

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB3498</b>
<b>Version:</b>	<b>FULLPCS2</b>
<b>Request Number:</b>	<b>10821</b>
<b>Author:</b>	<b>Rep. McEntire</b>
<b>Date:</b>	<b>3/02/2022</b>
<b>Impact:</b>	<b>Please see previous summary of this measure</b>

**Research Analysis**

Proposed committee substitute 2 for HB3498 creates income tax credits for qualified software engineers and employers who hire qualified software engineers on or after January 1, 2022.

**Employer Credit:**

The employer tax credit is equal to 10 percent of pay if the employee graduated from an in-state institution or 5 percent of pay if the employee graduated from an out-of-state institution. The credit is limited to the first five years of employment and cannot exceed \$12,500 per employee per year.

Employers that utilize this credit are not eligible to receive incentives under the Quality Jobs Program and other tax credits authorized by law for compensation paid to or education expenses paid to or on behalf of the qualified software engineer.

**Employee Credit:**

The employee tax credit is equal to \$5000 per year and may be claimed for up to five years. The credit is nonrefundable, but may be carried over for up to 5 subsequent taxable years.

Current law also provides for a tax credit for software or cybersecurity employees hired on or after November 1, 2019 in [Title 68, Section 2357.405](#). The measure prohibits a qualified software engineer from claiming both credits.

Current law

Prepared By: Quyen Do

**Fiscal Analysis**

The measure is currently under review and impact information will be completed.

Prepared By: Mark Tygret

**Other Considerations**

None.

