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1889 INSTITUTE: END AEROSPACE ENGINEER TAX CREDITS

Market forces should drive labor markets, not government.

OKLAHOMA CITY, OK (April 21, 2021) – The 1889 Institute has published “Oklahoma’s Aerospace Industry Engineer Workforce Tax Credits,” the most recent of two installments in the Institute’s Corporate Welfare Directory. The paper makes it clear that the state’s tax rebate program for aerospace engineers is another corporate welfare scheme. Three programs effectively subsidize high-paying professional aerospace engineering jobs, providing tax breaks to companies who hire engineers or to the engineers themselves.

“What’s particularly galling about these programs is that other Oklahoma businesses and everyday taxpayers with lower incomes and less in benefits have to fill in the tax holes created by these programs,” said Byron Schломach, director of the 1889 Institute. “In a very real sense, these programs tax the poor in order to give to the rich,” he said.

Schlomach acknowledges that the state’s Incentive Evaluation Commission (IEC) recommended keeping the credits in a report last year. “That report,” said Schlomach, “effectively claims the tax credits are responsible for the existence of an aerospace industry in this state, which is absurd.” “The IEC has proven itself a corporate welfare rubber stamp,” he said.

In an earlier publication, the 1889 Institute devised a series of yes/no questions for determining if a particular policy could be considered corporate welfare. “The aerospace tax credits meet every corporate welfare criterion,” said Schlomach.

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About the 1889 Institute

The 1889 Institute is an Oklahoma think tank committed to independent, principled state policy fostering limited and responsible government, free enterprise and a robust civil society. The publication, “Oklahoma’s Aerospace Industry Engineer Workforce Tax Credits” and other reports can be found on the nonprofit’s website at www.1889institute.org.