

By: Hall

S.B. No. 356

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a franchise tax credit for a taxable entity that  
3 participates in the federal electronic verification of employment  
4 authorization program.

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

6 SECTION 1. Chapter 171, Tax Code, is amended by adding  
7 Subchapter K to read as follows:

8 SUBCHAPTER K. TAX CREDIT FOR PARTICIPATION IN FEDERAL ELECTRONIC  
9 VERIFICATION OF EMPLOYMENT AUTHORIZATION PROGRAM

10 Sec. 171.551. DEFINITION. In this subchapter, "E-verify  
11 program" has the meaning assigned by Section 673.001, Government  
12 Code.

13 Sec. 171.552. ENTITLEMENT TO CREDIT. A taxable entity is  
14 entitled to a credit in the amount and under the conditions provided  
15 by this subchapter against the tax imposed under this chapter.

16 Sec. 171.553. QUALIFICATION. A taxable entity qualifies  
17 for a credit under this subchapter if the taxable entity registers  
18 with and participates in the E-verify program to verify employee  
19 information for a period of at least 12 consecutive months.

20 Sec. 171.554. AMOUNT OF CREDIT; LIMITATION. (a) The amount  
21 of the credit for a report is equal to the amount of franchise tax  
22 due for the report after applying all other applicable credits.

23 (b) A taxable entity may not claim more than one credit  
24 under this subchapter.

1       Sec. 171.555. APPLICATION FOR CREDIT. (a) A taxable entity  
2 must apply for a credit under this subchapter on or with the report  
3 for the period for which the credit is claimed.

4       (b) The comptroller shall promulgate a form for the  
5 application for the credit. A taxable entity must use the form in  
6 applying for the credit.

7       (c) The comptroller may require a taxable entity to submit  
8 with an application any information the comptroller determines is  
9 necessary to determine whether the taxable entity qualifies for the  
10 credit under Section 171.553.

11       Sec. 171.556. RULES. The comptroller shall adopt rules  
12 necessary to implement and administer this subchapter.

13       SECTION 2. Subchapter [K](#), Chapter [171](#), Tax Code, as added by  
14 this Act, applies only to a report originally due on or after  
15 January 1, 2024.

16       SECTION 3. 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.