OKLAHOMA TOURISM DEVELOPMENT ACT OVERVIEW

In 2017, the Oklahoma Tourism Development Act ("Act") was passed into law creating a sales tax credit program to encourage and promote the development of Tourism Attraction Projects. The Legislature found that it is in the best interests of the citizens of this state to induce the creation of new or the expansion of existing tourism attractions within Oklahoma to advance the public purposes of relieving unemployment by preserving and creating, and by preserving and creating sources of tax revenues for the support of public services provided by Oklahoma. The Act charges the administration of the Act to the Oklahoma Tourism and Recreation Department and the Oklahoma Tax Commission. Under the Act, qualified projects can receive a state sales tax credit up to twenty-five percent (25%) of the qualified costs spend for the development or expansion of a Tourism Attraction Project, so long as the program is revenue neutral to Oklahoma.

In 2019, the Act was modified to include Entertainment Districts which allow for multiple developers to participate in the program in a specific area. The Developers may also pass the sales tax credits through to the tenants of the Entertainment District Project under the 2019 modification.

The Act caps the annual sales tax credits allowed to be given under the act at $15M per year. If the Act reaches capacity of credits, it has the potential to general more than $600M in Development for Oklahomans.

To be eligible as a Tourism Attraction Project under the Act a development project must:
1. Attract at least 25% of their visitors from outside of Oklahoma;
2. Have costs in excess of $500,000;
3. Have significant and positive economic impacts, while remaining revenue neutral to the state;
4. Produce sufficient revenues and public demand to be operating and open to the public on a regular and persistent basis; and
5. Not adversely affect existing employment in this state.

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