



# Oklahoma's Historic Tax Credit and its Impact on the State's Economy

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*PlaceEconomics*

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OH, MAN...  
IT'S EVEN  
WORSE  
THAN I  
THOUGHT



1-6

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# Tests of a good economic development incentive

1. The incentive achieves the purposes for which it was create
2. There are measurable economic development benefits
3. The incentive significantly leverages private investment
4. The use of the incentive meets the “but for” test

## The best economic development incentives meet an additional test:

5. There are significant benefits of the incentive beyond just economic development





The Oklahoma  
Historic Tax  
Credit meets ALL  
of those tests



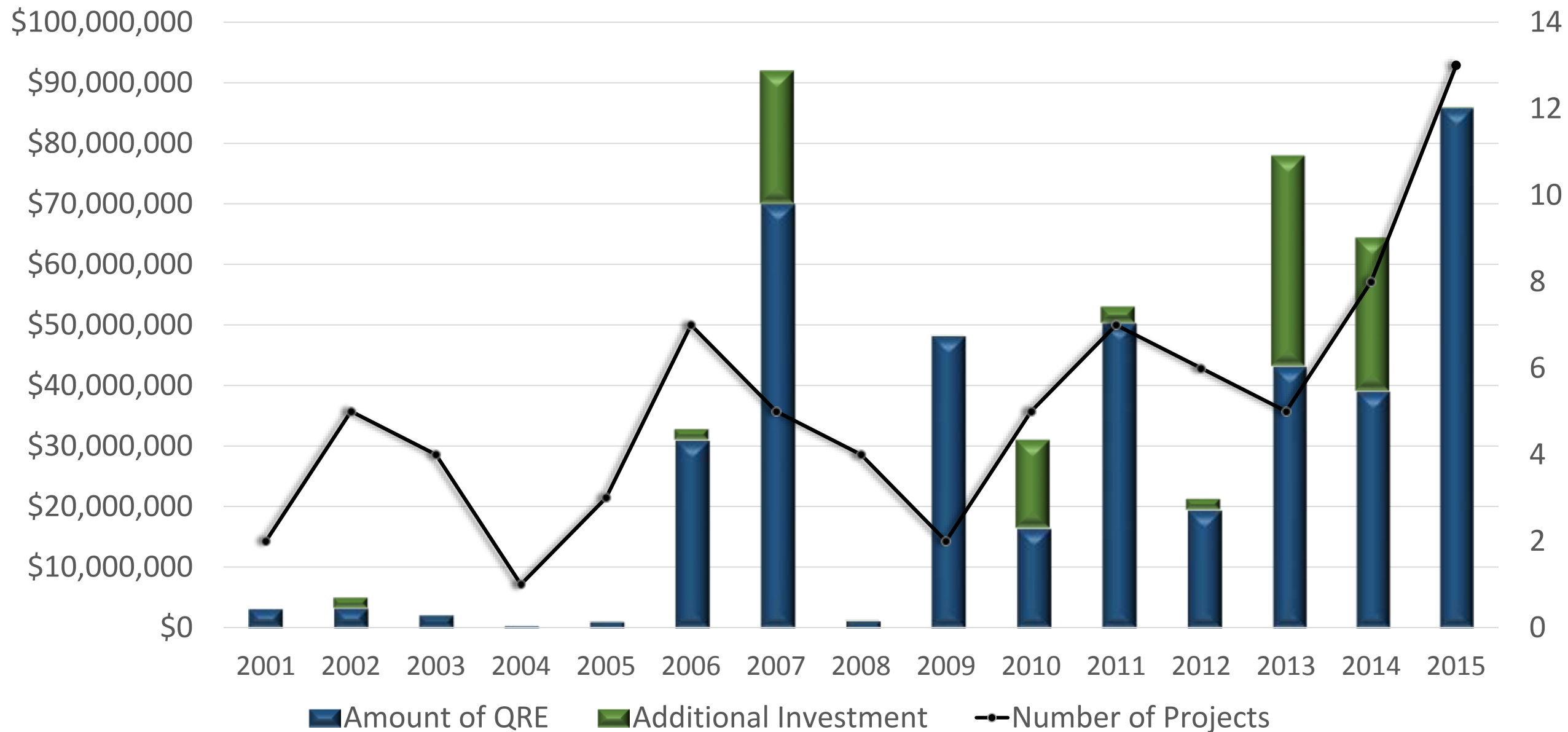
*If you can't write your idea on the back of my business card, you don't have a clear idea.*

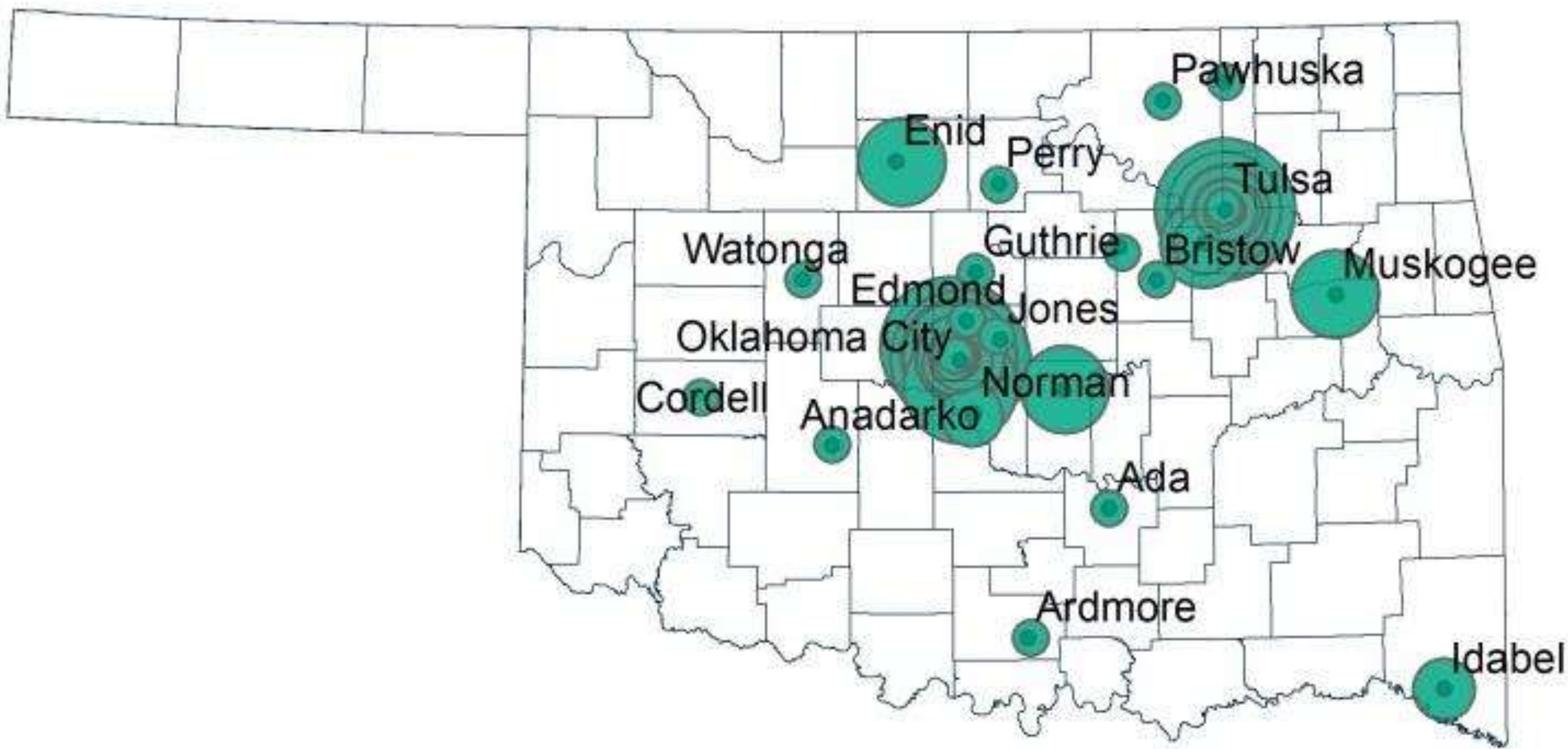
- 77 historic rehabilitation projects were completed between 2001 and 2015 representing investment of more than \$500 million.
- Every \$1 of State Tax Credit catalyzes \$11.70 in economic activity in Oklahoma.
- Tax credit projects have generated paychecks of nearly \$310 Million for Oklahoma workers.
- The State of Oklahoma gets back over half their tax credit expenditure before the credit is even awarded.
- On average there has been 25% more invested in these projects than qualified for the tax credit



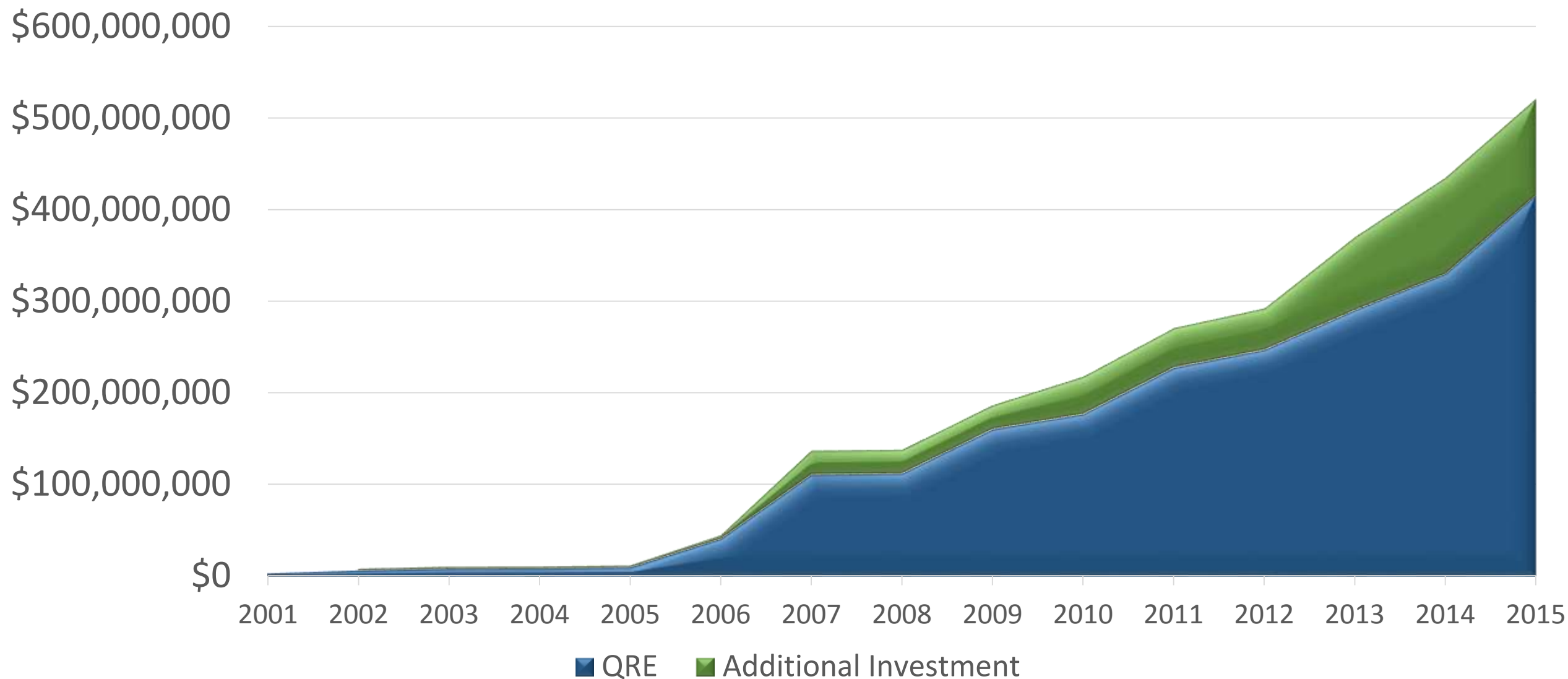
# Oklahoma Tax Credit Projects

## 2001 - 2015





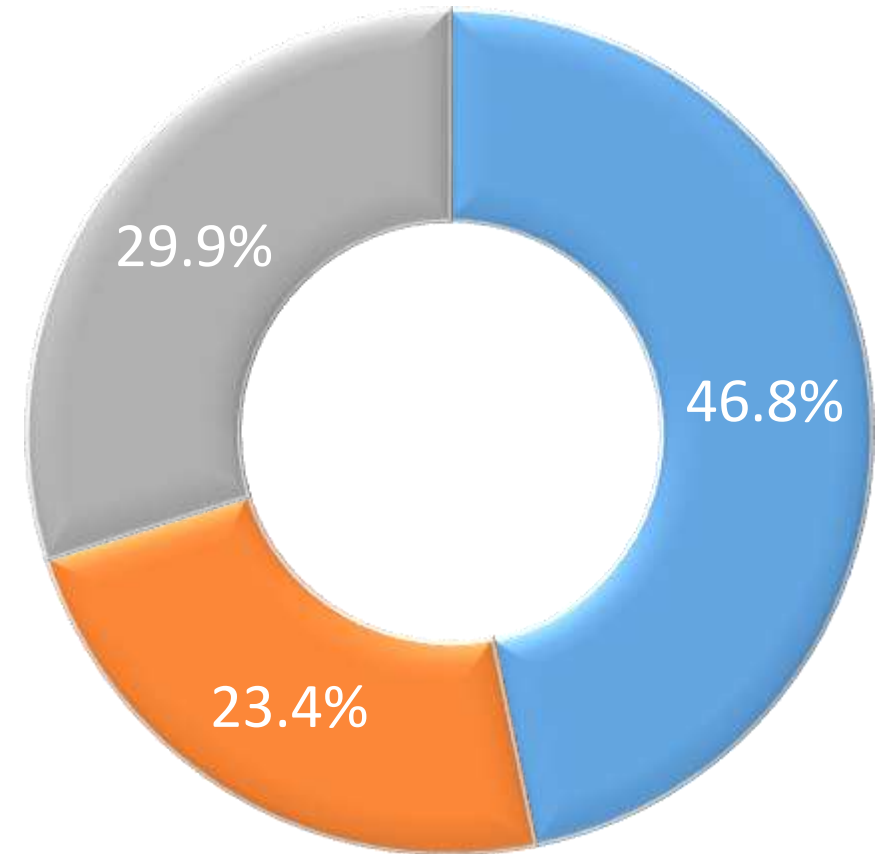
# Cumulative Investment Tax Credit Projects







## Project Numbers by Location

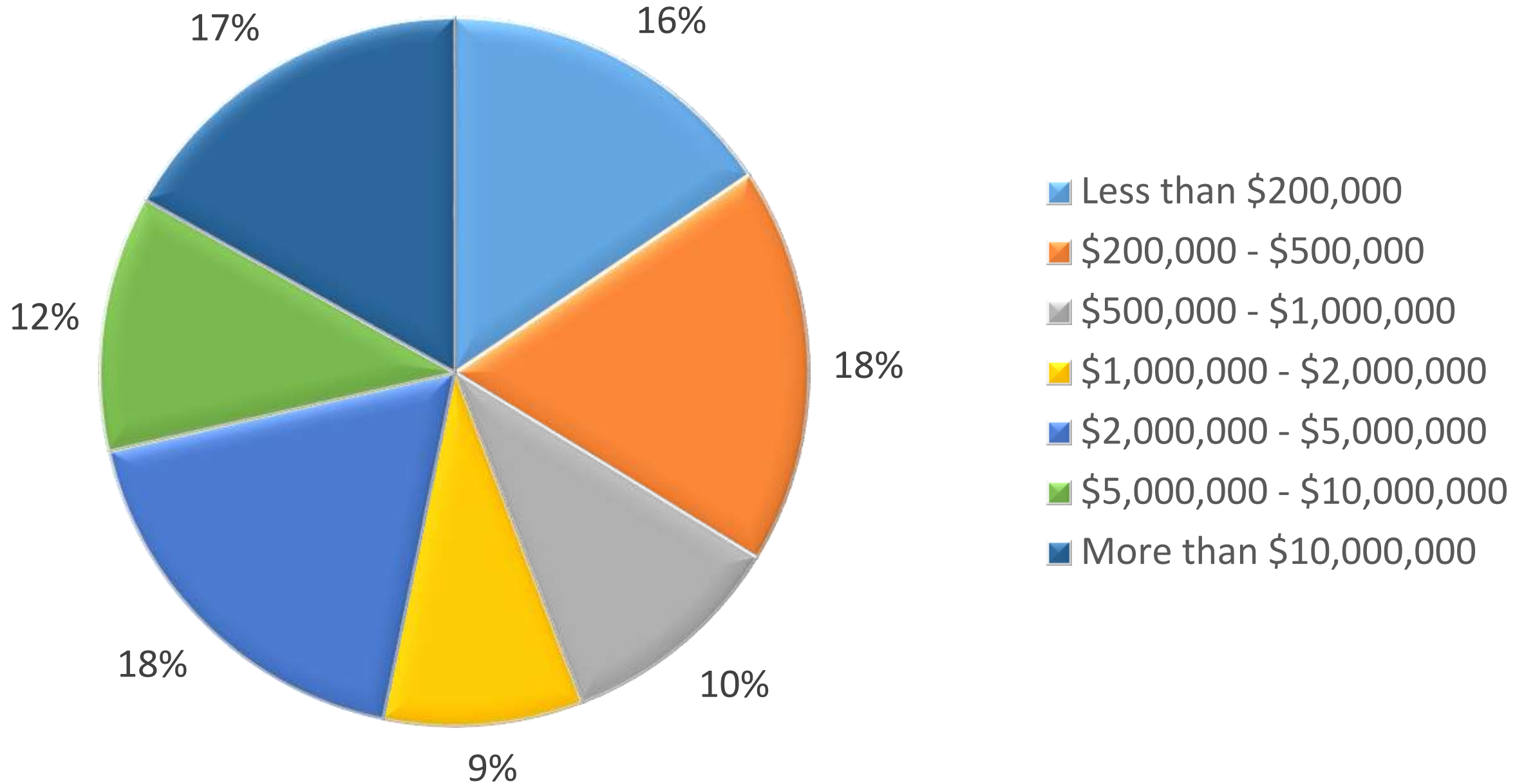


■ Oklahoma City

■ Tulsa

■ Elsewhere in Oklahoma

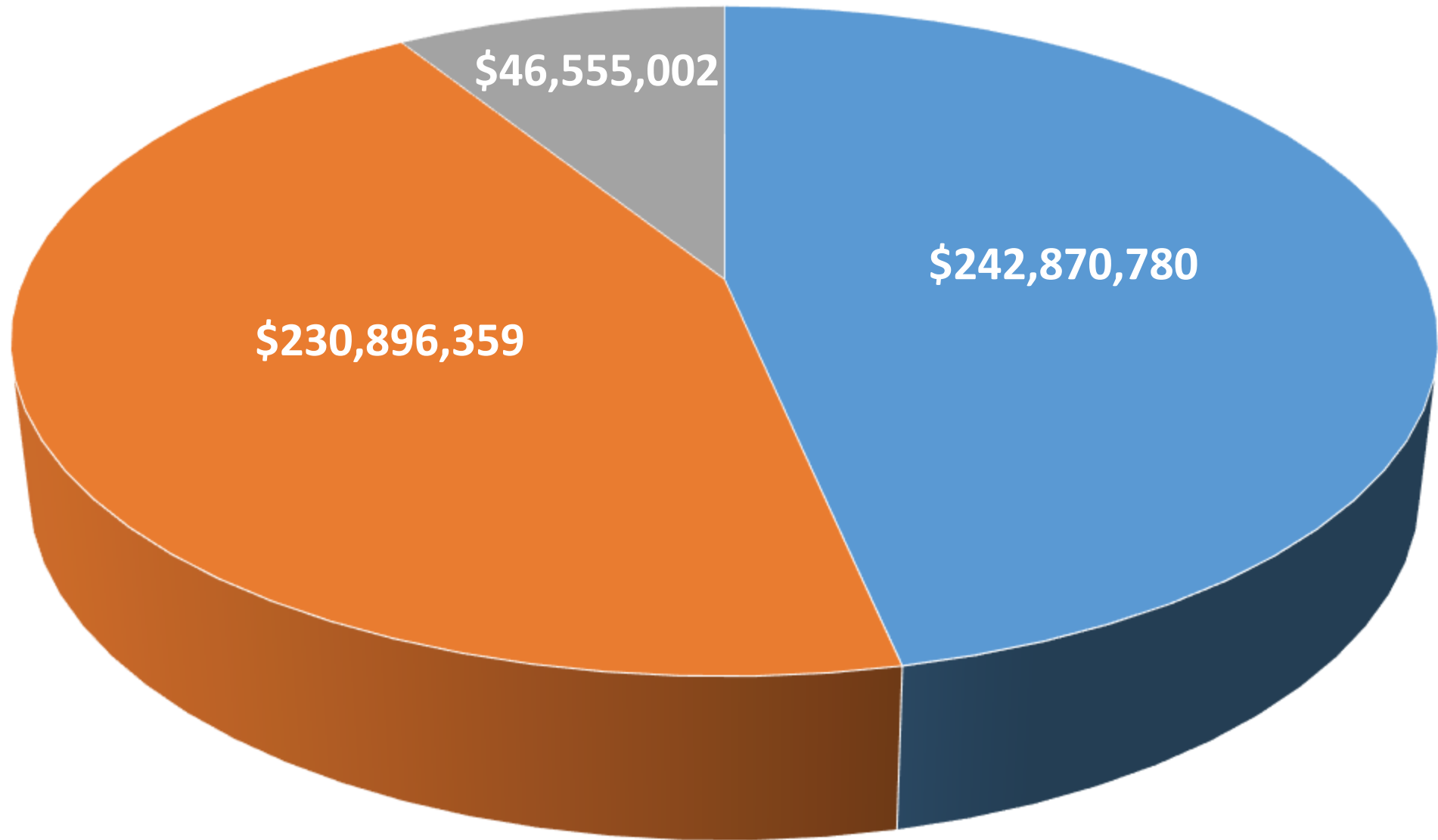
## Tax Credit Projects by Size





Projects under \$1 million	Projects between \$1 million-\$10 million	Projects over \$10 million
Oklahoma City	Ada	Oklahoma City
Tulsa	Tulsa	Tulsa
Perry	Oklahoma City	
Guthrie	Bartlesville	
Drumright	Sapulpa	
Edmond	Norman	
Ardmore	Idabel	
Pawhuska	Muskogee	
Bristow	Enid	
Anadarko	Shawnee	
Watonga		
Cordell		
Jones		

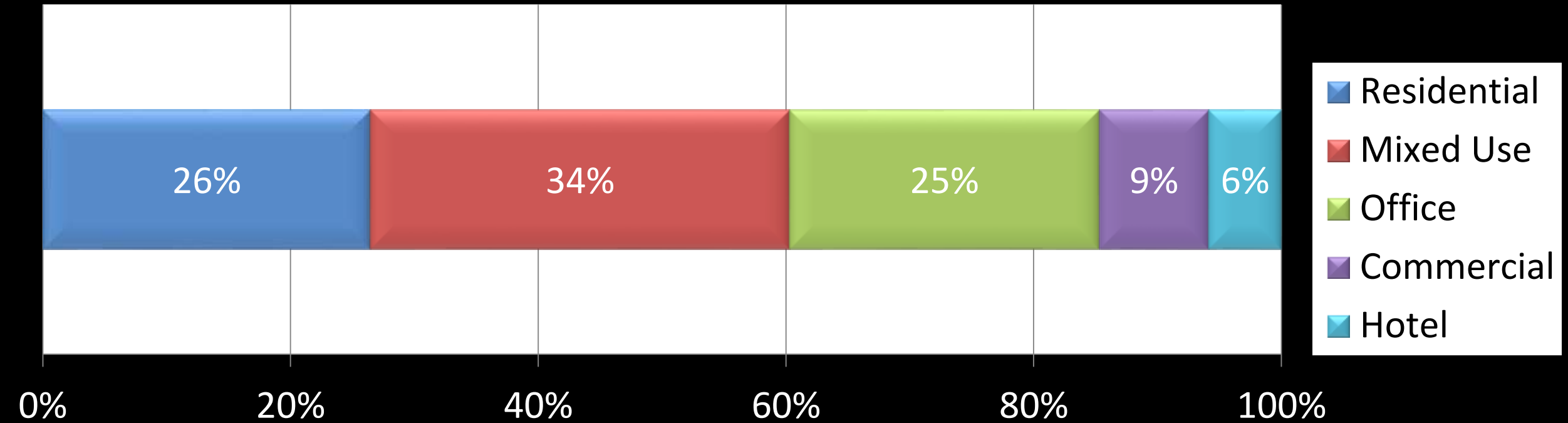
# Location of Projects by Investment



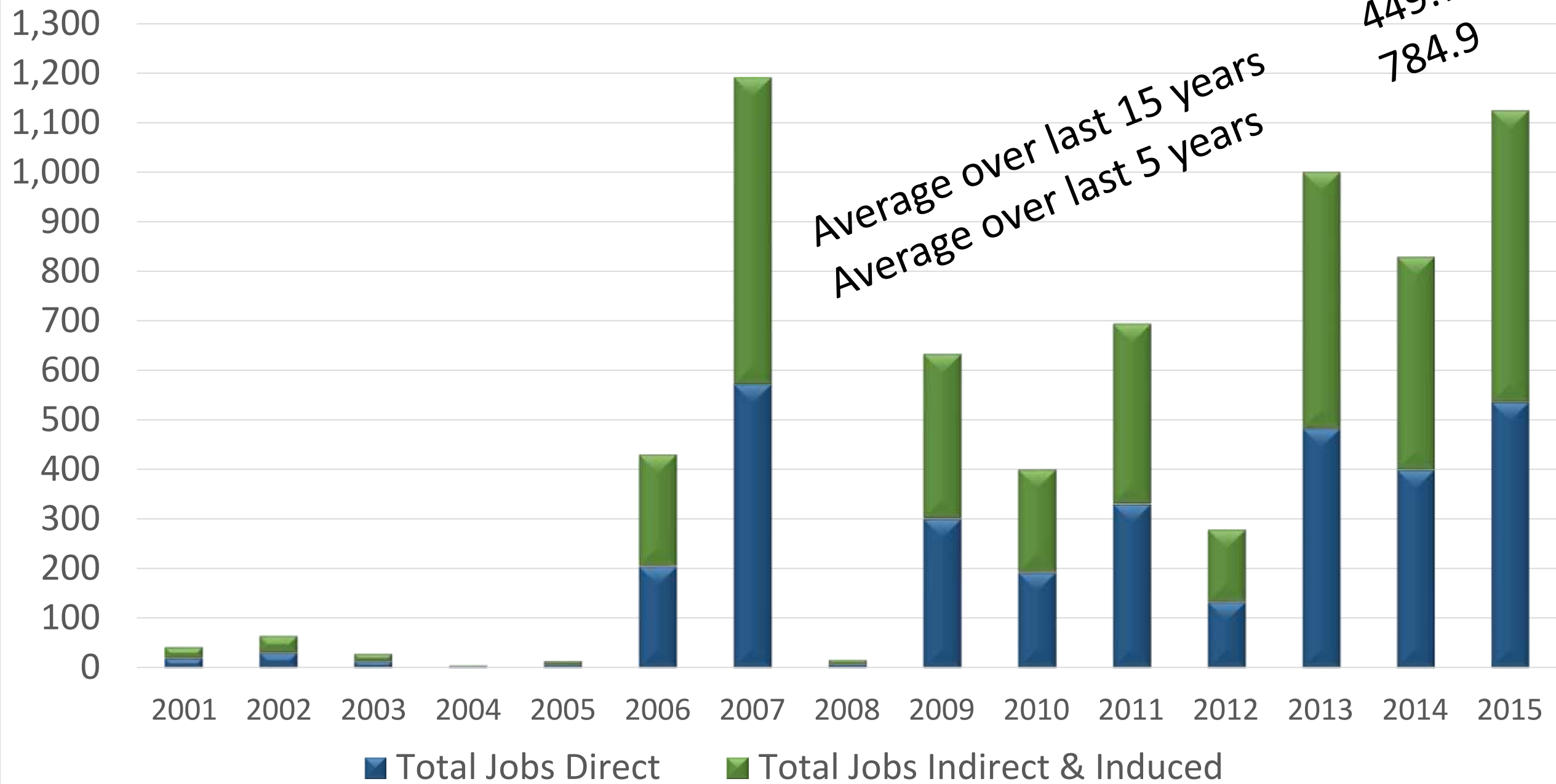
■ Oklahoma City   ■ Tulsa   ■ Rest of Oklahoma



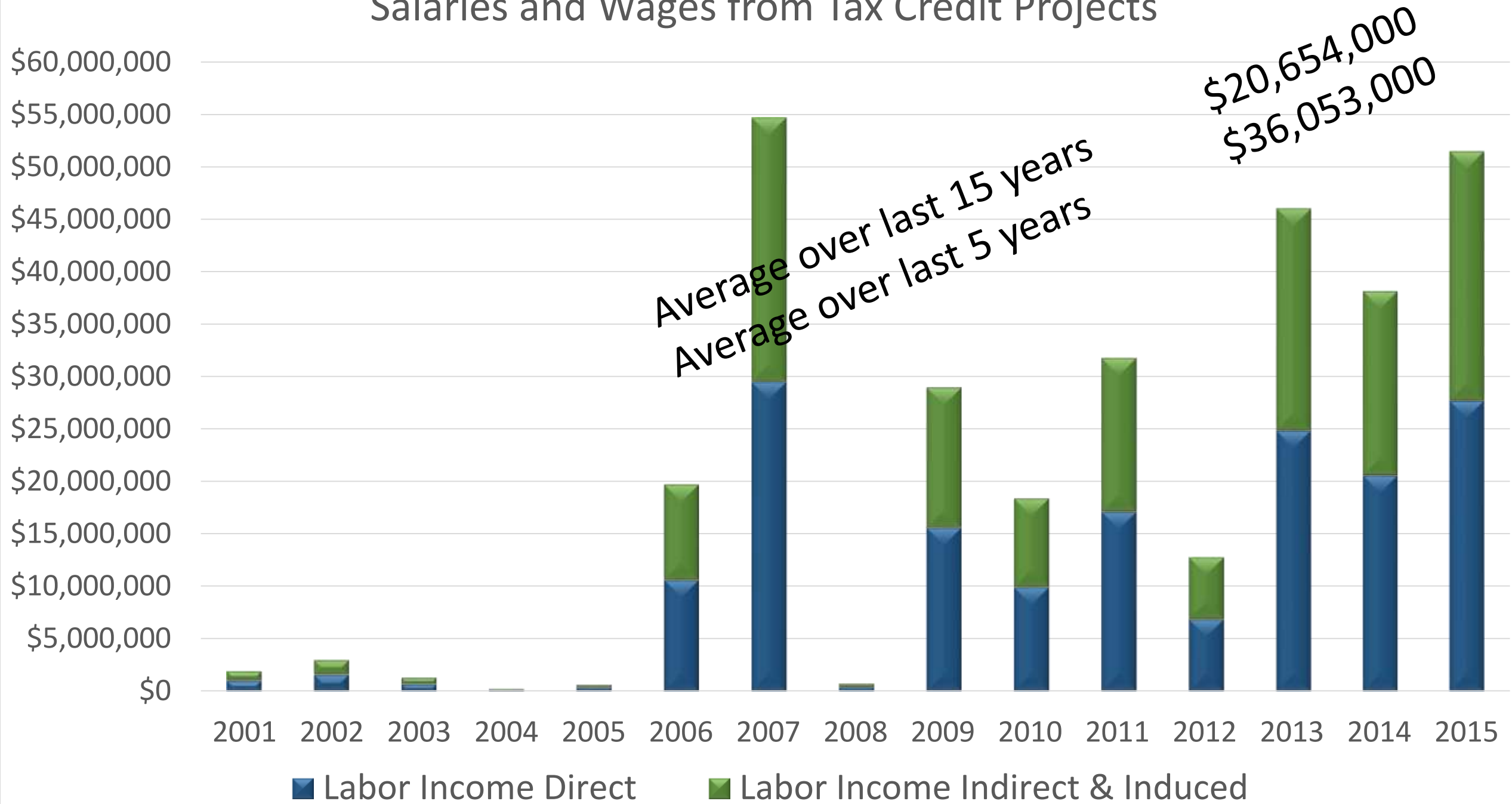
# Historic Tax Credit Project Use



# Jobs from Tax Credit Projects



# Salaries and Wages from Tax Credit Projects



If the average  
historic  
preservation tax  
credit activity over  
the last 15 years  
were a single  
industry, it would  
be among the  
largest 5% of firms  
in Oklahoma





# Jobs/\$1,000,000 Output

## Direct, Indirect, Induced

Beef cattle ranching and farming, including feedlots...

Hotels and motels, including casino hotels

Building Rehabilitation

Truck transportation

New Construction

Data processing, hosting, and related services

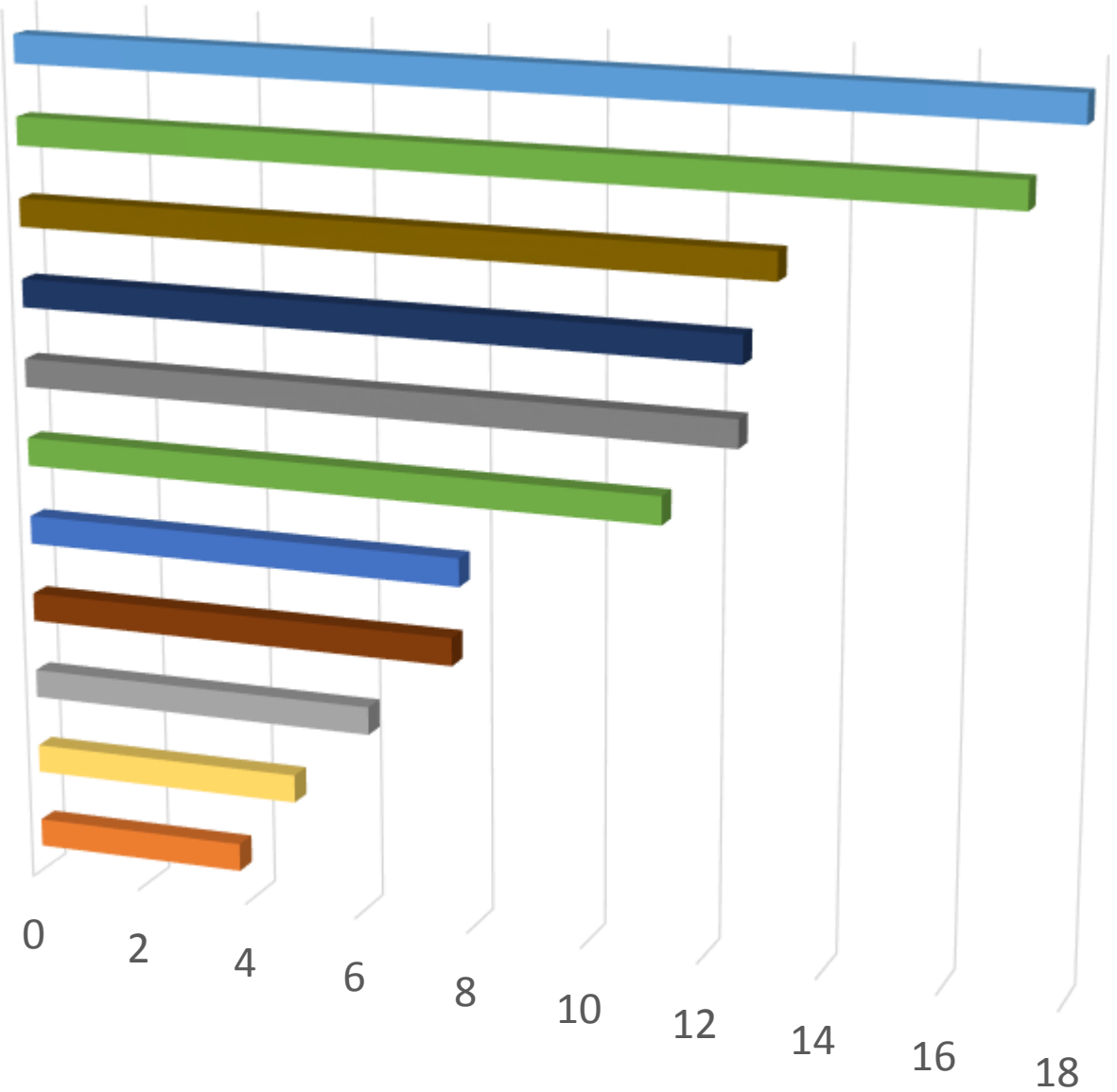
Software publishers

Drilling oil and gas wells

Telecommunications Carriers

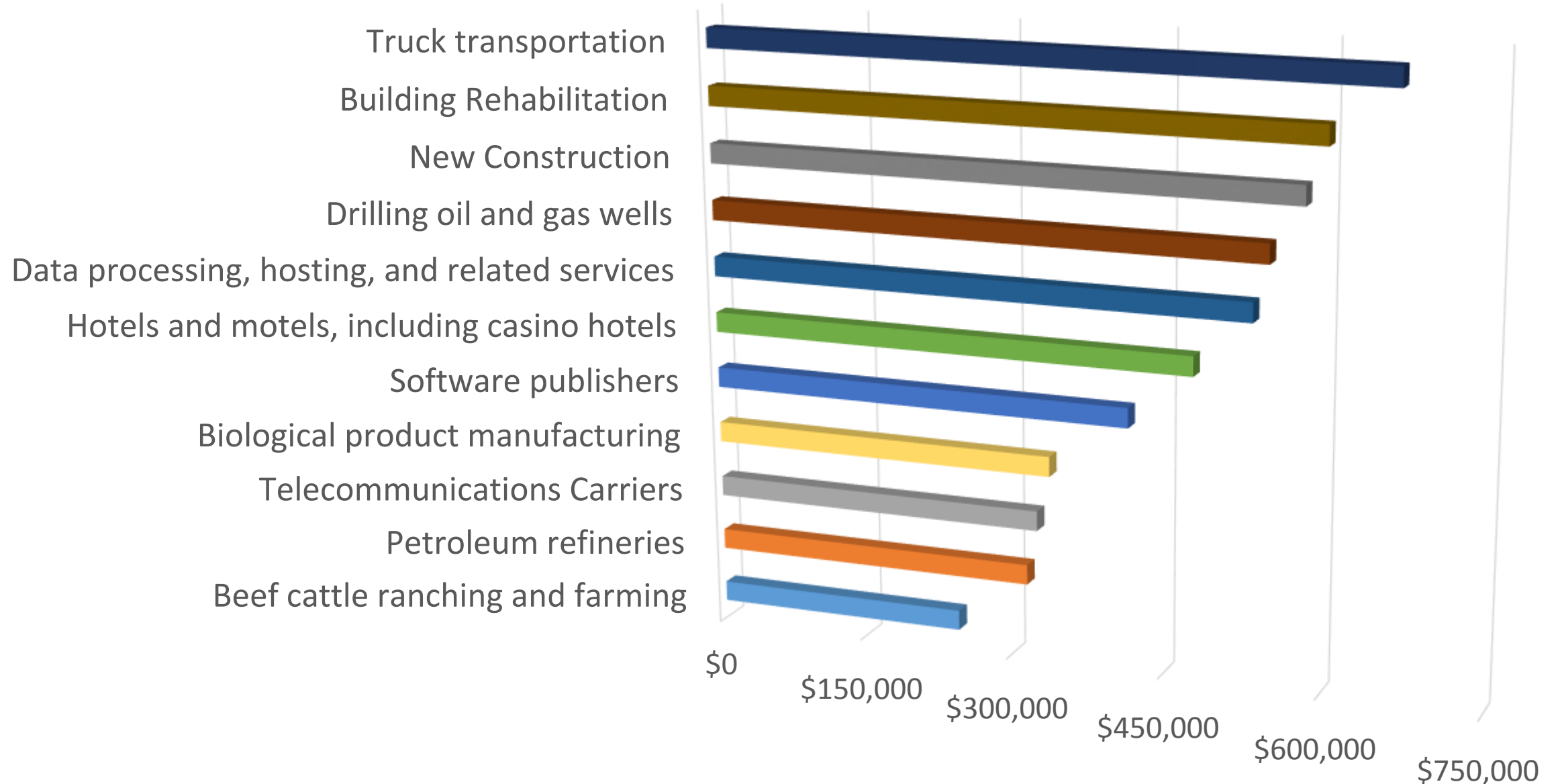
Biological product manufacturing

Petroleum refineries

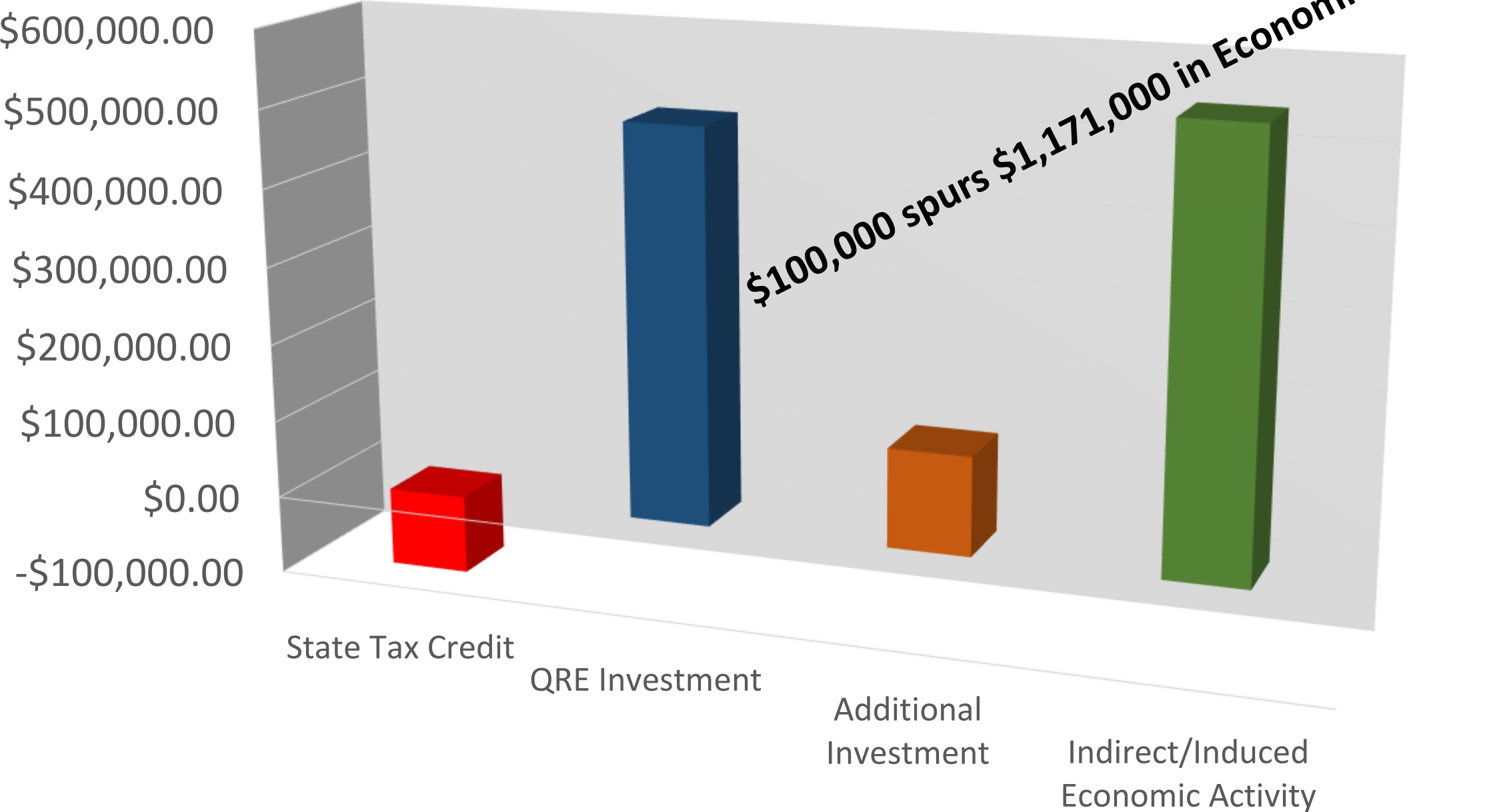


# Salary and Wages/\$1,000,000 Output

## Direct, Indirect, Induced



# Effect of \$100,000 Historic Tax Credit



# Initial Returns to the State of Oklahoma

## before Credit is Rewarded

(per \$100,000 in credits)

**Personal Income Tax**

**\$19,537**

**Business Income Tax**

**\$6,556**

**State Sales Tax**

**\$25,560**





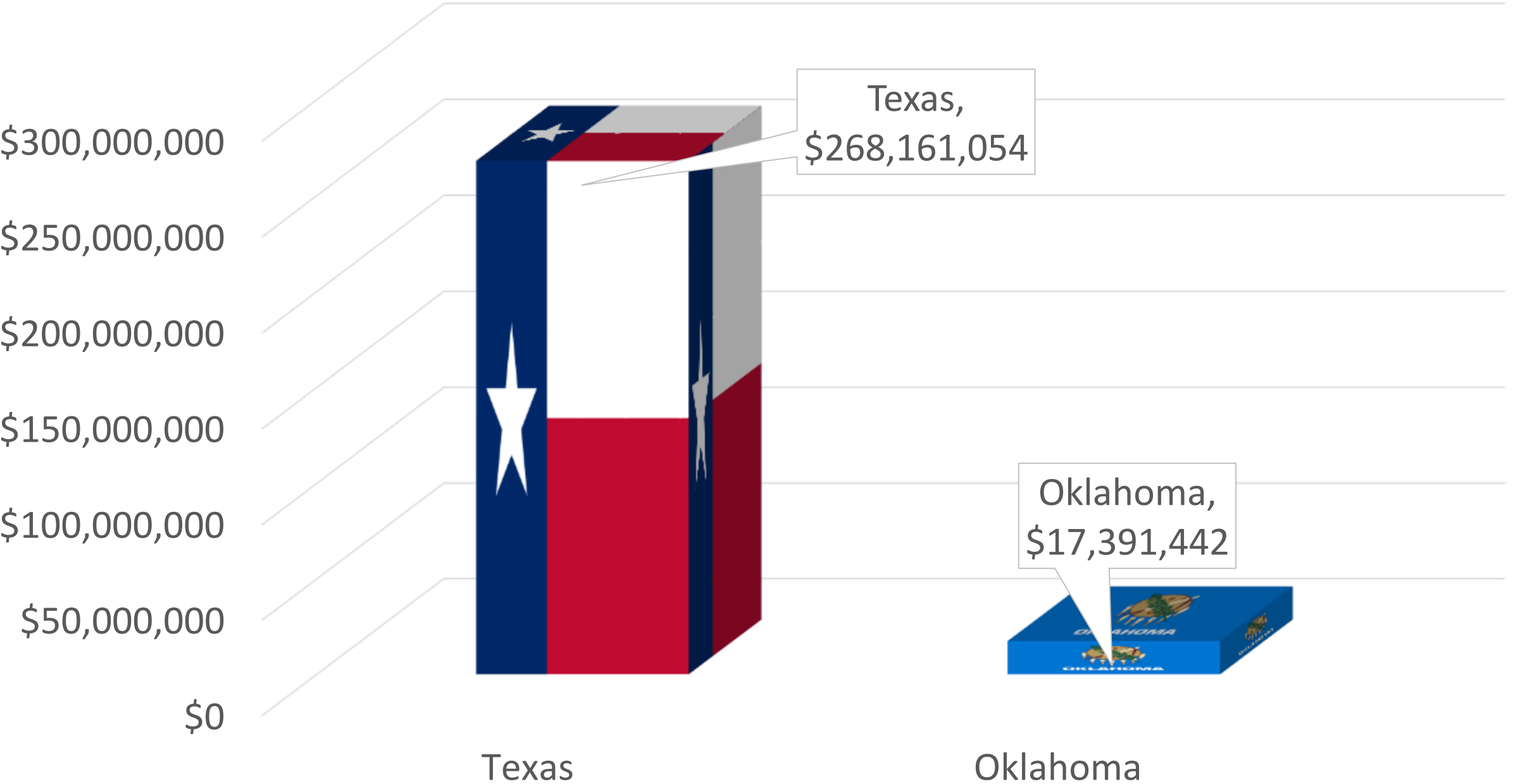
The “salability” of the Oklahoma Historic Tax credit are a major advantage. In other states \$.65 to \$.75 on the \$1.00 is a typical selling price. In Oklahoma developers are getting \$.80 to \$.90



Your friends to the south.



Five Years Prior to Tax Credit



Most Recent Five Years

\$300,000,000

\$250,000,000

\$200,000,000

\$150,000,000

\$100,000,000

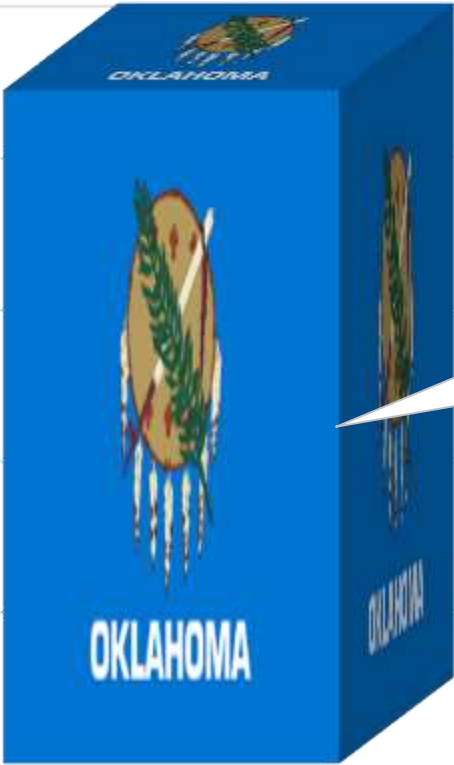
\$50,000,000

\$0



Texas,  
\$194,969,209

Texas

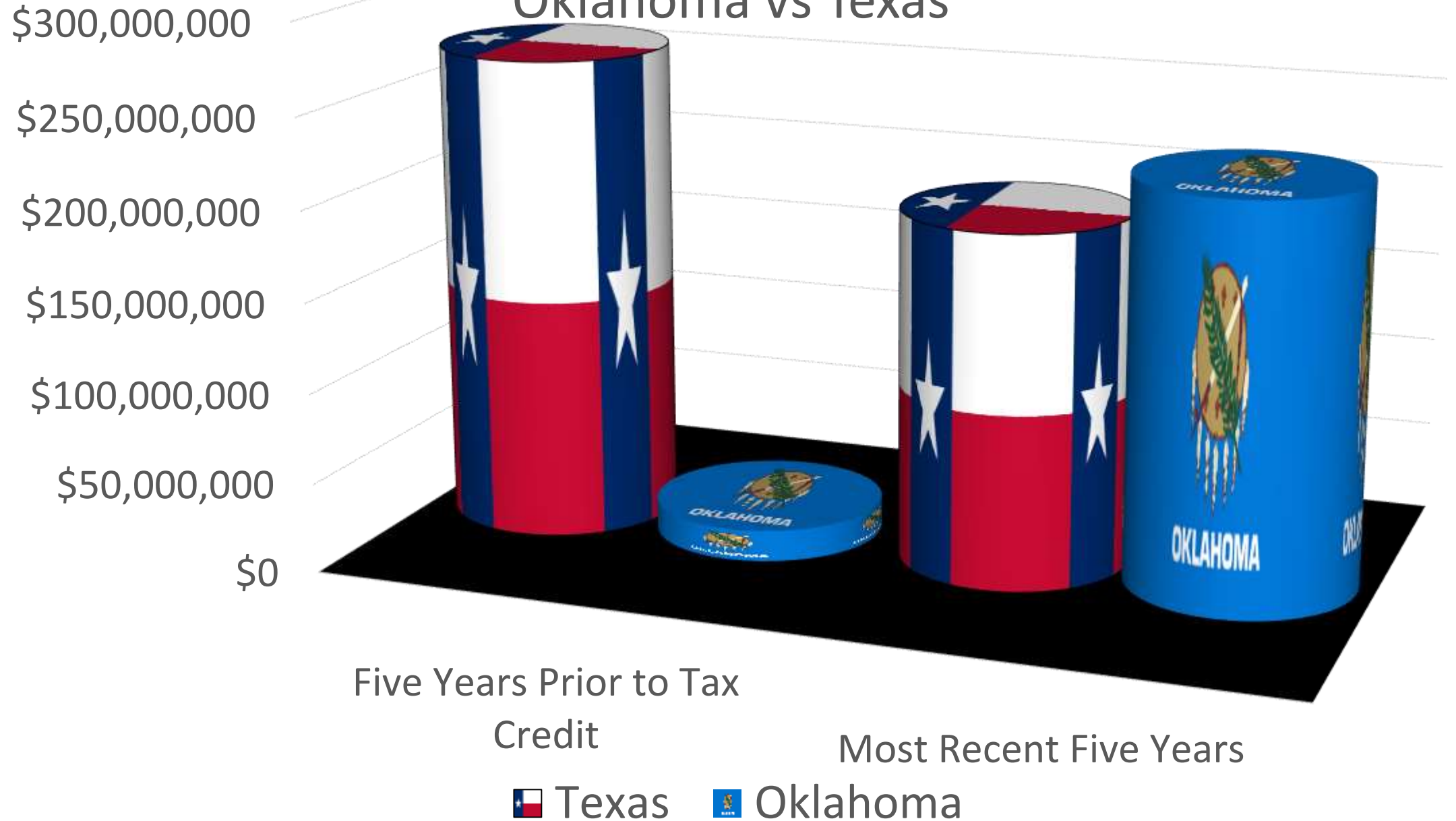


Oklahoma,  
\$222,602,306

Oklahoma



# Historic Preservation Investment Oklahoma vs Texas





Because the State  
Historic Tax Credit spurs  
the use of the Federal  
Tax Credit, \$83 Million  
has stayed in Oklahoma  
that otherwise would  
have gone to  
Washington.



Congratulations,  
Oklahoma, for having one  
of the best Historic Tax  
Credit programs in  
America



*Thank you very much*

