

1 **SENATE FLOOR VERSION**

2 April 1, 2024

3 **AS AMENDED**

4 ENGROSSED HOUSE

5 BILL NO. 3670

6 By: Miller, Alonso-Sandoval,  
7 and Menz of the House

8 and

9 Haste of the Senate

10 [ revenue and taxation - income tax credits for  
11 employers engaged in civil engineering - income tax  
12 credit for tuition reimbursements - income tax credit  
13 for compensation paid to employees engaged in civil  
14 engineering - income tax credit for income received  
15 as civil engineer - codification - effective date ]

16 ~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

17 SECTION 1. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 2357.321 of Title 68, unless  
19 there is created a duplication in numbering, reads as follows:

20 As used in Sections 1 through 4 of this act:

21 1. "Compensation" means payments in the form of contract labor  
22 for which the payor is required to provide a Form 1099 to the person  
23 paid wages subject to withholding tax paid to a part-time employee,  
24 full-time employee, 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, 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 whose principal business activity involves civil engineering  
10 services as described by Industry No. 541330 of the North American  
11 Industry Classification System (NAICS), latest revision;

12 4. "Qualified employee" means any person, regardless of the  
13 date of hire, employed in this state, contracting in this state with  
14 a qualified employer on or after January 1, 2025, who was not  
15 employed as a civil engineer in this state immediately preceding  
16 employment or contracting with a qualified employer, and who has  
17 been either:

- 18 a. awarded an undergraduate or graduate degree from a  
19 qualified program by an institution, or  
20 b. licensed as a Professional Engineer by the State Board  
21 of Licensure for Professional Engineers and Land  
22 Surveyors pursuant to Section 475.15 of Title 59 of  
23 the Oklahoma Statutes.

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

9        Beginning on or after January 1, 2025, the definition shall also  
10 not be interpreted to exclude any person who:

11            (1) previously qualified and established the credit  
12            against the tax imposed pursuant to Section 2355  
13            of this title and becomes employed by a different  
14            qualified employer, or

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

22        6. "Qualified program" means a program at an institution that  
23 includes a graduate or undergraduate program that has been  
24 accredited by the Engineering Accreditation Commission of the

1 Accreditation Board for Engineering and Technology (ABET) and that  
2 awards an undergraduate or graduate degree. Both the undergraduate  
3 and graduate programs of the same discipline of engineering at an  
4 institution shall be part of the qualified program if either program  
5 is ABET accredited; and

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

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

13 A. For taxable years beginning after December 31, 2024, and  
14 ending before January 1, 2030, a qualified employer shall be allowed  
15 a credit against the tax imposed pursuant to Section 2355 of Title  
16 68 of the Oklahoma Statutes for tuition reimbursed to a qualified  
17 employee.

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

22 C. The credit authorized by subsection A of this section shall  
23 be in the amount of fifty percent (50%) of the tuition reimbursed to  
24 a qualified employee for the first through fourth years of

1 employment. In no event shall this credit exceed fifty percent  
2 (50%) of the average annual amount paid by a qualified employee for  
3 enrollment and instruction in a qualified program at a public  
4 institution in Oklahoma.

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

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

10 SECTION 3. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 2357.323 of Title 68, unless  
12 there is created a duplication in numbering, reads as follows:

13 A. For taxable years beginning on or after January 1, 2025, and  
14 ending before January 1, 2030, a qualified employer shall be allowed  
15 a credit against the tax imposed pursuant to Section 2355 of Title  
16 68 of the Oklahoma Statutes for compensation paid to a qualified  
17 employee.

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

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

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

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

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

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

13           SECTION 4.       NEW LAW       A new section of law to be codified  
14 in the Oklahoma Statutes as Section 2357.324 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, 2025, and  
17 ending before January 1, 2030, a qualified employee shall be allowed  
18 a credit against the tax imposed pursuant to Section 2355 of Title  
19 68 of the Oklahoma Statutes up to Five Thousand Dollars (\$5,000.00)  
20 per year for a period of time not to exceed five (5) years.

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

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

1 SECTION 5. This act shall become effective November 1, 2024.

2 COMMITTEE REPORT BY: COMMITTEE ON FINANCE  
3 April 1, 2024 - DO PASS AS AMENDED  
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