

By: Hughes

S.B. No. 1524

A BILL TO BE ENTITLED

AN ACT

relating to a sales and use tax refund pilot program for certain persons who employ apprentices.

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

SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended by adding Section 151.4292 to read as follows:

Sec. 151.4292. TAX REFUND PILOT PROGRAM FOR CERTAIN PERSONS WHO EMPLOY APPRENTICES. (a) In this section:

(1) "Executive director" means the executive director of the Texas Workforce Commission.

(2) "Qualified apprenticeship" means an apprenticeship program that is:

(A) certified as an industry-recognized apprenticeship program by an entity determined to meet United States Department of Labor criteria; or

(B) registered with the United States Department of Labor and qualified to receive funding provided through the Texas Workforce Commission under Chapter 133, Education Code.

(b) A person is eligible for a refund in the amount and under the conditions provided by this section of the taxes paid under this chapter during a calendar year if the person is certified by the executive director under Subsection (f) and employs at least one apprentice in a qualified apprenticeship position for at least seven months during the calendar year. A person is not considered

1 to be employed in a qualified apprenticeship position for purposes  
2 of this section after the earlier of:

3 (1) the fourth anniversary of employment in the  
4 position; or

5 (2) the conclusion of the term of the apprenticeship  
6 position.

7 (c) Subject to Subsections (d) and (e), the amount of the  
8 refund for a calendar year in connection with each apprentice  
9 described by Subsection (b) is \$2,500.

10 (d) The total amount of the refund for a calendar year is  
11 equal to the lesser of:

12 (1) the amount allowed under Subsection (c) for the  
13 calendar year for each apprentice described by Subsection (b), not  
14 to exceed the maximum number of apprentices provided by Subsection  
15 (e); or

16 (2) the amount of sales and use taxes paid by the  
17 person during the calendar year.

18 (e) The maximum number of apprentices in connection with  
19 whom a person may receive a refund in a calendar year is:

20 (1) one; or

21 (2) not more than six if at least half of the  
22 apprentices employed are:

23 (A) foster children who have transitioned or are  
24 transitioning to independent living, as described in Section  
25 264.121, Family Code;

26 (B) military veterans, as defined by Section  
27 55.001, Occupations Code;

1           (C) military spouses, as defined by Section  
2 55.001, Occupations Code; or

3           (D) women.

4           (f) A person may not apply for a refund under this section  
5 unless the executive director certifies that the person is able to  
6 employ apprentices in qualified apprenticeships. A person must  
7 apply to the executive director to obtain certification. The  
8 executive director shall create an application form for the  
9 certification.

10          (g) The executive director may certify not more than 100  
11 persons under Subsection (f) at any time. If the number of eligible  
12 applicants exceeds the limit provided by this subsection, the  
13 executive director shall select applicants for certification  
14 according to rules adopted under Subsection (h).

15          (h) The executive director shall adopt rules that establish  
16 merit-based criteria for selecting persons to certify from among  
17 those who apply. The rules must require that the executive director  
18 give preference to applicants who:

19                 (1) offer qualified apprenticeships in areas of this  
20 state that are not designated as metropolitan statistical areas by  
21 the United States Office of Management and Budget; and

22                 (2) provide training and skills development in  
23 emerging or developing occupational fields.

24          (i) The executive director shall issue a certificate to each  
25 person certified under Subsection (f). The certificate must confirm  
26 that the person is eligible to apply for a refund under this  
27 section.

1       (j) A person must apply to the comptroller for a refund  
2 under this section. The person must include with the application  
3 the certificate issued to the person under Subsection (i) and any  
4 other information the comptroller requires.

5       (k) Not later than September 1, 2024, the executive director  
6 shall prepare and deliver to the governor, the lieutenant governor,  
7 the speaker of the house of representatives, and the presiding  
8 officer of each legislative standing committee with primary  
9 jurisdiction over taxation a report that evaluates the effect of  
10 the pilot program on the employment outcomes and earnings of  
11 apprentices with respect to whom refunds are granted under the  
12 pilot program under this section. The report must include a  
13 recommendation regarding whether the pilot program should be  
14 continued, expanded, or terminated.

15       (l) A person who applies for a refund under this section  
16 shall provide to the executive director information the executive  
17 director requests to prepare the report described by Subsection  
18 (k).

19       (m) This section expires December 31, 2026.

20       SECTION 2. A person may apply for a refund under Section  
21 151.4292, Tax Code, as added by this Act, only in connection with  
22 apprentices first employed on or after the effective date of this  
23 Act.

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