

By: Eissler

H.B. No. 1438

A BILL TO BE ENTITLED

AN ACT

relating to franchise tax credits for certain investments.

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

SECTION 1. Section 171.752(a), Tax Code, is amended to read as follows:

(a) A corporation is eligible for a credit against the tax imposed under this chapter if the corporation:

(1) is a qualified business as defined in Section 171.751;

(2) creates a minimum of three ~~10~~ qualifying jobs; and

(3) pays an average weekly wage, for the year in which credits are claimed, of at least 110 percent of the county average weekly wage for the county where the qualifying jobs are located.

SECTION 2. Section 171.802(b), Tax Code, is amended to read as follows:

(b) To qualify for the credit authorized under this subchapter, a qualified business must:

(1) pay an average weekly wage, at the location with respect to which the credit is claimed, that is at least 110 percent of the county average weekly wage;

(2) offer coverage to all full-time employees at the location with respect to which the credit is claimed by a group health benefit plan, as defined by Section 171.751, for which the

1 business pays at least 80 percent of the premiums or other charges
2 assessed under the plan for the employees; and

3 (3) make a minimum \$10,000 [~~\$500,000~~] qualified
4 capital investment.

5 SECTION 3. Section 171.811, Tax Code, is repealed.

6 SECTION 4. (a) This Act takes effect January 1, 2004.

7 (b) A corporation that may claim a credit as a result of the
8 change in law made by this Act may claim the credit only for
9 expenses and payments incurred, qualified investments or
10 expenditures made, or new jobs created on or after the effective
11 date of this Act.

12 (c) The change in law made by this Act does not affect taxes
13 imposed before the effective date of this Act, and the law in effect
14 before the effective date of this Act is continued in effect for
15 purposes of the liability for and collection of those taxes.