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AS AMENDED

By: Miller, Menz, Munson,
Alonso-Sandoval, Harris,
Bashore, Pfeiffer, Hill,
and Deck of the House

Haste and Frix of the Senate

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[ revenue and taxation - income tax credits for
employers engaged in civil engineering - income tax
credit for tuition reimbursements - use of credit -
amount of tax credit - income tax credit for
compensation paid to employees engaged in civil
engineering - limit on credit amount - income tax
credit for income received as civil engineer -
codification - effective date ]
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~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

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

1 paid wages subject to withholding tax paid to a part-time employee,
2 full-time employee, salary, or other remuneration. Compensation
3 shall not include employer-provided retirement, medical or health
4 care benefits, reimbursement for travel, meals, lodging, or any
5 other expense;

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

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

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

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

23 b. licensed as a Professional Engineer by the State Board
24 of Licensure for Professional Engineers and Land

1 Surveyors pursuant to Section 475.15 of Title 59 of
2 the Oklahoma Statutes.

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

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

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

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

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

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

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

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

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

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

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

13 SECTION 3. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 2357.323 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 employer shall be allowed
18 a credit against the tax imposed pursuant to Section 2355 of Title
19 68 of the Oklahoma Statutes for compensation paid to a qualified
20 employee.

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

23 1. Ten percent (10%) of the compensation paid for the first
24 through fifth years of employment in civil engineering if the

1 qualified employee graduated from an institution located in this
2 state; or

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

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

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

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

15 SECTION 4. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 2357.324 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 employee shall be allowed
20 a credit against the tax imposed pursuant to Section 2355 of Title
21 68 of the Oklahoma Statutes up to Five Thousand Dollars (\$5,000.00)
22 per year for a period of time not to exceed five (5) years.

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

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

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

4 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
5 April 23, 2025 - DO PASS
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