*Joseph P Gappa*

FOR THE COMMISSION

***The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.***

## **ATTACHMENT TO REVENUE IMPACT - HB 2457 [Engrossed] Prepared 3/22/2023**

HB 2457 proposes to enact the Oklahoma NextGen Employee Development Program (Program). The Program is designed to offset training costs incurred by certain high-priority employers at Eligible Training Programs<sup>1</sup>. Under this program, companies who can achieve or have achieved eligibility for the Oklahoma Quality Jobs Program and are classified in certain high-priority NAICS categories<sup>2</sup> may apply with the Oklahoma Department of Commerce (Commerce) to seek reimbursements offsetting the cost of training meant for the purpose of "upskilling" their employees.

Commerce is authorized to establish the Program, which will be funded with encumbered allocations<sup>3</sup> from the Oklahoma Tax Commission (OTC) and administered by Commerce as a complimentary addition to the companies already accessing the Oklahoma Quality Jobs Program.

Commerce shall have the authority to preapprove both companies and training providers for inclusion in the program, before awarding funds. The OTC shall provide reimbursement for training costs incurred by prequalified employers at Eligible Training Programs using the NextGen Employee Development Program Revolving Fund.<sup>3</sup>

A revolving fund is created in the State Treasury for Commerce to be designated the "NexGen Employee Development Program Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by Commerce from such sources as provided by law.<sup>3</sup> All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by Commerce for the purpose of implementing the Program. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

No impact to revenue collections is expected.

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<sup>1</sup> "Eligible Training Programs" are defined as one or more courses or classes, or a structured regimen that provides job-driven training services and leads to a recognized postsecondary credential.

<sup>2</sup> "Priority employer categories" means those business activities described by the following NAICS codes: 2111, 3251, 3254, 3259, 3329, 3335, 3336, 3339, 3341, 3342, 3344, 3353, 3359, 3364, 5112, 5415, 5417, 5419, and 6215.

<sup>3</sup> The source of funds for the Fund is unknown and the process for providing reimbursement is unclear.