

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 HOUSE BILL 2260

By: Miller

6 AS INTRODUCED

7 An Act relating to revenue and taxation; defining
8 terms; authorizing income tax credits for employers
9 engaged in civil engineering; providing income tax
credit for tuition reimbursements; providing
conditions for use of credit; specifying amount of
tax credit; prohibiting use of tax credit to reduce
liability to less than zero; authorizing income tax
credit for certain compensation paid to employees
engaged in civil engineering; specifying amount of
credit; imposing limit on credit amount; prohibiting
use of tax credit to reduce income tax liability to
less than zero; authoring income tax credit for
certain income received as civil engineer; providing
for codification; and providing an effective date.

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

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

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

20 As used in Sections 1 through 4 of this act:

21 1. "Compensation" means payments in the form of contract labor
22 for which the payor is required to provide a Form 1099 to the person
23 paid wages subject to withholding tax paid to a part-time employee,
24 full-time employee, salary, or other remuneration. Compensation

1 shall not include employer-provided retirement, medical or health
2 care benefits, reimbursement for travel, meals, lodging, or any
3 other expense;

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

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

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

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

21 b. licensed as a Professional Engineer by the State Board
22 of Licensure for Professional Engineers and Land
23 Surveyors pursuant to Section 475.15 of Title 59 of
24 the Oklahoma Statutes.

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

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

- 11 (1) previously qualified and established the credit
12 against the tax imposed pursuant to Section 2355
13 of Title 68 of the Oklahoma Statutes and becomes
14 employed by a different qualified employer, or
- 15 (2) establishes the credit against the tax imposed
16 pursuant to Section 2355 of Title 68 of the
17 Oklahoma Statutes for the first time and becomes
18 employed by a different qualified employer in
19 subsequent years, provided a person in either
20 case has not claimed the credit for the lifetime
21 maximum of five (5) years;

22 5. "Qualified program" means a program at an institution that
23 includes a graduate or undergraduate program that has been
24 accredited by the Engineering Accreditation Commission of the

1 Accreditation Board for Engineering and Technology (ABET) and that
2 awards an undergraduate or graduate degree. Both the undergraduate
3 and graduate programs of the same discipline of engineering at an
4 institution shall be part of the qualified program if either program
5 is ABET accredited; and

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

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

13 A. For taxable years beginning after December 31, 2025, and
14 ending before January 1, 2031, a qualified employer shall be allowed
15 a credit against the tax imposed pursuant to Section 2355 of Title
16 68 of the Oklahoma Statutes for tuition reimbursed to a qualified
17 employee.

18 B. The credit authorized by subsection A of this section may be
19 claimed only if the qualified employee has been awarded an
20 undergraduate or graduate degree within one (1) year of commencing
21 employment with the qualified employer.

22 C. The credit authorized by subsection A of this section shall
23 be in the amount of fifty percent (50%) of the tuition reimbursed to
24 a qualified employee for the first through fourth years of

1 employment. In no event shall this credit exceed fifty percent
2 (50%) of the average annual amount paid by a qualified employee for
3 enrollment and instruction in a qualified program at a public
4 institution in Oklahoma.

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

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

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

13 A. For taxable years beginning on or after January 1, 2026, and
14 ending before January 1, 2031, a qualified employer shall be allowed
15 a credit against the tax imposed pursuant to Section 2355 of Title
16 68 of the Oklahoma Statutes for compensation paid to a qualified
17 employee.

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

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

1 2. Five percent (5%) 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 outside
4 this state.

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

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

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

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

16 A. For taxable years beginning on or after January 1, 2026, and
17 ending before January 1, 2031, a qualified employee shall be allowed
18 a credit against the tax imposed pursuant to Section 2355 of Title
19 68 of the Oklahoma Statutes up to Five Thousand Dollars (\$5,000.00)
20 per year for a period of time not to exceed five (5) years.

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

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

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

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3 60-1-10943 AO 12/16/24

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