

By: Rodriguez

H.B. No. 4013

A BILL TO BE ENTITLED

AN ACT

relating to a reduction in the amount of sales and use tax collections that certain taxpayers who employ tipped employees are required to remit to the comptroller.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended by adding Section 151.4245 to read as follows:

Sec. 151.4245. DISCOUNT FOR CERTAIN TAXPAYERS EMPLOYING TIPPED EMPLOYEES. (a) In this section, "tipped employee" has the meaning assigned by Section 62.052(b), Labor Code.

(b) A taxpayer may deduct and withhold 1.25 percent of the amount of tax liability for a quarter or month in which a payment is made if:

(1) at least half of the taxpayer's employees are tipped employees; and

(2) the taxpayer pays each tipped employee a cash wage in an amount that is not less than the federal minimum wage under Section 6, Fair Labor Standards Act of 1938 (29 U.S.C. Section 206), for an employee who is not a tipped employee.

(c) In order to qualify for the deduction under Subsection (b), the taxpayer shall provide to the comptroller paystubs or other documentation showing that the taxpayer meets the requirements of Subsection (b).

SECTION 2. The change in law made by this Act does not

1 affect tax liability accruing before the effective date of this
2 Act. That liability continues in effect as if this Act had not been
3 enacted, and the former law is continued in effect for the
4 collection of taxes due and for civil and criminal enforcement of
5 the liability for those taxes.

6 SECTION 3. This Act takes effect October 1, 2021.