

**COMMITTEE AMENDMENT**

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3498 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by  
inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Amendment submitted by: Marcus McEntire

Adopted: \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 PROPOSED COMMITTEE  
4 SUBSTITUTE  
5 FOR  
6 HOUSE BILL 3498

By: McEntire

7  
8 PROPOSED COMMITTEE SUBSTITUTE

9 An Act relating to revenue and taxation; defining  
10 terms; creating tax credit for certain qualified  
11 employers; authorizing amount of credit; limiting  
12 total amount of credit; limiting application of  
13 credit; limiting eligibility for credit; creating tax  
14 credit for certain qualified software employees;  
15 limiting application of credit; preventing claiming  
16 of credit and certain other credit; providing for  
17 codification; and providing an effective date.

18  
19  
20 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

21 SECTION 1. NEW LAW A new section of law to be codified  
22 in the Oklahoma Statutes as Section 2357.501 of Title 68, unless  
23 there is created a duplication in numbering, reads as follows:

24 As used in 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  
or full-time employee or 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 or 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;

11 4. "Qualified software employee" means any person employed in  
12 Oklahoma by a qualifying employer on or after January 1, 2022, who:

- 13 a. has been awarded a degree in a qualified program from  
14 an institution or a technology center, and
- 15 b. is employed as a software engineer;

16 5. "Qualified program" means:

- 17 a. an undergraduate or graduate information technology,  
18 computer science, or computer engineering degree  
19 program accredited by the Computing Accreditation  
20 Commission (CAC) or the Engineering Accreditation  
21 Commission (EAC) of the Accreditation Board for  
22 Engineering and Technology (ABET) offered at an  
23 institution, or  
24

1           b.    a software, programming, software programming, coding,  
2                    application development, computer science, or  
3                    information technology program requiring more than  
4                    eight hundred (800) hours of class time; and

5           6.    "Technology center" means an institution in the Oklahoma  
6 State Board of Career and Technology Education that offers qualified  
7 programs as defined in this section.

8           SECTION 2.       NEW LAW       A new section of law to be codified  
9 in the Oklahoma Statutes as Section 2357.502 of Title 68, unless  
10 there is created a duplication in numbering, reads as follows:

11          A.    For taxable years beginning on or after January 1, 2022, a  
12 qualified employer shall be allowed a credit against the tax imposed  
13 pursuant to Section 2355 of this title for compensation paid to a  
14 qualified software employee.

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

17           1.    Ten percent (10%) of the compensation paid for the first  
18 through fifth years of employment if the qualified software employee  
19 graduated from an institution located in this state; or

20           2.    Five percent (5%) of the compensation paid for the first  
21 through fifth years of employment if the qualified software employee  
22 graduated from an institution located outside this state.

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

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

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

9 SECTION 3. NEW LAW A new section of law to be codified  
10 in the Oklahoma Statutes as Section 2357.503 of Title 68, unless  
11 there is created a duplication in numbering, reads as follows:

12 A. For taxable years beginning on or after January 1, 2022, a  
13 qualified software employee shall be allowed a credit against the  
14 tax imposed pursuant to Section 2355 of this title of up to Five  
15 Thousand Dollars (\$5,000.00) per year for a period of time not to  
16 exceed five (5) years.

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

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

21 D. A qualified software employee shall be permitted to claim  
22 either the credit authorized pursuant to this section or the credit  
23 authorized pursuant to Section 2357.405 of this title. No qualified  
24 software employee shall be permitted to claim both credits.

SECTION 4. This act shall become effective January 1, 2022.

58-2-10302 AQH 02/01/22