

# SIDE Act Program



The Strategic Industrial Development Enhancement (SIDE) Act facilitates construction of new or existing facilities at rural industrial parks and promotes the competitiveness of railroad infrastructure in the state.

## HOW IT WORKS:

1. A project sponsor must submit a project application to the Commerce on behalf of an eligible entity that has a qualifying project located in a qualifying project location.
2. Once an application is submitted and eligibility requirements are met, the Oklahoma Department of Commerce may allocate SIDE Act Tax Credits, a corporate income tax credit, to the eligible entity for the completion of the qualifying project.
3. Applications will be reviewed quarterly and awarded based on highest impact to Oklahoma through December 31, 2027. *\*Funds available through the SIDE Act are limited.*

## PROJECT ELIGIBILITY:

A project can be comprised of qualified economic development expenditures, qualified initial infrastructure expenditures or a combination of the two.

### Qualified Economic Development Expenditures:

The project tax credit amount may not exceed 10% of qualified expenditures or \$6,000,000. Expenditures may include:

1. Land improvements
2. Building construction
3. Building improvements and expansion
4. Port terminal improvements
5. Purchase of certain machinery

### Qualified Initial Infrastructure Expenditures:

The project tax credit is earned at a rate 50% of qualified expenditures AND may not exceed \$3,000,000. Rail infrastructure expenditures may include:

1. Acquisition of right-of-way
2. Engineering
3. Construction of new track
  - Industrial leads
  - Switches
  - Spurs
  - Sidings
  - Loading dock improvements
  - Transloading structures involved with providing rail services to a qualifying project

## DEFINITIONS:

**Project sponsors** are defined as an economic development organization or authority, which may be organized under Section 501(c)(3) of the Internal Revenue Code; port authority; qualified industrial park; or terminal, switching or Class II or III railroad.

**A qualifying project location** is defined as an industrial park, an economic development zone or a port located within an Oklahoma county with a population less than 100,000; any location adjacent to a terminal, switching or Class II or III railroad as defined by the Federal Surface Transportation Board.

### For more information, contact:

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