

By: Creighton

S.B. No. 931

A BILL TO BE ENTITLED

AN ACT

relating to a franchise tax credit for entities that employ certain students in certain paid internship or similar programs.

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

SECTION 1. Chapter 171, Tax Code, is amended by adding Subchapter R to read as follows:

SUBCHAPTER R. TAX CREDIT FOR PAID INTERNSHIPS GIVEN TO CERTAIN STUDENTS

Sec. 171.8001. DEFINITIONS. In this subchapter:

(1) "Commission" means the Texas Workforce Commission.

(2) "Eligible internship program" means a paid internship or similar program that:

(A) meets the requirements of rules adopted by the commission under Section 171.8005; and

(B) is part of the:

(i) curriculum requirements for an endorsement under Section 28.025(c-1), Education Code; or

(ii) curriculum for a public junior college.

(3) "Eligible student" means a student who has reached the minimum age required under Chapter 51, Labor Code, to legally work in the eligible internship program and who is enrolled:

(A) in a public high school; or

1 (B) full-time or part-time in a public junior
2 college.

3 (4) "Public junior college" has the meaning assigned
4 by Section 61.003, Education Code.

5 Sec. 171.8002. ENTITLEMENT TO CREDIT. A taxable entity is
6 entitled to a credit in the amount and under the conditions provided
7 by this subchapter against the tax imposed under this chapter.

8 Sec. 171.8003. QUALIFICATION FOR CREDIT. A taxable entity
9 qualifies for a credit under this subchapter for each eligible
10 student who completes an eligible internship program offered by the
11 taxable entity.

12 Sec. 171.8004. AMOUNT OF CREDIT; LIMITATIONS. (a) The
13 amount of the credit is \$1,000 for each eligible student who
14 completes an eligible internship program offered by the taxable
15 entity.

16 (b) A taxable entity may claim the credit only for an
17 eligible internship program offered by the taxable entity that is
18 located or based in this state.

19 (c) A taxable entity may not claim the credit in connection
20 with an eligible student if an owner of the taxable entity is
21 related to the eligible student within the third degree of
22 consanguinity as determined under Subchapter B, Chapter 573,
23 Government Code.

24 Sec. 171.8005. COMMISSION RULES. The commission, after
25 consulting with the commissioner of education and the Texas Higher
26 Education Coordinating Board, shall adopt rules providing the
27 requirements that an internship or similar program must meet to be

1 considered an eligible internship program under this subchapter.

2 Sec. 171.8006. APPLICATION FOR CREDIT. (a) A taxable
3 entity must apply for a credit under this subchapter on or with the
4 report for the period for which the credit is claimed.

5 (b) The comptroller shall promulgate a form for the
6 application for the credit. A taxable entity must use the form in
7 applying for the credit.

8 Sec. 171.8007. PERIOD FOR WHICH CREDIT MAY BE CLAIMED. A
9 taxable entity may claim a credit under this subchapter against the
10 tax owed for a privilege period only in connection with an eligible
11 student who completes an eligible internship program during the
12 privilege period.

13 SECTION 2. A taxable entity may claim the credit under
14 Subchapter R, Chapter 171, Tax Code, as added by this Act, only in
15 connection with an eligible student who completes an eligible
16 internship program on or after the effective date of this Act and
17 only on a franchise tax report due under Chapter 171, Tax Code, on
18 or after January 1, 2022.

19 SECTION 3. This Act takes effect January 1, 2022.