

By: Birdwell

S.B. No. 1688

A BILL TO BE ENTITLED

AN ACT

relating to requirements for a qualified business participating in the enterprise zone program during a certain period.

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

SECTION 1. 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 1, 2020, and ending December 31, 2021.

(b) Notwithstanding Section 2303.003(7)(C) or any other law, the requirement that an employee perform at least 50 percent of the person's service for the business at the qualified business site to be a "qualified employee" is waived for an annual certification or job retention period that includes the COVID relief period.

(c) A qualified business in compliance with this chapter before the COVID relief period that is eligible for a waiver under Subsection (b) may elect to withdraw its project or activity from designation as an enterprise project by December 31, 2023. A qualified business that withdraws its enterprise project designation under this subsection is considered eligible for any refund of state taxes under Section 2303.504 approved for the COVID relief period, notwithstanding the requirements for meeting the definition of a new permanent job under Section 2303.401(1)(C) or a

1 retained job under Section 2303.401(2)(C).

2 (d) This section expires December 31, 2030.

3 SECTION 2. Section 151.429, Tax Code, is amended by adding  
4 Subsection (g-1) to read as follows:

5 (g-1) The comptroller shall waive the requirements of  
6 Subsection (g) for a qualified business that did not meet the  
7 requirement that a qualified employee perform at least 50 percent  
8 of the person's service for the business at the qualified business  
9 site, as defined by Section 2303.003, at any time during the period  
10 beginning March 1, 2020, and ending December 31, 2021. This  
11 subsection expires December 31, 2030.

12 SECTION 3. Section 2303.499, Government Code, and Section  
13 151.429(g-1), Tax Code, as added by this Act, apply to any audit by  
14 the comptroller of whether an enterprise project is eligible for a  
15 tax refund under Section 151.429, Tax Code, that is not finally  
16 completed before the effective date of this Act.

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