



# Oklahoma Quality Jobs Program

## 2026 Triennial Report

Oklahoma Department of Commerce – Executive Division



## Introduction

During the legislative session of 1993, the Oklahoma Quality Jobs Program (the “Program”) was created, and the first companies enrolled in the fall of 1993. Since that time, the Program received national recognition as a competitive economic development incentive. Oklahoma has benefited from the Program in terms of jobs and investment in our economy; many other states have attempted to duplicate its success.

The Program requires that the Oklahoma Department of Commerce (“Commerce”) provide a report on the status of the Program every three years. The last report to the Governor, President Pro Tempore of the Senate, and the Speaker of the House of Representatives was submitted on March 1, 2023. This report fulfills the statutory requirement for 2026.

## Oklahoma Quality Jobs Program Defined

The Program serves as an incentive to businesses to expand or locate within Oklahoma and create new taxable payroll within the state. Participants may qualify for a cash rebate of up to 5% over a ten-year period on new taxable payroll.

### Threshold Requirements

To qualify, there are four basic thresholds that must be met by the participant:

#### Basic Industry

An applicant must be in a “basic industry” denoted by its industry code, known as a NAICS code. The legislation specifically lists by code those industries that can participate. The economic concept is that if these industries locate in Oklahoma, it will induce other industries to also locate or expand, creating additional jobs. At its inception, the principal industry code intended for the Program was manufacturing. Other industries now include computer related services (software, hosting, data processing), research and development, headquarter operations, distribution centers, financial and administrative centers and web search portals. There are other industry codes eligible for the Program which must also demonstrate an out-of-state sales level of 75% or more to qualify.

#### New Payroll

The participant must create a minimum of \$2.5 million annual new taxable payroll for Oklahoma jobs above their existing Oklahoma payroll as of the date of application. The jobs must be located within the state, and the payroll must be subject to Oklahoma payroll withholding tax. A participant has up to three years to achieve the new payroll threshold to remain in the Program for the remaining seven years. A participant may receive benefits during the first three years even if it has not created the required new payroll, provided it has met all other Program requirements during that period.

#### Health Insurance Coverage

The participant must offer basic health insurance to all employees in “new jobs” that are eligible for Program benefits. This coverage must be offered within 180 days of employment, and the employee must pay no more than 50% of the premium cost. Basic health insurance includes some coverage in the areas of doctor office visits, hospitalization, maternity, mental health, substance abuse and pharmacy benefits.

#### Minimum Wage Requirement

Effective June 2003, participants must pay the employees in “new jobs” that are eligible for Program benefits a wage that is at least equal to the average county wage where the project is located subject to a statewide cap. While those wages vary from county to county, the statewide cap is indexed annually subject to various economic factors. The initial wage was \$25,000 in 2003 and has risen to the current level of \$44,062. Participants often far exceed this wage requirement.

Upon application, Commerce staff conduct due diligence work on each applicant to ensure it is a legal entity in good standing with the state. Commerce staff also determine the maximum amount of benefits the participant may receive (based on the economic impact of those jobs and wages) by doing a cost/benefit analysis. This ensures the state will pay out no more in benefits than the economic benefit that is created by the participant.

While qualifying for participation in the Program is based on a projection of wages and jobs, the participant receives payment of benefits based solely on actual performance. A participant must file quarterly claims with the Oklahoma Tax Commission (“Commission”), verifying its payroll and job data, to receive any payment. The Commission then verifies this claim through payroll tax withholdings before issuing a warrant. Should a participant have any encumbrance due to a delinquency in any tax owed to the state, payment of benefits is withheld, pending resolution of the issue.

Since the advent of the Program, there have been changes and additions to the thresholds. For example, an entity that has been participating in the Program for at least a year and expands with a new project with wages of at least 150% more than its current average wage, the entity may qualify for a rebate of up to 6% of its new payroll (rather than 5%). Also, entities such as food processors and research and development companies may qualify with an average annual payroll threshold of \$1.5 million instead of \$2.5 million. Participants locating on former Military Installations may qualify with an average annual payroll threshold of \$1.5 million, while entities locating on former Brownfield Sites (remediated) qualify at a zero-payroll threshold.

## Legislative Changes

Since the last Triennial Report in March 2023, there have been several legislative changes to the Program. Below is a summary, by year, of those changes:

### 2023

No legislative changes were made to the Quality Jobs Program

### 2024

HB3959 created the Oklahoma Five Major Sports Leagues Program Act as a version of the Oklahoma Quality Jobs Program allowing professional sports establishments to apply for quarterly rebate payments for an indefinite term so long as the establishment achieves and maintains the \$10 million payroll threshold within one year from the contract start date. Benefits are limited to \$10 million over any four consecutive calendar quarters.

### 2025

SB586 amended 68 O.S. 2021, Section 3606, relating to the Oklahoma Quality Jobs Program Act by modifying the definition of the relationship between an establishment and certain leased employees.

## Applicant Vetting Process

All applicants are thoroughly vetted by Commerce in a number of areas prior to having their application considered before the approval committee. Areas considered are:

- Legal Entity Status at Secretary of State's Office – Good Standing; Registration of legal entity at the Tax Commission and Employment Security Commission;
- Confirmation, all taxes paid to the state - No Encumbrances Existing;
- Verification of proper Industry Code (NAICS code);
- Analysis of current and historical average wages being paid to employees;
- Capitalization and Leadership Team experience adequate to perform successfully;
- Out of state sales amounts, current and potential to required levels; and
- Health Insurance program for employees in place and to required criteria thresholds
- All applicants are required to submit their most recent financial statements to the committees to determine financial viability
- Company representatives are required to attend the external approval hearing. Agency employees are no longer permitted to represent private companies
- ALL applications are reviewed by both an internal and external committee (comprised of the Executive Director of Commerce, Director of the Office of Management and Enterprise Services and a Tax Commissioner, or their designee)
- Participating companies must sign an affidavit annually, on the anniversary date of their contract, stating that they have and will continue

to provide the required Health Insurance to employees as well as maintain the Out of State Sales level, as mandated by statute

- When warranted, the external committee may now amend a company's contract to include special conditions (i.e. no payment will be made by the state until the company actually achieves the payroll threshold)

The Oklahoma Tax Commission continues to verify, before each and every claim is processed and paid, that the participant company has paid its taxes and is currently eligible to receive program funds. Quality Jobs Program funds are withheld if any participant is in arrears with any amount owed to the state or has not complied with the elements of the program.

## Historical Performance Data

The following information is reported on a fiscal year basis. Information reported represents both projected data and actual data as reported by the participant based on jobs and wages.

Enrollment and performance since the last Triennial Report:

### 2023

- Companies Enrolled - 18
- Jobs Projected - 3,041
- Wage Range Projected - \$38,408-\$86,190
- Net Benefit Range - 5.00%-5.68%
- Status - 2 start up; 5 new; 11 expanding
- Maximum Benefits Projected - \$71,814,961

### 2024

- Companies Enrolled - 17
- Jobs Projected - 4,199
- Wage Range Projected - \$45,005-\$103,769
- Net Benefit Range - 4.51%-6.00%
- Status - 1 start up; 7 new; 9 expanding
- Maximum Benefits Projected - \$121,308,231

### 2025

- Companies Enrolled - 16
- Jobs Projected - 4,809
- Wage Range Projected - \$46,039-\$131,513
- Net Benefit Range - 5.00%-6.00%
- Status - 1 start up; 6 new; 9 expanding
- Maximum Benefits Projected - \$154,264,398

## Enrolled Companies by Industry

The listing of participating entities is provided for informational purposes only and does not constitute endorsement by the Oklahoma Department of Commerce.

## 2023

- Manufacturing
  - Accurus Aerospace Tulsa, LLC
  - Horizon Ag-Products, L.P.
  - A G Equipment Company
  - Advanced 4 Solutions, Inc.
  - Hubbell Manufacturing OKC, Inc.
  - Hayden Industrial, LLC
  - Elliott Manufactured Homes, Inc.
  - Homeland Baking LLC
  - Aviation Avionics & Instruments, Inc.
  - USA Rare Earth Magnets, LLC
  - Bruce Packing Company, LLC
  - EADS Cooling Solutions, LLC
  - Swanda Aerospace, LLC
  - Raytheon Technologies Corporation
- Corporate-Administrative Office
  - Computer Services
- Computer Services
  - Optomi, LLC
- Transportation – Motor Freight
  - XPO Logistics Freight, Inc.

## 2024

- Manufacturing
  - Emoteq Corporation
  - Canoo Technologies Inc.
  - The Boeing Company
  - Latham Pool Products, Inc.
  - ASES, LLC
  - Eaton Thermal Products, LLC
  - Merhow Oklahoma, LLC
  - Velocity Custom Fabrication, Inc.
  - Bartec Dispensing Technology, Inc.
  - Zeeco, Inc.
  - Enviro Systems, Inc.
  - James & Miller Welding, LLC
  - Westwin Elements, Inc.
  - Blue Whale Materials, LLC
- Air Transportation
  - Lufthansa Technik Component Services LLC
  - Premium Aerospace Center Oklahoma LLC

## 2025

- Manufacturing
  - Greenheck Fan Corporation
  - Professional's Choice Sports Medicine Products, Inc.

- Wilder Systems, Inc.
- NorSun Operations LLC
- Nortek Air Solutions, LLC
- Sofidel America Corp
- Lincoln Electric Products Co. Inc.
- Duke Mfg LLC
- Centrillium Holdings LLC
- Roxtec Inc.
- EADS Cooling Solutions, LLC
- Corporate-Administrative Offices
  - Paycom Payroll, LLC
  - Loves Travel Stops & County Stores, Inc.
  - Sixt Rent a Car, LLC
- Engineering, Management, and Related Services
  - Long Wave Inc.
  - Computer-Related Services
  - Nintex USA, Inc.

## Active, Filing Companies in the Quality Jobs Program: Employment

The previous sections are related to new enrollees in the Program from FY 2023 to FY 2025. Information in this section and beyond contains information about active participants in the Program and includes information about any active participants whether it has filed its first claim, or its fortieth claim.

The topic of actual jobs created by the Program requires an understanding of how benefits are claimed. A job is considered to be “new” the first time it is reported in the Program and it remains “new” throughout the life of the project as long as it is in excess of the stated baseline, or starting employment point, when the entity first applied. Therefore, when reporting these jobs and wages on a quarterly basis, it is not possible to just add these totals to determine “new” jobs created by the Program. That would result in a gross overstatement of new jobs. Rather, it is necessary to look at these quarterly reports as “snapshots in time” of new jobs created by the Program. An average by quarter provides a better perspective as to the impact of the Program.

Also, it is important to note that not all companies report in a timely fashion. While most do, some fall behind and file their quarterly reports on a random basis. Therefore, there are fluctuations in the data as well. However, as shown below in the table of new jobs reported by active participants in the Quality Jobs Program, there is consistency in the total number of jobs over the three-year period shown in this report.

Quarter	2023	2024	2025
1	11,291	12,992	10,850*
2	12,480	13,577	10,735*
3	12,524	11,328	7,921*
4	12,309	9,509	3,809*
Average	12,151	11,852	8,329*

Participating Companies	74	75	58*
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To date, not all participants have reported this period. Job numbers will increase as additional claims for these periods are filed and processed.

## Benefit Payments Made to Quality Jobs Participants

Benefit payment to Quality Job Program participants since 2005 is as follows:

Year	Total Benefits Paid
2005	\$44.4 million
2006	\$44.0 million
2007	\$53.4 million
2008	\$62.1 million
2009	\$59.1 million
2010	\$52.8 million
2011	\$60.9 million
2012	\$67.6 million
2013	\$76.6 million
2014	\$76.5 million
2015	\$79.8 million
2016	\$64.1 million
2017	\$55.4 million
2018	\$51.9 million
2019	\$52.2 million
2020	\$41.9 million
2021	\$41.1 million
2022	\$38.0 million
2023	\$58.2 million
2024	\$38.0 million
2025	\$37.2 million

The benefits paid out over time have generally increased through 2015, mainly because the average wage of eligible jobs (and therefore taxable payroll) has increased. Economic downturn from the energy industry in 2015 reversed this trend. Additional decline beginning in 2020 is a result of the Covid 19 pandemic.

\*To date, not all participants have reported this period. Benefit payment numbers will increase as additional claims for this period are filed and processed.

## Companies Completing the Program

The following companies achieved their full 10-year participation in the Quality Jobs Program during calendar years 2023-2025:

- Ardagh Glass Inc.
- Bruce Packing Company, Inc. #1

The following companies attained the maximum contract benefit amount in the Quality Jobs Program during calendar years 2023-2025:

- AXH Air-Coolers, LLC #3
- Big Elk Energy Systems, LLC

## **Costs and Benefits Fiscal Analysis**

For fiscal years 2023 to 2025, the Quality Jobs Program has paid \$127.5 million to active participants for the jobs that these entities created. The total benefit to the state over this time period was conservatively well above \$242 million. This means that while the Program is intended to be revenue neutral, the state of Oklahoma has retained a benefit of \$115 million over and above the costs of the Program. This is largely a result of the fact that companies are paying higher wages than they originally projected and the state retaining the tax benefits from those higher wages.

Furthermore, this calculation only includes those entities that were actively filing during the FY 2023 to FY 2025 time period. The state achieves additional benefits from successful participants in the Program that continue employment after successfully completing the incentive program. These successful participants have either participated in the Program for the maximum forty quarters or have fully claimed the maximum contracted incentive available to them. These entities have continued to employ Oklahomans and create revenue beyond the terms of the Program's contract. New industries and supply-chain are developing statewide, the positive supply-chain impact of newer markets will not be fully captured by this analysis.

The fiscal analysis presented in this report represents estimates based on available program data and should not be interpreted as projections or guarantees of future fiscal outcomes.

## **Summary**

Since the Oklahoma Quality Jobs Program (the "Program") first began, 935 companies have enrolled. These companies have created a payroll of over \$31.9 billion in Oklahoma. More recently, the projected average wage of active participants in the Program is greater than \$62,000.

This Program has served as a major incentive for business attraction and expansion. Through Fiscal Year 2025, thirty-two percent of the entities participating in the Program either were new to the state or were a start-up business. Sixty-eight percent were entities already located in the state which expanded. Twenty-two percent of the participating entities created jobs in rural counties (with a population of less than 50,000 people) and seventy-eight percent were in urban counties.

Many of the executives of companies participating in the Program have stated that it was a major reason the company decided to expand or locate in Oklahoma. Several have stated that the relative ease of application and claims filing is much more efficient than in other states where they have locations or considered before coming to Oklahoma.

With every participant in the Program, there is significant investment in capital expenditures that boosts the state's economy as well. Most projects have invested well over \$1 million in capital investment related to expansion or relocation to Oklahoma. While some of this investment initially qualifies for the state's Ad Valorem

tax exemption, it eventually reaches the property tax rolls generating income for the county where the project is located.

A participant does not receive any payment of benefits until it actually creates the new jobs and payroll, pays its withholding tax to the state and then files a claim. Legislatively, other tax credits and exemption opportunities normally available to the participant are eliminated for those using the Program.

The Oklahoma Department of Commerce is responsible for the initial application, collection of required supporting documents, due diligence for qualification and contracting with the participant. The Oklahoma Tax Commission then becomes responsible for processing the quarterly benefit claims. The partnership between the two agencies has functioned extremely well, and the participating divisions within the agencies work together on a daily basis to administer the Program, review claims, and recommend legislative changes to the Program. The Oklahoma Tax Commission, with the assistance of Program Management at the Oklahoma Department of Commerce, conducts quarterly claims training sessions for all entities recently enrolled in the Program. This initial training has increased the efficient flow of claims processing and payments as well as reducing waste and inefficiency overall.



## **Contact Information**

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