

By: Johnson of Dallas, Wilson, Bumgarner,  
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H.B. No. 3031

A BILL TO BE ENTITLED

AN ACT

relating to a grant program for members of the Texas military forces  
experiencing financial hardship caused by a tax withholding error.

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

SECTION 1. Subchapter E, Chapter 437, Government Code, is  
amended by adding Section 437.233 to read as follows:

Sec. 437.233. GRANT PROGRAM FOR FINANCIAL HARDSHIP CAUSED  
BY TAX WITHHOLDING ERROR. (a) The department shall establish and  
administer a grant program to assist members of the Texas military  
forces who experience financial hardship caused by a federal tax  
withholding error in connection with the compensation paid to  
members who served in Operation Lone Star in 2021 or 2022.

(b) A member of the Texas military forces is eligible for a  
grant under this section if:

(1) the department erroneously withheld an  
insufficient amount from the member's compensation for service in  
Operation Lone Star in 2021 or 2022 to cover the federal income tax  
imposed on that compensation;

(2) the member certifies in the grant application that  
the member did not have actual knowledge of the withholding error;  
and

(3) the member demonstrates that the withholding error  
caused the member financial hardship.

(c) The department:

1           (1) may establish additional eligibility criteria for  
2 grant applicants; and

3           (2) shall establish:

4                   (A) grant application procedures;

5                   (B) guidelines relating to grant amounts that  
6 ensure that a grant to a member does not exceed the difference  
7 between the amount the member owed in federal income taxes on  
8 compensation the member received for service in Operation Lone Star  
9 in 2021 or 2022 and the amount withheld for federal income taxes;  
10 and

11                   (C) criteria for evaluating grant applications.

12           (d) Not later than December 1, 2024, the department shall  
13 report to the governor and the legislature on the results and  
14 performance of the grant program.

15           (e) This section expires January 1, 2025.

16           SECTION 2. This Act takes effect immediately if it receives  
17 a vote of two-thirds of all the members elected to each house, as  
18 provided by Section 39, Article III, Texas Constitution. If this  
19 Act does not receive the vote necessary for immediate effect, this  
20 Act takes effect September 1, 2023.