

By: Button, Craddick, et al.

H.B. No. 3374

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the definition of qualified employee for purposes of  
3 the enterprise zone program.

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

5 SECTION 1. Section 2303.003(7), Government Code, is amended  
6 to read as follows:

7 (7) "Qualified employee" means a person who:

8 (A) is a resident of this state;

9 (B) works for a qualified business;

10 (C) [~~(B)~~] receives wages from the qualified  
11 business from which employment taxes are deducted; and

12 (D) [~~(C)~~] performs at least 50 percent of the  
13 person's service for the business at the qualified business site,  
14 or if the person engages in the transportation of goods or services,  
15 the person reports to the qualified business site and resides  
16 within 50 miles of the qualified business site.

17 SECTION 2. Subchapter F, Chapter 2303, Government Code, is  
18 amended by adding Section 2303.499 to read as follows:

19 Sec. 2303.499. CERTAIN REQUIREMENTS WAIVED DURING COVID  
20 RELIEF PERIOD. (a) In this section, "COVID relief period" means  
21 the period beginning March 2, 2020, and ending December 31, 2021.

22 (b) Notwithstanding Section 2303.003(7)(D), the  
23 requirement that an employee perform at least 50 percent of the  
24 person's service for the business at the qualified business site to

1 be a "qualified employee" is waived for an enterprise project with a  
2 designation period that includes all or a portion of the COVID  
3 relief period, and the waiver under this subsection extends  
4 throughout the job retention period for those employees. This  
5 subsection applies only with respect to an employee who is a  
6 resident of this state.

7 (c) This section expires December 31, 2030.

8 SECTION 3. Section 2303.499, Government Code, as added by  
9 this Act, applies to any audit by the comptroller of whether an  
10 enterprise project is eligible for a tax refund under Section  
11 151.429, Tax Code, that is not finally completed before the  
12 effective date of this Act.

13 SECTION 4. This Act takes effect immediately if it receives  
14 a vote of two-thirds of all the members elected to each house, as  
15 provided by Section 39, Article III, Texas Constitution. If this  
16 Act does not receive the vote necessary for immediate effect, this  
17 Act takes effect September 1, 2023.