OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION
RICK MILLER, DIRECTOR

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July 2, 2014

[redacted]

Re: Aerospace Tax Credit / LR-14-037

Dear [redacted]

This is in response to your letter dated June 30, 2014, in which you requested a letter ruling as to whether certain employees are eligible for the Oklahoma Aerospace Engineering Tax Credit [68 O.S. Sections 301 – 304]. The basic facts presented in your request, taken directly from your letter dated June 30, 2014, are as follows:

> I have applied the [aerospace tax] credit if the taxpayer was employed on or after January 1, 2009 in the Aerospace Sector and have not taken the credit if the taxpayer's employment began prior to January 1, 2009. Therefore if a taxpayer graduated with a degree in Engineering in May 2008 and started employment in August 2008 I would not take advantage of the tax credit.
>
> The Oklahoma State Legislature passed and Governor Fallin signed HB 2509 extending the credit through December 31, 2017. In the new legislation, a change was made in Section 2357.301 Subsection 5 "Qualified Employee" to include "regardless of the date of hire".
>
> As I read this, the credit now will be eligible to employees with an engineering degree employed in the Aerospace Sector whose employment began prior to January 1, 2009. Therefore is my position correct in claiming the credit if the taxpayer graduated in May 2008 and started employment in August 2008.

The aerospace credit is available for aerospace engineers that started working in the Oklahoma aerospace sector on or after January 1, 2009. Aerospace engineers are eligible for the credit if they were hired by their employer before 2009 outside the state of Oklahoma, but were

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transferred into Oklahoma on or after January 1, 2009 (and meet the statute's other requirements). Therefore, the engineer who graduated in May 2008 and started employment in the Oklahoma aerospace sector in August 2008, would not be eligible for the Oklahoma aerospace tax credit.

This response applies only to the circumstances set out in your request dated June 30, 2014. Pursuant to Commission Rule 710:1-3-73(e), this Letter Ruling may be generally relied upon only by the entity to whom it is issued and its investors, assuming that all pertinent facts have been accurately and completely stated, and that there has been no change in applicable law.

Please be advised that the issuance of this ruling does not preclude the Oklahoma Tax Commission from conducting an audit or examination under 68 Okla. Stat. §206 of any report or return claiming a credit for the transactions outlined in this letter ruling. The Commission reserves the right to issue any assessment, correction, or adjustment authorized under 68 Okla. Stat. §221.

Sincerely,

Oklahoma Tax Commission

Lisa Haws

Lisa Haws
Tax Policy & Research Division