

By: Button, Craddick

H.B. No. 3374

Substitute the following for H.B. No. 3374:

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C.S.H.B. No. 3374

A BILL TO BE ENTITLED

AN ACT

relating to the definition of qualified employee for purposes of the enterprise zone program.

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

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

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

(A) is a resident of this state;

(B) works for a qualified business;

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

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

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

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

(b) Notwithstanding Section 2303.003(7)(D), the requirement that an employee perform at least 50 percent of the 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.