

1-1 By: Hughes S.B. No. 1524  
 1-2 (In the Senate - Filed March 11, 2021; March 24, 2021, read  
 1-3 first time and referred to Committee on Finance; April 15, 2021,  
 1-4 reported adversely, with favorable Committee Substitute by the  
 1-5 following vote: Yeas 14, Nays 1; April 15, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17		X		
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			

1-23 COMMITTEE SUBSTITUTE FOR S.B. No. 1524 By: Schwertner

1-24 A BILL TO BE ENTITLED  
 1-25 AN ACT

1-26 relating to a sales and use tax refund pilot program for certain  
 1-27 persons who employ apprentices.

1-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-29 SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended  
 1-30 by adding Section 151.4292 to read as follows:

1-31 Sec. 151.4292. TAX REFUND PILOT PROGRAM FOR CERTAIN PERSONS  
 1-32 WHO EMPLOY APPRENTICES. (a) In this section:

1-33 (1) "Executive director" means the executive director  
 1-34 of the Texas Workforce Commission.

1-35 (2) "Qualified apprenticeship" means an  
 1-36 apprenticeship program that is:

1-37 (A) certified as an industry-recognized  
 1-38 apprenticeship program by an entity determined to meet United  
 1-39 States Department of Labor criteria; or

1-40 (B) registered with the United States Department  
 1-41 of Labor and qualified to receive funding provided through the  
 1-42 Texas Workforce Commission under Chapter 133, Education Code.

1-43 (b) A person is eligible for a refund in the amount and under  
 1-44 the conditions provided by this section of the taxes paid under this  
 1-45 chapter during a calendar year if the person is certified by the  
 1-46 executive director under Subsection (f) and employs at least one  
 1-47 apprentice in a qualified apprenticeship position for at least  
 1-48 seven months during the calendar year. A person is not considered  
 1-49 to be employed in a qualified apprenticeship position for purposes  
 1-50 of this section:

1-51 (1) after the earlier of:

1-52 (A) the fourth anniversary of employment in the  
 1-53 position; or

1-54 (B) the conclusion of the term of the  
 1-55 apprenticeship position; or

1-56 (2) if the person was employed in another position by  
 1-57 the employer immediately before beginning employment in the  
 1-58 apprenticeship position.

1-59 (c) Subject to Subsections (d) and (e), the amount of the  
 1-60 refund for a calendar year in connection with each apprentice

2-1 described by Subsection (b) is \$2,500.  
2-2 (d) The total amount of the refund for a calendar year is  
2-3 equal to the lesser of:  
2-4 (1) the amount allowed under Subsection (c) for the  
2-5 calendar year for each apprentice described by Subsection (b), not  
2-6 to exceed the maximum number of apprentices provided by Subsection  
2-7 (e); or  
2-8 (2) the amount of sales and use taxes paid by the  
2-9 person during the calendar year.  
2-10 (e) The maximum number of apprentices in connection with  
2-11 whom a person may receive a refund in a calendar year is:  
2-12 (1) one; or  
2-13 (2) not more than six if at least half of the  
2-14 apprentices employed are:  
2-15 (A) foster children who have transitioned or are  
2-16 transitioning to independent living, as described in Section  
2-17 264.121, Family Code;  
2-18 (B) military veterans, as defined by Section  
2-19 55.001, Occupations Code;  
2-20 (C) military spouses, as defined by Section  
2-21 55.001, Occupations Code; or  
2-22 (D) women.  
2-23 (f) A person may not apply for a refund under this section  
2-24 unless the executive director certifies that the person is able to  
2-25 employ apprentices in qualified apprenticeships. A person must  
2-26 apply to the executive director to obtain certification. The  
2-27 executive director shall create an application form for the  
2-28 certification.  
2-29 (g) The executive director may certify not more than 100  
2-30 persons under Subsection (f) at any time. If the number of eligible  
2-31 applicants exceeds the limit provided by this subsection, the  
2-32 executive director shall select applicants for certification  
2-33 according to rules adopted under Subsection (h).  
2-34 (h) The executive director shall adopt rules that establish  
2-35 merit-based criteria for selecting persons to certify from among  
2-36 those who apply. The rules must require that the executive director  
2-37 give preference to applicants who:  
2-38 (1) offer qualified apprenticeships in areas of this  
2-39 state that are not designated as metropolitan statistical areas by  
2-40 the United States Office of Management and Budget; and  
2-41 (2) provide training and skills development in  
2-42 emerging or developing occupational fields.  
2-43 (i) The executive director shall issue a certificate to each  
2-44 person certified under Subsection (f). The certificate must  
2-45 confirm that the person is eligible to apply for a refund under this  
2-46 section.  
2-47 (j) A person must apply to the comptroller for a refund  
2-48 under this section. The person must include with the application  
2-49 the certificate issued to the person under Subsection (i) and any  
2-50 other information the comptroller requires.  
2-51 (k) Not later than September 1, 2024, the executive director  
2-52 shall prepare and deliver to the governor, the lieutenant governor,  
2-53 the speaker of the house of representatives, and the presiding  
2-54 officer of each legislative standing committee with primary  
2-55 jurisdiction over taxation a report that evaluates the effect of  
2-56 the pilot program on the employment outcomes and earnings of  
2-57 apprentices with respect to whom refunds are granted under the  
2-58 pilot program under this section. The report must include a  
2-59 recommendation regarding whether the pilot program should be  
2-60 continued, expanded, or terminated.  
2-61 (l) A person who applies for a refund under this section  
2-62 shall provide to the executive director information the executive  
2-63 director requests to prepare the report described by Subsection  
2-64 (k).  
2-65 (m) This section expires December 31, 2026.  
2-66 SECTION 2. A person may apply for a refund under Section  
2-67 151.4292, Tax Code, as added by this Act, only in connection with  
2-68 apprentices first employed on or after the effective date of this  
2-69 Act.

3-1 SECTION 3. The Texas Workforce Commission and the  
3-2 comptroller of public accounts are required to implement this Act  
3-3 only if the legislature appropriates money specifically for that  
3-4 purpose. If the legislature does not appropriate money  
3-5 specifically for that purpose, the commission and the comptroller  
3-6 may, but are not required to, implement this Act using other  
3-7 appropriations available for the purpose.

3-8 SECTION 4. This Act takes effect January 1, 2022.

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