



BILL/VERSION: HB 2260 / ENGROSSED¹

ANALYST: TB

AUTHORS: Rep. Miller, Sen. Haste

DATE: 3/12/2025

TAX(ES): Income Tax

SUBJECT(S): Credit

EFFECTIVE DATE: November 1, 2025

Emergency

ESTIMATED REVENUE IMPACT:

FY 26: A minimum of \$65,000 decrease in income tax revenue.²

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 services³, 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 approximately \$26,000 for FY26⁴ 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.

¹ Engrossed HB 2260 is identical to Introduced HB 2260

² An unknown decrease in income tax revenue is expected for employers who claim credits for tuition reimbursement.

³ Industry No. 5413302 of the North American Classification System (NAICS)

⁴ A decrease in withholding and estimated tax payments may be expected, beginning for FY26.

3/13/25

DATE

Huan Gong

DR. HUAN GONG, CHIEF TAX ECONOMIST

3/14/25

DATE

Marie Schuble

MARIE SCHUBLE, DIVISION DIRECTOR

3/14/25

DATE

Joseph P. Gappa

JOSEPH P. GAPPA, FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.