

**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

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

PROPOSED COMMITTEE  
SUBSTITUTE  
FOR  
HOUSE BILL NO. 3498

By: McEntire

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; defining terms; creating tax credit for certain qualified employers; authorizing amount of credit; limiting total amount of credit; limiting application of credit; limiting eligibility for credit; preventing claiming of credit and certain other credits; creating tax credit for certain qualified software employees; limiting application of credit; preventing claiming of credit and certain other credits and incentives; providing 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 2357.501 of Title 68, unless there is created a duplication in numbering, reads as follows:

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 shall not include employer-provided retirement, medical or health

1 care benefits, reimbursement for travel, meals, lodging, or any  
2 other expense;

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

6 3. "Qualified employer" means a sole proprietor, general  
7 partnership, limited partnership, limited liability company,  
8 corporation, other legally recognized business entity or public  
9 entity;

10 4. "Qualified software employee" means any person employed in  
11 Oklahoma by a qualified employer hired on or after January 1, 2022,  
12 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 by a qualified  
16 employer;

17 5. "Qualified program" means:

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

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 Title 68 of the Oklahoma Statutes for  
14   compensation paid to a qualified software employee hired on or after  
15   January 1, 2022.

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

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

21          2.    Five percent (5%) of the compensation paid for the first  
22   through fifth years of employment if the qualified software employee  
23   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 F. A qualified employer shall be permitted to claim either the  
10 credit authorized pursuant to this section for the compensation paid  
11 to a qualified software employee or to claim other credits  
12 authorized by law for the compensation paid to or education expenses  
13 paid to or on behalf of the qualified software employee, but shall  
14 not be able to claim more than one credit for the same taxable  
15 period with respect to compensation paid to or education expenses  
16 paid to or on behalf of the same employee. A qualified employer  
17 claiming the credit authorized by this section shall not be eligible  
18 for payment of incentives for qualified software employees pursuant  
19 to:

- 20 1. The Oklahoma Quality Jobs Program Act;  
21 2. The 21st Century Quality Jobs Incentive Act; or  
22 3. The Oklahoma Remote Quality Jobs Incentive Act.
- 23  
24

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

A. For taxable years beginning on or after January 1, 2022, a qualified software employee shall be allowed a credit against the tax imposed pursuant to Section 2355 of Title 68 of the Oklahoma Statutes of up to Five Thousand Dollars (\$5,000.00) per year for a period of time not to exceed five (5) years.

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

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

D. A qualified software employee shall be permitted to claim the credit authorized pursuant to this section, but if the qualified software employee claims the credit authorized by this section, the employee shall not be eligible to claim the credit authorized pursuant to Section 2357.304 of Title 68 of the Oklahoma Statutes or the credit authorized pursuant to Section 2357.405 of Title 68 of the Oklahoma Statutes. No qualified software employee shall be permitted to claim multiple credits for employment as a qualified software employee.

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

58-2-10821 AQH 03/01/22