

BILL SUMMARY

1st Session of the 60th Legislature

Bill No.:	HB2260
Version:	Introduced
Request Number:	10943
Author:	Rep. Miller
Date:	2/10/2025
Impact: FY26:	\$65,000 revenue decrease (minimum)
FY27:	\$232,000 revenue decrease (minimum)

Research Analysis

HB2260, as introduced, establishes three tax credits for civil engineers and their employers beginning tax year 2026.

Qualified engineering businesses that employ a civil engineer will receive a tax credit equal to five percent of the compensation paid to an engineer until January 1, 2031, or ten percent if the engineer graduated from an Oklahoma college or university. The credit is capped at \$12,500 per employee, per year, and may be claimed for up to five years.

An employer can also claim another tax credit for up to 50 percent of the tuition reimbursed to an employee for up to four years of employment until January 1, 2031.

Additionally, the engineer hired is eligible for a tax credit of \$5000 per year, for up to five years until January 1, 2031.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB2260 establishes three tax credits for civil engineers and their employers.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT:

FY 26: A minimum of \$65,000 decrease in income tax revenue.¹

FY 27: A minimum of \$232,000 decrease in income tax revenue.

PROPOSAL: HB 2260 proposes to enact 3 nonrefundable income tax credits for qualified civil engineers and qualified employers whose principal business activity involves civil engineering services², for tax years 2026 through 2030:

1. A credit for **employers** for 50% of **tuition** paid for employees' that obtain a degree within 1 year of employment.
2. A max credit of \$12,500 annually for **employers** for **compensation** paid to civil engineering employees for the first five years: 10% for Oklahoma graduates, and 5% for out-of-state graduates.
3. A credit for a qualified civil engineering **employee** up to \$5,000 per year. Any unused credit may be carried over 5 yrs.

ANALYSIS: The U.S. Bureau of Labor Statistics indicates 2,610 civil engineers were employed in Oklahoma as of May 2023 with an annual mean wage of about \$99,960. The [BLS](#) predicts that such employment will increase by an average of .5% each year. Based on this data, it is estimated that qualified employee credits will total approx.. \$26,000 for FY26³ and \$93,000 for FY27. In addition, estimated employer credits for compensation paid to qualified employees total approximately \$39,000 for FY26 and \$139,000 for FY27. The tuition reimbursement part of the credit estimation is unknown.

Prepared By: Zachary Penrod, House Fiscal Staff

Other Considerations

None.