

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 HOUSE BILL 2260

By: **Miller, Menz, Munson, and Alonso-Sandoval** of the
House

6 and

7 **Haste** of the Senate

10 AS INTRODUCED

11 An Act relating to revenue and taxation; defining
12 terms; authorizing income tax credits for employers
13 engaged in civil engineering; providing income tax
14 credit for tuition reimbursements; providing
15 conditions for use of credit; specifying amount of
16 tax credit; prohibiting use of tax credit to reduce
17 liability to less than zero; authorizing income tax
18 credit for certain compensation paid to employees
19 engaged in civil engineering; specifying amount of
20 credit; imposing limit on credit amount; prohibiting
21 use of tax credit to reduce income tax liability to
22 less than zero; authorizing income tax credit for
23 certain income received as civil engineer; providing
24 for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified

in the Oklahoma Statutes as Section 2357.321 of Title 68, unless
there is created a duplication in numbering, reads as follows:

As used in Sections 1 through 4 of this act:

1. "Compensation" means payments in the form of contract labor for which the payor is required to provide a Form 1099 to the person paid wages subject to withholding tax paid to a part-time employee, full-time employee, salary, or other remuneration. Compensation shall not include employer-provided retirement, medical or health care benefits, reimbursement for travel, meals, lodging, or any other expense;

2. "Institution" means an institution within The Oklahoma State System of Higher Education, any other public or private college, or university that is accredited by a national accrediting body;

3. "Qualified employer" means a sole proprietor, general partnership, limited partnership, limited liability company, corporation, other legally recognized business entity, or public entity whose principal business activity involves civil engineering services as described by Industry No. 541330 of the North American Industry Classification System (NAICS), latest revision;

4. "Qualified employee" means any person, regardless of the date of hire, employed in this state, contracting in this state with a qualified employer on or after January 1, 2026, who was not employed as a civil engineer in this state immediately preceding employment or contracting with a qualified employer, and who has been either:

a. awarded an undergraduate or graduate degree from a qualified program by an institution, or

1 b. licensed as a Professional Engineer by the State Board
2 of Licensure for Professional Engineers and Land
3 Surveyors pursuant to Section 475.15 of Title 59 of
4 the Oklahoma Statutes.

5 Provided, the definition shall not be interpreted to exclude any
6 person who was employed in the civil engineering sector, but not as
7 a full-time engineer, prior to being awarded an undergraduate or
8 graduate degree from a qualified program by an institution or any
9 person who has been awarded an undergraduate or graduate degree from
10 a qualified program by an institution and is employed by a
11 professional staffing company and assigned to work in the civil
12 engineering sector in this state.

13 Beginning on or after January 1, 2026, the definition shall also
14 not be interpreted to exclude any person who:

- 15 (1) previously qualified and established the credit
16 against the tax imposed pursuant to Section 2355
17 of Title 68 of the Oklahoma Statutes and becomes
18 employed by a different qualified employer, or
- 19 (2) establishes the credit against the tax imposed
20 pursuant to Section 2355 of Title 68 of the
21 Oklahoma Statutes for the first time and becomes
22 employed by a different qualified employer in
23 subsequent years, provided a person in either

case has not claimed the credit for the lifetime maximum of five (5) years;

3 5. "Qualified program" means a program at an institution that
4 includes a graduate or undergraduate program that has been
5 accredited by the Engineering Accreditation Commission of the
6 Accreditation Board for Engineering and Technology (ABET) and that
7 awards an undergraduate or graduate degree. Both the undergraduate
8 and graduate programs of the same discipline of engineering at an
9 institution shall be part of the qualified program if either program
10 is ABET accredited; and

11 6. "Tuition" means the average annual amount paid by a
12 qualified employee for enrollment and instruction in a qualified
13 program. Tuition shall not include the cost of books, fees or room
14 and board.

15 SECTION 2. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 2357.322 of Title 68, unless
17 there is created a duplication in numbering, reads as follows:

18 A. For taxable years beginning after December 31, 2025, and
19 ending before January 1, 2031, a qualified employer shall be allowed
20 a credit against the tax imposed pursuant to Section 2355 of Title
21 68 of the Oklahoma Statutes for tuition reimbursed to a qualified
22 employee.

23 B. The credit authorized by subsection A of this section may be
24 claimed only if the qualified employee has been awarded an

1 undergraduate or graduate degree within one (1) year of commencing
2 employment with the qualified employer.

3 C. The credit authorized by subsection A of this section shall
4 be in the amount of fifty percent (50%) of the tuition reimbursed to
5 a qualified employee for the first through fourth years of
6 employment. In no event shall this credit exceed fifty percent
7 (50%) of the average annual amount paid by a qualified employee for
8 enrollment and instruction in a qualified program at a public
9 institution in Oklahoma.

10 D. The credit authorized by subsection A of this section shall
11 not be used to reduce the tax liability of the qualified employer to
12 less than zero (0).

13 E. No credit authorized by this section shall be claimed after
14 the fourth year of employment.

15 SECTION 3. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 2357.323 of Title 68, unless
17 there is created a duplication in numbering, reads as follows:

18 A. For taxable years beginning on or after January 1, 2026, and
19 ending before January 1, 2031, a qualified employer shall be allowed
20 a credit against the tax imposed pursuant to Section 2355 of Title
21 68 of the Oklahoma Statutes for compensation paid to a qualified
22 employee.

23 B. The credit authorized by subsection A of this section shall
24 be in the amount of:

1 1. Ten percent (10%) of the compensation paid for the first
2 through fifth years of employment in civil engineering if the
3 qualified employee graduated from an institution located in this
4 state; or

5 2. Five percent (5%) of the compensation paid for the first
6 through fifth years of employment in civil engineering if the
7 qualified employee graduated from an institution located outside
8 this state.

9 C. The credit authorized by this section shall not exceed
10 Twelve Thousand Five Hundred Dollars (\$12,500.00) for each qualified
11 employee annually.

12 D. The credit authorized by this section shall not be used to
13 reduce the tax liability of the qualified employer to less than zero
14 (0).

15 E. No credit authorized pursuant to this section shall be
16 claimed after the fifth year of employment.

17 SECTION 4. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 2357.324 of Title 68, unless
19 there is created a duplication in numbering, reads as follows:

20 A. For taxable years beginning on or after January 1, 2026, and
21 ending before January 1, 2031, a qualified employee shall be allowed
22 a credit against the tax imposed pursuant to Section 2355 of Title
23 68 of the Oklahoma Statutes up to Five Thousand Dollars (\$5,000.00)
24 per year for a period of time not to exceed five (5) years.

1 B. The credit authorized by this section shall not be used to
2 reduce the tax liability of the taxpayer to less than zero (0).

3 C. Any credit claimed, but not used, may be carried over in
4 order to each of the five (5) subsequent taxable years.

5 SECTION 5. This act shall become effective November 1, 2025.

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7 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
02/26/2025 - DO PASS, As Coauthored.

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